

Registered Number: 1513261

LEEDS WEEKLY NEWS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001



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LEEDS WEEKLY NEWS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

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LEEDS WEEKLY NEWS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity remained unchanged throughout the year and continues to be the publication of a free weekly newspaper. The results for the year are set out in the profit and loss account on page 5.

REVIEW OF BUSINESS

Despite the increasingly competitive market, the directors consider the trading results and financial position to be satisfactory. The directors view the future with confidence.

DIVIDENDS

The directors do not recommend the payment of a dividend (2000:£nil).

DIRECTORS

The following directors held office during the year:

C J Oakley

S A Auckland (resigned 15 October 2001)

S C Laverick

M Hutchby (appointed 1 July 2001)

DIRECTORS' SHARE INTERESTS

No director had any interest in the share capital of the company during the year. The interests of C J Oakley and S C Laverick in the share capital of other group companies is disclosed in the financial statements of Regional Independent Media Holdings Limited, the Company's ultimate parent company, and those of M Hutchby in the financial statements of Yorkshire Post Newspapers Limited.

EMPLOYEE INVOLVEMENT

The Board of directors recognises the value of communication with employees at all levels. Communication with all employees continues through an in-house newspaper and other ad hoc communications. The aim is to ensure that all employees are aware of decisions which affect their interests and the financial and economic performance of the group.

LEEDS WEEKLY NEWS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2001

(continued)

DISABLED PEOPLE

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

BY ORDER OF THE BOARD



Director

Date

28 March 2002

LEEDS WEEKLY NEWS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 7 under Note 1 'Accounting Policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure 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.

BY ORDER OF THE BOARD



Director

Date

28 March 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEEDS WEEKLY NEWS LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board.

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 to you 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 is not disclosed.

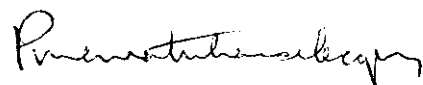
BASIS OF AUDIT OPINION

We conducted our audit in accordance with 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 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Leeds

Date **28 March 2002**

LEEDS WEEKLY NEWS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	NOTE	2001 £'000	2000 £'000
Turnover	2	5,493	3,630
Net operating costs	3	(4,341)	(2,614)
Operating profit and profit on ordinary activities before taxation		1,152	1,016
Taxation on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation		1,152	1,016
Dividends	6	-	-
Retained profit for the year	12	1,152	1,016

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

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

All of the trading during the year related to continuing operations.

LEEDS WEEKLY NEWS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2001

	NOTE	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible fixed assets	7	14	19
CURRENT ASSETS			
Debtors	8	15,229	9,851
CREDITORS			
Amounts falling due within one year	9	(10,614)	(6,393)
NET CURRENT ASSETS		4,615	3,458
TOTAL ASSETS LESS CURRENT LIABILITIES		4,629	3,477
PROVISIONS FOR LIABILITIES AND CHARGES	10	(1)	(1)
NET ASSETS		4,628	3,476
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Profit and loss account	12	4,628	3,476
Equity shareholders' funds	13	4,628	3,476

The financial statements on pages 5 to 13 were approved by the Board of Directors and were signed on its behalf by:



Director

28 March 2002

LEEDS WEEKLY NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2001

1. ACCOUNTING POLICIES

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. A summary of the more important Company accounting policies is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year.

(a) Accounting Policies

The Company has adopted FRS 19 'Deferred Tax' in these financial statements. The adoption of the standard represents a change in accounting policy but has not given rise to any changes in comparative figures, therefore no restatement is required.

FRS 18 'Accounting Policies' has been adopted in the current year. The directors have reviewed the appropriateness of the Company's accounting policies and concluded that no changes need to be made.

The Company has adopted the transitional arrangements of FRS 17 'Retirement Benefits' in these financial statements.

(b) Basis of Accounting

The Company is a wholly-owned subsidiary of Regional Independent Media Holdings Limited and is included in the consolidated financial statements of Regional Independent Media Holdings Limited. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Regional Independent Media Holdings Limited group.

(c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition. Freehold land and tangible fixed assets not commissioned into use are not depreciated. Depreciation is provided on a straight line basis on all other fixed assets at rates calculated to write off the cost or valuation over their useful lives. The principal rates employed are:

Plant and machinery	10 years
Motor vehicles	5 years
Fixtures and fittings	10 years
Computer equipment	5 years

(d) Turnover and revenue recognition

Turnover, which excludes value added tax, comprises revenue earned from advertising and is recognised on the date of publication.

LEEDS WEEKLY NEWS LIMITED
NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2001

1. ACCOUNTING POLICIES (continued)

(e) Taxation

The charge for taxation is based on the result for the period. In accordance with FRS19, deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

(f) Pension Costs

Pension costs for the Company's defined benefit scheme are accounted for on the basis of charging the expected cost of providing pensions over the period during which the Company benefits from the employees' services. The effects of variations from regular costs are spread over the expected average remaining service lives of members of the scheme.

The cost of contributions to the Company's money purchase pension scheme is charged to the profit and loss account when incurred.

2. TURNOVER

Turnover consists entirely of sales made in the United Kingdom.

3. NET OPERATING COSTS

	2001 £'000	2000 £'000
Continuing Operations:		
Raw materials and charges	2	4
Other external charges	3,239	1,869
Employment costs	1,095	735
Loss on sale of tangible fixed assets	1	-
Depreciation of tangible fixed assets	4	6
	4,341	2,614

All fees payable to PricewaterhouseCoopers, the Company's auditors, were incurred by a fellow subsidiary in 2001 and 2000. Consequently, no fees are disclosed.

LEEDS WEEKLY NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2001

4. EMPLOYEES AND DIRECTORS

(a) Employee Information

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2001	2000
By activity:		
Selling and distribution	43	27
Administration	9	6
	52	33

Employment costs for the above persons were:

	2001 £'000	2000 £'000
Wages and salaries	976	650
Social Security costs	90	67
Pension costs	29	18
	1,095	735

(b) Pensions

The Company participates in pension arrangements provided on a group basis.

In accordance with FRS17, as the Company is unable to identify its share of the underlying assets and liabilities the company has accounted for the contributions to the scheme as if they were a defined contribution scheme. The detailed disclosures required by FRS 17 have been included within the financial statements of the ultimate parent company, Regional Independent Media Holdings Limited.

(c) Directors' Emoluments

No director received, nor was due, any emoluments during the year, nor during the previous year.

The emoluments of the directors are paid by other Group companies. There is no recharge made for the services of these directors. It is not possible to make an accurate apportionment of the emoluments in respect of each subsidiary undertaking.

LEEDS WEEKLY NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2001

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £'000	2000 £'000
UK corporation tax at 30% (2000: 30%)		
Current	349	307
Group relief	(349)	(307)
	-	-
Reconciliation of tax credit	2001 £'000	2000 £'000
Profit before taxation	1,152	1,016
Tax at 30% (2000: 30%)	346	305
Permanent differences	3	2
Group relief	(349)	(307)
Tax for current year	-	-

6. DIVIDENDS

Final dividend proposed of £nil (2000: £nil).

7. TANGIBLE FIXED ASSETS

	Plant & Machinery, Motor Vehicles and Fixtures & Fittings £'000
Costs	
At 1 January 2001	54
Additions	3
Disposals	(10)
At 31 December 2001	47
Depreciation	
At 1 January 2001	35
Charge for year	4
Disposals	(6)
At 31 December 2001	33
Net Book Value	
At 31 December 2001	14
At 31 December 2000	19

LEEDS WEEKLY NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2001

8. DEBTORS

	2001 £'000	2000 £'000
Amounts falling due within one year		
Amounts owed by Group undertakings	15,229	9,851

9. CREDITORS

	2001 £'000	2000 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	10,601	6,365
Accruals and deferred income	13	28
	10,614	6,393

10. PROVISION FOR LIABILITIES AND CHARGES

The movement on the provision for deferred taxation is as follows:

	Deferred Taxation £'000
At 1 January 2001	1
Transferred to profit and loss account	-
At 31 December 2001	1

Deferred taxation provided in the financial statements and the amount unprovided of the total potential liability are as follows:

	Amount Provided	
	2001 £'000	2000 £'000
Tax effect of timing differences due to:		
Excess of capital allowances over depreciation	1	1

LEEDS WEEKLY NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2001

11. SHARE CAPITAL

	2001 £	2000 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

12. RESERVES

	Profit & Loss Account £'000
At 1 January 2001	3,476
Retained profit for the year	1,152
At 31 December 2001	4,628

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £'000	2000 £'000
Retained profit for the year	1,152	1,016
Opening shareholders' funds	3,476	2,460
Closing shareholders' funds	4,628	3,476

14. CONTINGENT LIABILITIES

The Company is party to a cross guarantee given by all subsidiary undertakings of Regional Independent Media Holdings Limited as security for the Group's banking facilities.

15. POST BALANCE SHEET EVENT

On 12 March 2002 it was announced that Johnston Press plc had made an offer for the entire share capital of Regional Independent Media Holdings Ltd, the Company's ultimate parent company. The offer is subject to the approval of Johnston Press plc's shareholders on 11 April 2002.

LEEDS WEEKLY NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2001

16. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Regional Independent Newspapers Limited which is registered in England.

The ultimate parent company and controlling party at 31 December 2001 was Regional Independent Media Holdings Limited, which is registered in England. Copies of the financial statements of Regional Independent Newspapers Limited and Regional Independent Media Holdings Limited may be obtained from the Company Secretary, P O Box 168, Wellington Street, Leeds, LS1 1RF.

LEEDS WEEKLY NEWS LIMITED

ADVISERS

Auditors

PricewaterhouseCoopers
Benson House
33 Wellington Street
Leeds
LS1 4JP

Solicitors

MacFarlanes	Cleary Gottlieb Steen &	Addleshaw Booth	Hammond
10 Norwich	Hamilton	& Co	Suddards
Street	Level 5 City Place House	Sovereign House	2 Park Lane
London	55 Basinghall Street	South Parade	Leeds
EC3N 1QN	London EC2V 5EH	Leeds LS1 2RP	LS3 1ES

Bankers

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