

DONCASTER NEWSPAPERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended

31 DECEMBER 1997



DONCASTER NEWSPAPERS LIMITED

DIRECTORS' REPORT

For the year ended 31 DECEMBER 1997

The directors present their report and the financial statements of the Company for the year ended December 1997.

ACTIVITIES

During the year the Company did not trade, incurred no liabilities and consequently, made neither profit nor loss. No changes in the Company's activities are expected in the foreseeable future. The directors do not recommend payment of a dividend (1996 : £nil).

POST BALANCE SHEET EVENTS

On 27 February 1998 the Company along with its intermediary parent company, UPN Holdings Limited and all its fellow subsidiary undertakings were acquired by YPG Holdings Limited, a new company backed by a group of financial institutions comprising Candover Partners Limited, Goldman Sachs International and Alpinvest.

DIRECTORS AND DIRECTORS' INTERESTS

The following persons were directors of the company during the period 1 January 1997 to 20 March 1998.

S A Auckland	(appointed 26 February 1998)
S C Laverick	(appointed 26 February 1998)
Crosswell Nominees Limited	(resigned 26 February 1998)
UNM Investments Limited	(resigned 26 February 1998)

DIRECTORS' RESPONSIBILITIES

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 and of the profit and loss for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONCASTER NEWSPAPERS LIMITED

DIRECTORS' REPORT (continued)

For the year ended 31 DECEMBER 1997

DIRECTORS' SHARE INTERESTS

The Company's ultimate parent company at 31 December 1997 was United News and Media plc. No director at 31 December 1997, had any interest in the shares of the ultimate holding company, the company nor in any fellow subsidiary undertaking.

AUDITORS


The Company has exercised its entitlement under Section 250 Companies Act 1985 (as amended) to dispense with the requirement to appoint auditors.

LAYING OF REPORTS AND ACCOUNTS

The Company has passed an elective resolution dispensing with the requirement to lay reports and accounts before the Company in general meeting.

Under the provisions of Section 253(2) of the Companies Act 1985 (as amended), a member has the right to require the reports and accounts to be laid before the company in general meeting. The member must deposit notice of intention to exercise such right at the registered office of the company within twenty eight days of the date of this report.

By order of the board



Director

20.2.98
Date

DONCASTER NEWSPAPERS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1997

	Note	1997 £	1996 £
DEBTORS: amounts falling due after more than one year			
Amounts owed by group undertakings		762,497	762,497
CREDITORS: amounts falling due after more than one year			
Amounts owed to group undertakings		(1,566,736)	(1,566,736)
TOTAL ASSETS LESS LIABILITIES		<u>(804,239)</u>	<u>(804,239)</u>
CAPITAL AND RESERVES			
Called up share capital	3	100,000	100,000
Share Premium	4	60,000	60,000
Other Reserves	4	749	749
Profit and loss account	4	(964,988)	(964,988)
Shareholders' funds - all equity		<u>(804,239)</u>	<u>(804,239)</u>

The Company was dormant within the meaning of Section 250 Companies Act 1985 (as amended) throughout the year ended 31 December 1997

The financial statements on pages 4 to 7 were approved by the board of directors on 20 March 1998 and were signed on its behalf by


Director

Date 20.3.98

DONCASTER NEWSPAPERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 1997

1. ACCOUNTING POLICIES

a. Basis of accounting

The financial statements have been prepared under the historical cost accounting convention and in accordance with applicable accounting standards.

2. DIRECTORS' EMOLUMENTS AND INTERESTS

None of the directors received any emoluments in respect of their services to the company during the year (1996:£nil).

3. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised:		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid :		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

4. RESERVES

	Share Premium £	Other Reserves £	Profit & Loss Account £
As at 1 January 1997	60,000	749	(964,988)
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December 1997	<u>60,000</u>	<u>749</u>	<u>(964,988)</u>

5. POST BALANCE SHEET EVENTS

On 27 February 1998 the Company along with its intermediary parent company, UPN Holdings Limited and all its fellow subsidiary undertakings were acquired by YPG Holdings Limited, a new company backed by a group of financial institutions comprising Candover Partners Limited, Goldman Sachs International and Alpinvest.

6. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party at 31 December 1997 was United News & Media plc, which is registered in England. Copies of the financial statements of United News & Media plc may be obtained from the Company Secretary at Ludgate House, 245 Blackfriars Road, London SE1 9UY.

On 27 February 1998, as explained in the Directors' report on page 3, the ultimate parent company and controlling party became YPG Holdings Limited whose registered office is MACFARLANES, 10 Norwich Street, London, EC4A 1BD.