

**Company Registration No. 1513261**

**LEEDS WEEKLY NEWS LIMITED**

**Report and Financial Statements**

**31 December 2003**

**Deloitte & Touche LLP  
Edinburgh**



# **LEEDS WEEKLY NEWS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2003**

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# **LEEDS WEEKLY NEWS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2003**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Mr M Hutchby  
Mr S R Paterson  
Mr T J Bowdler

#### **SECRETARY**

Mr P R Cooper

#### **REGISTERED OFFICE**

PO Box 168  
Wellington Street  
Leeds  
LS1 1RF

#### **BANKERS**

Lloyds TSB Bank Plc  
City Office  
72 Lombard Street  
London  
EC3P 3BT

#### **SOLICITORS**

Addleshaw Booth & Co	Hammond Suddards
Sovereign House	2 Park Lane
South Parade	Leeds
Leeds	LS3 1ES
LS1 2RP	

#### **AUDITORS**

Deloitte & Touche LLP  
Edinburgh

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

### **ACTIVITIES AND REVIEW OF DEVELOPMENTS**

The principal activity throughout the prior year was the publication of a free weekly newspaper.

With effect from 1 January 2003, the assets and liabilities of the company were transferred to Johnston Publishing Limited. The company has not traded from that date and the directors expect this to continue. The company also became a wholly owned subsidiary of Johnston Publishing Limited on 1 January 2003.

The results for the year are set out in the profit and loss account on page 6.

### **DIVIDENDS**

During the year a dividend was paid amounting to £nil (2002 - £2,000,000).

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were as follows:

M Hutchby  
S R Paterson  
T J Bowdler

None of the directors held any beneficial interest in the share capital of the company at any time during the year.

The interests of those directors who are also directors of the ultimate parent company, Johnston Press plc, in the shares of the ultimate parent company are shown in that company's accounts.

The remaining director's interests in the shares of the ultimate parent company are as follows:

	Ordinary shares of 10p each			
	2003 Shares Number	2003 Options Number	2002 Shares Number	2002 Options Number
M Hutchby	-	13,568	-	-

The above options are exercisable as follows:

	Number	Option price	Date exercisable from	Expiry date
M Hutchby	13,568	368.50p	13 January 2006	12 January 2013

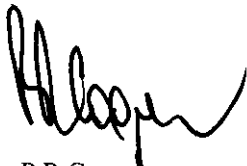
# LEEDS WEEKLY NEWS LIMITED

## 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 by order of the Board



P R Cooper

Secretary

25 April 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 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.

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

We have audited the financial statements of Leeds Weekly News Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Edinburgh

4 May 2004

# LEEDS WEEKLY NEWS LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Turnover	1	-	5,390
Cost of sales		-	(2,400)
Gross profit		-	2,990
Distribution costs		-	(1,000)
Administrative expenses		-	(345)
Operating profit on ordinary activities before taxation	2	-	1,645
Tax on profit on ordinary activities	4	-	-
Profit for the financial year		-	1,645
Dividends paid	5	-	(2,000)
Retained loss for the year		-	(355)
Retained profit brought forward		4,273	4,628
Retained profit carried forward		4,273	4,273

There have been no recognised gains or losses attributable to the shareholders other than the result for the current and preceding financial year and, accordingly, no statement of total recognised gains and losses is shown.

All of the trading during the current and preceding year related to discontinued operations.



# LEEDS WEEKLY NEWS LIMITED

## BALANCE SHEET 31 December 2003

	Note	2003 £'000	2002 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	-	11
<b>CURRENT ASSETS</b>			
Debtors	7	4,273	4,298
<b>CREDITORS:</b> Amounts falling due within one year	8	-	(35)
<b>NET CURRENT ASSETS</b>		4,273	4,263
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,273	4,274
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	9	-	(1)
<b>NET ASSETS</b>		4,273	4,273
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	-	-
Profit and loss account		4,273	4,273
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	11	4,273	4,273

These financial statements were approved by the Board of Directors on 25 April 2004.

Signed on behalf of the Board of Directors



S R Paterson  
Director

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2003**

**1. ACCOUNTING POLICIES**

A summary of the accounting policies all of which have been applied consistently throughout the current and preceding year is set out below.

**(a) Basis of accounting**

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

The company is a wholly-owned subsidiary of Johnston Press plc and is included in the consolidated financial statements of Johnston Press plc. The company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of Johnston Press plc.

**(b) Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

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

**(c) Turnover and revenue recognition**

With effect from January 2003, the trade and assets of the company were transferred to Johnston Publishing Limited and the company ceased to trade from that date.

In previous years, turnover, which excluded value added tax, comprised revenue earned from newspaper sales and advertising.

**(d) Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2003

## 1. ACCOUNTING POLICIES (CONTINUED)

## (e) 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 cost are spread over the expected average remaining service lives of active members of the scheme.

The cost of contributions to the company's money purchase pension scheme is charged to the profit and loss account as incurred. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## 2. OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2003 £'000	2002 £'000
Staff costs (note 3)	-	997
Depreciation of tangible fixed assets	-	3
	<u>-</u>	<u>3</u>

All fees payable to the company's auditors were incurred by a fellow subsidiary in 2003 and 2002 and consequently no fees are disclosed.

## 3. EMPLOYEES AND DIRECTORS

## a) Employee information

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

	2003 Number	2002 Number
Selling and distribution	-	36
Administration	-	10
	<u>-</u>	<u>46</u>

Employment costs for the above people were:

	2003 £'000	2002 £'000
Wages and salaries	-	897
Social security costs	-	74
Other pension costs	-	26
	<u>-</u>	<u>997</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2003

## 3. EMPLOYEES AND DIRECTORS (CONTINUED)

## b) Pensions

The company participates in the Regional Independent Media Pension Plan. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

Contributions to the scheme for the period were £nil (2002 - £26,000) and the agreed contribution rate for the next 2 years is 19.0%.

An updated valuation of the scheme at 31 December 2003 indicated that the scheme was 76% funded under FRS17.

## c) Directors' emoluments

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

## 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £'000	2002 £'000
UK corporation tax at 30% (2002: 30%)		
Current	-	494
Group relief	-	(494)
	<hr/>	<hr/>
Total tax charge for the year	-	-
	<hr/>	<hr/>

	2003 £'000	2002 £'000
<b>Reconciliation of tax</b>		
Profit on ordinary activities before taxation	-	1,645
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2002: 30%)	-	494
<i>Effects of:</i>		
Group relief	-	(494)
	<hr/>	<hr/>
Total tax charge for the year	-	-
	<hr/>	<hr/>

## 5. DIVIDENDS PAID

	2003 £'000	2002 £'000
Dividends paid of £nil per ordinary share (2002: £20,000)	-	2,000
	<hr/>	<hr/>

# LEEDS WEEKLY NEWS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2003

### 6. TANGIBLE FIXED ASSETS

	Plant & Machinery, Motor Vehicles and Fixtures & Fittings
<b>Cost</b>	
At 1 January 2003	47
Transferred to other group undertaking	(47)
	<hr/>
At 31 December 2003	-
	<hr/>
<b>Depreciation</b>	
At 1 January 2003	36
Transferred to other group undertaking	(36)
	<hr/>
At 31 December 2003	-
	<hr/>
<b>Net Book Value</b>	
At 31 December 2003	-
	<hr/>
At 31 December 2002	11
	<hr/>

### 7. DEBTORS

	2003 £'000	2002 £'000
Other debtors	-	2
Amounts owed by group undertakings	4,273	4,296
	<hr/>	<hr/>
	4,273	4,298
	<hr/>	<hr/>

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £'000	2002 £'000
Amounts owed to group undertakings	-	1
Accruals and deferred income	-	24
Social security and other taxes	-	10
	<hr/>	<hr/>
	-	35
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2003**

**9. PROVISION FOR LIABILITIES AND CHARGES**

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

	2003 £'000
At 1 January 2003	1
Transferred to other group undertaking	(1)
	<hr/>
At 31 December 2003	-
	<hr/>

Deferred taxation provided in the financial statements is as follows:

	2003 £'000	2002 £'000
<b>Tax effect of timing differences due to:</b>		
Excess of capital allowances over depreciation	-	(1)
	<hr/>	<hr/>

**10. CALLED-UP SHARE CAPITAL**

	2003 £	2002 £
<b>Authorised, allotted, called-up and fully paid:</b>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2003 £'000	2002 £'000
Profit for the financial year	-	1,645
Dividends paid	-	(2,000)
	<hr/>	<hr/>
Net movement in shareholders' funds	-	(355)
Opening shareholders' funds	4,273	4,628
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>4,273</b>	<b>4,273</b>
	<hr/>	<hr/>

**12. ULTIMATE PARENT COMPANY**

The immediate parent company is Johnston Publishing Limited.

The ultimate parent company is Johnston Press plc.

The only group in which the results of the company are consolidated is that headed by Johnston Press plc. The financial statements of Johnston Press plc are available to the public and may be obtained from Johnston Press plc, 53 Manor Place, Edinburgh, EH3 7EG.