

1684494

THOMSON REGIONAL NEWSPAPERS (ENGLAND) LIMITED

**DIRECTORS' REPORT AND ACCOUNTS
31 DECEMBER 1996**



THOMSON REGIONAL NEWSPAPERS (ENGLAND) LIMITED

Registered Number: 1684494

DIRECTORS' REPORT

The directors present their report and statement of accounts of the company for the year ended 31 December 1996.

PRINCIPAL ACTIVITY

The company has not traded during the year.

RESULTS AND DIVIDENDS

The profit after tax for the financial year was £nil (1995 - £11,609,000). No dividends were paid during the year (1995 - £nil).

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies Act 1985 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 result for the financial year.

The directors consider that in preparing the financial statements on pages 4 to 7, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

DIRECTORS

The directors during the year were:

S M Garner	(Resigned 5 January 1996)
S J H Coles	(Appointed 23 January 1996)
T E Dyer	(Appointed 23 January 1996)
A Russell	(Appointed 23 January 1996)
M B James	(Resigned 4 April 1996)
D P McGregor	(Resigned 31 October 1996)

None of the directors had a beneficial interest in the shares of the company.

THOMSON REGIONAL NEWSPAPERS (ENGLAND) LIMITED

DIRECTORS' REPORT (Continued)

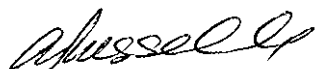
A Russell has a beneficial interest in the common shares of an intermediate parent company as detailed below:-

	31 December 1996	23 January 1996
Common shares of The Thomson Corporation and related common shares of The Thomson Corporation PLC	89	87

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to continue in office.

By Order of the Board



A. Russell

11 July 1997

THOMSON REGIONAL NEWSPAPERS (ENGLAND) LIMITED

AUDITORS' REPORT

To the members of Thomson Regional Newspapers (England) Limited.

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policy on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF 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 misstatements, 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 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants and
Registered Auditors

Southwark Towers
32 London Bridge Street
LONDON SE1 9SY

11 July 1997

THOMSON REGIONAL NEWSPAPERS (ENGLAND) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996**

	1996 £000	1995 £000
Dividends from subsidiary undertakings	<u>-</u>	<u>809</u>
Profit before exceptional item	-	809
Profit on sale of subsidiary	<u>-</u>	<u>10,800</u>
Profit on ordinary activities before and after taxation	-	11,609
Profit brought forward	<u>11,609</u>	<u>-</u>
Profit carried forward	<u>11,609</u>	<u>11,609</u>

No recognised gains or losses other than those in the profit and loss account were made during the year.

THOMSON REGIONAL NEWSPAPERS (ENGLAND) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1996

	Notes	1996 £000	1995 £000
Current assets			
Amount due from parent undertaking		11,609	809
Amount due from group undertakings		—	<u>10,800</u>
		<u>11,609</u>	<u>11,609</u>
Capital and reserves			
Equity			
Share capital	3	-	-
Profit and loss account		<u>11,609</u>	<u>11,609</u>
		<u>11,609</u>	<u>11,609</u>

Approved by the Board
and signed on its behalf



S J H Coles, Director

11 July 1997

THOMSON REGIONAL NEWSPAPERS (ENGLAND) LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £000	1995 £000
Shareholders' funds at 1 January	11,609	-
Retained profit for the financial year	<u>-</u>	<u>11,609</u>
Shareholders' funds at 31 December	<u>11,609</u>	<u>11,609</u>

THOMSON REGIONAL NEWSPAPERS (ENGLAND) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996

1. The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.
2. None of the directors received any emoluments in respect of their services to the company.
3. The authorised share capital of the company is 100 shares of £1 each of which 2 have been issued and fully paid.
4. The company is a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988. Within the meaning of the Companies Act 1985 Thomson Investments Limited ("TIL") is regarded by the directors of the company as being the company's ultimate parent company. Within the meaning of the said Act The Thomson Corporation ("TTC") is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member and Thomorg No. 1401 Limited ("1401") is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the company is a member. TIL and TTC are incorporated under the laws of the Province of Ontario, Canada. 1401 is incorporated in England and Wales.

Copies of the TTC and 1401 annual reports are available from First Floor, The Quadrangle, 180 Wardour Street, London W1A 4YG.