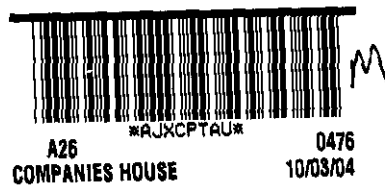


WESTERN MEDIA PUBLISHING LIMITED

Report and Financial Statements

28 September 2003



Deloitte & Touche LLP
Nottingham

REPORT AND FINANCIAL STATEMENTS 2003

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A R Goode (Chairman)
M D Lowe

SECRETARY

J A L Long

REGISTERED OFFICE

Temple Way
Bristol
BS99 7HD

SOLICITORS

Foot Anstey Sargent
The Foot & Bowden Building
21 Derry's Cross
Plymouth
Devon
PL1 2SW

BANKERS

National Westminster Bank plc
PO Box 34
15 Bishopsgate
London
EC2P 2AP

AUDITORS

Deloitte & Touche LLP
Nottingham

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 28 September 2003.

PRINCIPAL ACTIVITY

The principal activity of the company is the publishing of niche periodicals and has remained unchanged since last year.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future. The company entered into an agreement with PA News Limited to sell off Central Press Features, one of its operating units. The transaction was completed on 4 December 2002 and has resulted in the sale of approximately £300,000 in assets for a cash payment from PA News Limited of approximately £2,000,000. It is not anticipated that the company will trade in the future.

RESULTS AND DIVIDENDS

The profit after taxation for the financial year of the company amounted to £1,744,000 (2002: £167,000). The directors recommend that a dividend of £148.00 per share be paid (2002: £20.88 per share) leaving £499,000 (2002: £nil) to be transferred to reserves.

DIRECTORS

The names of the current directors of the company, all of whom held office throughout the year, are set out on page 1. In addition, E T Rayner resigned on 4 December 2002 and N D M Weston resigned on 4 June 2003.

DIRECTORS' INTERESTS

No director of the company had interests in the shares of any group companies at any time during the year.

No director of the company has or had a discloseable interest in any contract of significance existing during or at the end of the year.

EMPLOYEES

It is the responsibility of the management to encourage the involvement and participation of the employees in the company.

Management makes every effort to ensure regular contact and exchange of information with staff. It is the company's policy to give full and fair consideration to suitable applications from disabled persons for employment. Where employees become disabled in the course of their employment, they will continue to be employed, wherever practicable, in the same job or, if this is not practicable, every effort will be made to find suitable alternative employment and to provide appropriate training.

POLICY AND PRACTICE ON THE PAYMENT OF CREDITORS

The company's policy on supplier payments is to agree to terms of payment at the time of placing an order for goods or services. Unless different terms have been negotiated at the outset, the normal payment terms of the supplier will be accepted. The company makes every effort to abide by the terms agreed with each supplier.

For the year ended 28 September 2003, the average payment period for trade creditors was 21 days (2002: 33 days).

DIRECTORS' REPORT (continued)

AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A. Long

J A L Long
Secretary

29 January 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.*

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WESTERN MEDIA PUBLISHING LIMITED**

We have audited the financial statements of Western Media Publishing Limited for the year ended 28 September 2003, which comprise the profit and loss account, the balance sheet, reconciliation of movements in equity shareholders' deficit and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Chartered Accountants and
Registered Auditors
Nottingham

30 January 2004

PROFIT AND LOSS ACCOUNT
Year ended 28 September 2003

	Note	2003 £'000	2002 £'000
TURNOVER	2	<u>390</u>	<u>1,378</u>
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	51	221
Profit on disposal of business		1,721	-
Taxation on profit on ordinary activities	6	<u>(28)</u>	<u>(54)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,744	167
Dividends paid and proposed	7	<u>(1,245)</u>	<u>(167)</u>
RETAINED PROFIT FOR THE YEAR	14	<u>499</u>	<u>-</u>

All activities relate to discontinuing operations.

The company has no recognised gains and losses other than the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and the historical cost equivalents.

BALANCE SHEET
At 28 September 2003

	Note	2003		2002	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		-		153
Investments	9		-		2
			<u>-</u>		<u>155</u>
CURRENT ASSETS					
Debtors	10	2,081		277	
Cash at bank and in hand		-		80	
		<u>2,081</u>		<u>357</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(2,073)		(1,003)	
NET CURRENT ASSETS/(LIABILITIES)			8		(646)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8</u>		<u>(491)</u>
NET ASSETS/(LIABILITIES)			<u>8</u>		<u>(491)</u>
CAPITAL AND RESERVES					
Called up share capital	13		8		8
Profit and loss account	14		-		(499)
EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)			<u>8</u>		<u>(491)</u>

These financial statements were approved by the Board of Directors on 29 January 2004.

Signed on behalf of the Board of Directors


M-D Lowe
Director

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)

Year ended 28 September 2003

	2003 £'000	2002 £'000
Profit on ordinary activities after taxation	1,744	167
Dividends	(1,245)	(167)
Net decrease in equity shareholders' deficit	499	-
Opening equity shareholders' deficit	(491)	(491)
Closing equity shareholders' funds/deficit	8	(491)

NOTES TO THE ACCOUNTS
Year ended 28 September 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention.

The financial statements contain information about Western Media Publishing Limited as an individual company and do not contain consolidated financial information of the group. The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group is included by full consolidation in the consolidated financial statements of its ultimate United Kingdom parent, *Daily Mail and General Trust plc*, a company registered in England and Wales.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated to amortise the cost of tangible assets, less their estimated residual value, by equal annual instalments over their estimated useful lives as follows:

<i>Fixtures, equipment, and motor vehicles</i>	4 to 12 years
--	---------------

Investments

Investments are held at cost less amounts charged for any impairment in value.

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS
Year ended 28 September 2003

1. ACCOUNTING POLICIES (continued)

Pension costs

The company has taken advantage of the transitional arrangements of FRS17, Retirement Benefits, which permit the costs, accruals and prepayments recorded in the accounts to be reported under the requirements of SSAP 24, Accounting for Pension Costs. This is consistent with the basis adopted last year.

Thus, the cost of providing pensions is calculated using actuarial valuation methods, which reflect the long-term costs of providing pensions.

The amount charged to the profit and loss account is calculated so as to produce a substantially level percentage of the current and future pensionable payroll. Variations from the regular cost so calculated are allocated to the profit and loss account over the average remaining service lives of employees.

The additional disclosures required by FRS17 are shown in note 16.

Cash flow statement

The company is ultimately a wholly owned subsidiary of Daily Mail and General Trust plc and the cash flows of the company are included in the consolidated cash flows of Daily Mail and General Trust plc.

Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

2. TURNOVER

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied and is stated after the deduction of trade discounts.

Turnover consists entirely of sales made in the United Kingdom.

3. OPERATING PROFIT	2003		2002	
	£'000	£'000	£'000	£'000
Turnover		390		1,378
Staff costs	(254)		(861)	
Depreciation - owned assets	(42)		(57)	
Auditors' remuneration - audit fees	1		(1)	
Other operating charges	(44)		(238)	
		(339)		(1,157)
Operating profit		51		221

NOTES TO THE ACCOUNTS
Year ended 28 September 2003

4. EMPLOYEES

	2003	2002
	No.	No.
The average number of persons employed by the company by activity:		
Publishing	17	55
	<hr/>	<hr/>
Total staff costs comprised:	£'000	£'000
Wages and salaries	217	774
Social security costs	25	52
Pension costs	12	35
	<hr/>	<hr/>
	254	861
	<hr/>	<hr/>

Including directors except as disclosed in note 5.

5. DIRECTORS' EMOLUMENTS

	2003	2002
	£'000	£'000
The emoluments of the directors of the company were as follows:		
Aggregate emoluments (including benefits)	75	68
	<hr/>	<hr/>

Included within the aggregate emoluments figure above are £nil (2002: £nil) of performance related bonuses payable to certain directors by Northcliffe Newspapers Group Limited, the parent company.

Of the directors at 28 September 2003 who received emoluments during the year, retirement benefits are accruing to no directors under a defined benefit scheme (2002: one director).

The emoluments of A R Goode are paid by Bristol United Press plc and are excluded from the details above. It is not practicable to split his remuneration between the services provided to Bristol United Press plc and its subsidiary companies. His remuneration is fully disclosed in the accounts of Bristol United Press plc.

The emoluments of N D M Weston until date of resignation and M D Lowe were paid by Bristol Evening Post & Press Limited and are excluded from the details above. It is not practicable to split their remuneration between the services provided to Bristol Evening Post Limited & Press and Western Media Publishing Limited. Their remuneration is fully disclosed in the accounts of Bristol Evening Post & Press Limited.

NOTES TO THE ACCOUNTS

Year ended 28 September 2003

6.	TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2003 £'000	2002 £'000
	Corporation tax		
	Corporation tax charge for the year	19	61
	Underprovision from previous year	7	-
		<u>26</u>	<u>61</u>
	Deferred tax		
	Timing differences origination and reversal	2	(7)
		<u>28</u>	<u>54</u>
	Taxation on profit on ordinary activities		
		<u>28</u>	<u>54</u>

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2002: 30%). The current tax charge for the year is less than 30% (2002: is less than 30%) for the reasons set out in the following reconciliation:

	£'000	£'000
Profit on ordinary activities before taxation	<u>1,772</u>	<u>221</u>
	£'000	£'000
Taxation on profit on ordinary activities at standard rate	532	66
Factors affecting the charge:		
Disallowed expenses	2	-
Capital allowances timing differences	2	(5)
Profit on disposal of subsidiary	(517)	-
Underprovision from previous year	7	-
	<u>26</u>	<u>61</u>

The company is not currently aware of any factors other than the above timing differences that may materially affect the future tax charge.

7.	DIVIDENDS	2003 £'000	2002 £'000
	Dividends on equity shares		
	Ordinary proposed of £148.20 (2002: £20.88) per share	<u>1,245</u>	<u>167</u>

NOTES TO THE ACCOUNTS
Year ended 28 September 2003

8. TANGIBLE FIXED ASSETS

	Fixtures, equipment, and motor vehicles £'000
Cost	
At 30 September 2002	482
Disposals	(167)
Group transfers	(315)
	<hr/>
At 28 September 2003	-
	<hr/>
Accumulated depreciation	
At 30 September 2002	329
Charge for the year	42
Disposals	(122)
Group transfers	(249)
	<hr/>
At 28 September 2003	-
	<hr/>
Net book value	
At 28 September 2003	-
	<hr/> <hr/>
At 29 September 2002	153
	<hr/> <hr/>

9. FIXED ASSET INVESTMENTS

	Interest in subsidiaries £'000
Net book value	
At 30 September 2002	2
Disposals	(2)
	<hr/>
At 28 September 2003	-
	<hr/> <hr/>

NOTES TO THE ACCOUNTS

Year ended 28 September 2003

10. DEBTORS	2003 £'000	2002 £'000
Trade debtors	-	200
Corporation tax refund	56	-
Deferred tax asset	-	11
Amounts owed by group undertakings	2,025	53
Prepayments and accrued income	-	13
	<u>2,081</u>	<u>277</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2003 £'000	2002 £'000
Amounts owed to group undertakings	828	660
Corporation tax payable	-	68
Accruals and deferred income	-	108
Dividends payable	1,245	167
	<u>2,073</u>	<u>1,003</u>

The company's purchase ledger function is operated by a fellow Northcliffe Newspapers Group Limited subsidiary.

12. DEFERRED TAXATION	£'000
At 30 September 2002	(11)
Movement during the year (note 6)	2
Group transfer	9
	<u>-</u>
At 28 September 2003	-

The deferred taxation asset provided in the financial statements is analysed as follows:

	2003 £'000	2002 £'000
Other timing differences	-	(11)
	<u>-</u>	<u>-</u>

There is no unprovided deferred taxation.

A deferred tax asset of £nil has been recognised at 28 September 2003 (2002: £11,000). This asset related to other timing differences.

NOTES TO THE ACCOUNTS
Year ended 28 September 2003

13. CALLED UP SHARE CAPITAL	2003	2002
	£'000	£'000
Authorised		
15,000 Ordinary shares of £1 each	15	15
	<hr/>	<hr/>
	£'000	£'000
Allotted, called up and fully paid		
8,401 Ordinary shares of £1 each	8	8
	<hr/>	<hr/>
14. PROFIT AND LOSS ACCOUNT		£'000
At 30 September 2002		(499)
Retained profit for the year		499
		<hr/>
At 28 September 2003		-
		<hr/>
15. CONTINGENT LIABILITIES		
<p>The company, as part of an interest set-off arrangement, has guaranteed the overdraft facilities of a number of fellow subsidiaries of the Daily Mail and General Trust plc group. The maximum liability under the guarantee is limited to the credit balances on those bank accounts, which are part of the interest set-off arrangement together with the proceeds of any items in the course of collection for the credit of such bank accounts. At 28 September 2003 the potential liability was £nil (2002: £89,000).</p>		

NOTES TO THE ACCOUNTS
Year ended 28 September 2003

16. PENSION ARRANGEMENTS

BUP Pension Fund

The company operates pension schemes under which contributions are paid by the employer and employees.

The schemes are defined benefit arrangements, providing service-related benefits based on final pensionable salary. The assets of the scheme are held independently from the company's finances and are administered by the trustees. Pension costs are assessed on the advice of an independent qualified actuary following triennial valuations using the projected unit method.

The most recent actuarial valuation of the defined benefit scheme as at 5 April 2002 showed that the market value of the scheme's assets was £60.2m. Using the Projected Unit Valuation Method there was surplus at the valuation date amounting to 105% of the benefits that had accrued to members after allowing for expected future increases in earnings. This surplus is being used to enhance pension benefits. The following actuarial assumptions were made in the Projected Unit Valuation Method.

Investment returns	n/a
Salary growth	4.3% per annum
Discount rate	6.5% per annum
Price inflation	2.5% per annum

The actuarial valuation above has been updated to 28 September 2003, based upon the following assumptions:

Investment returns	7.4% per annum
Salary growth	4.4% per annum
Discount rate	5.4% per annum
Price inflation	2.5% per annum

Fair value of the fund assets as of 28 September 2003, are as follows:

	Fair value BUP pension fund £'000
Managed Funds	
Equity	52,181
Bonds	7,281
Other assets	2,697
Property	1,860
Total fair value of assets at 28 September 2003	64,019

The pension charge for the year ended 28 September 2003 was £12,000 (2002: £32,000), which includes a reduction in respect of amortisation of experience surpluses that are being recognised over 15 years, the average remaining service lives of employees.

NOTES TO THE ACCOUNTS

Year ended 28 September 2003

16. PENSION ARRANGEMENTS (continued)

With effect from 1 July 2002, the BUP Pension Fund was closed. All current fund members at that time, whether employees or pensioners, will remain in the BUP Pension Fund with their pension entitlements fully protected. In addition employees under the age of 18 at that time, who were awaiting membership, may join the BUP Pension Fund when they reach the age of 18. With effect from 1 July 2002, new employees will join Daily Mail and General Trust plc's Harmsworth Pension Scheme. The disclosure below, with respect to FRS17, relates to both the BUP and Harmsworth schemes.

Harmsworth Pension Scheme

The company operates pension schemes under which contributions are paid by the employer and employees.

The schemes are defined benefit arrangements, providing service-related benefits based on final pensionable salary. The assets of the scheme are held independently from the company's finances and are administered by trustee companies. Pension costs are assessed on the advice of an independent qualified actuary following triennial valuations using the projected unit method.

A valuation of the schemes was carried out as at 31 March 2002. The assumptions having the most significant effect on the results of the valuations are shown in the following table:

Price inflation	2.5% per annum
Salary increases	4.3% per annum
Pension increases	2.5% per annum
Investment return	6.75% per annum
Dividend growth	3.5% per annum

The contribution rate paid by employees in the principal scheme is 5% of pensionable salaries and the company's cash contribution is 12% of pensionable salaries.

The surplus identified from the last valuation of the principal scheme is amortised over a year of 11 years using the straight line method.

An interim valuation of the scheme at 31 March 2003, determined that the market value of the assets of the scheme was £287.8 million and the actuarial value of the assets was sufficient to cover 102% of the benefits that had accrued to members after allowing for expected future increases in earnings.

Although the principal schemes were in surplus on the normal funding basis, in anticipation of the results of the next full valuation in 2004, the Company has agreed with the Trustees that its cash contribution rate should be increased from 12% to 15% of pensionable salaries from 1 October 2003.

The next valuation of the pension schemes will be carried out as at 31 March 2004.

The pension charge for the company for the year ended 28 September 2003 was £nil (2002: £3,000).

NOTES TO THE ACCOUNTS
Year ended 28 September 2003

16. PENSION ARRANGEMENTS (continued)

FRS 17

As permitted by the transitional arrangements of FRS 17, the costs, accruals and prepayments recorded in the financial statements continue to be reported in accordance with the requirements of SSAP 24 "Accounting for Pension Costs". The Company is unable to identify its share of the underlying assets and liabilities in the defined benefit scheme since the scheme includes members from other companies within the Daily Mail and General Trust plc group. Under FRS 17 the scheme will therefore be accounted for as a defined contribution scheme by the company. Full disclosures in relation to the scheme are given in the accounts of the Daily Mail and General Trust plc group.

The effect of UITF 6, *'Accounting for post-retirement benefits other than pensions'*, is not material.

Stakeholder Pensions

The Company provides access to a stakeholder pension plan for relevant employees who are not eligible for other pension schemes operated by the Group.

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS8 Related Party Disclosures not to disclose related party transactions between companies which are 90% owned by the ultimate parent company.

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is 100% owned by Bristol Evening Post & Press Limited.

The directors regard the ultimate parent company as Rothermere Continuation Limited, a company incorporated in Bermuda. The ultimate controlling party is The Viscount Rothermere, the Chairman of Daily Mail and General Trust plc.

The largest and smallest group of which the company is a member and for which group accounts are drawn up is that of Daily Mail and General Trust plc, registered in England and Wales. Copies of the report and accounts are available from:

The Company Secretary
Daily Mail and General Trust plc
Northcliffe House
2 Derry Street
Kensington
London
W8 5TT