

NEWSQUEST (LEEDS) LIMITED
(formerly Newsquest Printing (Worcester) Limited)

Directors' Report and Financial Statements
for the 52 weeks ended 28 December 2003



NEWSQUEST (LEEDS) LIMITED
(formerly Newsquest Printing (Worcester) Limited)

REPORT AND FINANCIAL STATEMENTS 2003

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NEWSQUEST (LEEDS) LIMITED
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DIRECTORS REPORT

The directors present their report and the financial statements for the 52 weeks ended 28 December 2003.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The principal activity of the company during the period was publishing newspapers. The directors are satisfied with the performance of the company and expect this to continue in the future.

The company acquired the title The Bramley Advertiser on 31 January 2003 for consideration of £20,000.

On 3 February 2003 the company changed its name to Newsquest (Leeds) Limited.

RESULTS AND DIVIDENDS

The profit for the period after taxation was £4,000 (2002 - £nil).

No interim dividends were paid in the period (2002 - £nil) and the directors do not recommend the payment of a final dividend (2002 - £nil)

DIRECTORS

The directors who served during the period are listed below:

J T Brown (resigned 31 July 2003)
P Davidson
P Hunter
P A Radburn

None of the directors had any interest in the shares of the company.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Details of political and charitable contributions are contained in the accounts of Gannett U.K. Limited.

AUDITORS

The directors appointed PricewaterhouseCoopers LLP auditors for the period until the Annual General Meeting, a resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

This report was approved by the Board on 23 June 2004 and signed on its behalf.



N Carpenter
Secretary

NEWSQUEST (LEEDS) LIMITED
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STATEMENT OF 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 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 in the year. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 28 December 2003 and that applicable accounting standards have been followed.

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.

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INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF NEWSQUEST (LEEDS) 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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 28 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

23 June 2004

NEWSQUEST (LEEDS) LIMITED
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PROFIT AND LOSS ACCOUNT

For the period ended 28 December 2003 (note 1)

	Note	2003 £'000	2002 £'000
TURNOVER			
Continuing operations	1,2	-	-
Acquisitions	7	77	-
Cost of sales		(37)	-
GROSS PROFIT		40	-
Operating expenses	3	(36)	-
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Continuing operations		-	-
Acquisition	4	4	-
Tax charge on profit on ordinary activities	6	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION & RETAINED PROFIT FOR THE PERIOD	11	4	-

There were no recognised gains or losses for the period or the preceding period other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

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BALANCE SHEET
28 December 2003 (note 1)

	Note	£'000	2003 £'000	£'000	2002 £'000
FIXED ASSETS					
Intangible Assets	7		20		-
CURRENT ASSETS					
Debtors	8	1,041		1,041	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	9	(16)		-	
NET CURRENT ASSETS			1,025		1,041
NET ASSETS			1,045		1,041
CAPITAL AND RESERVES					
Called up share capital	10		-		-
Share premium account	11		750		750
Profit and loss account	11		295		291
SHAREHOLDERS' FUNDS - All equity			1,045		1,041

The financial statements on pages 4 to 9 were approved by the Board on 23 June 2004 and signed on its behalf.



P Hunter
Director

NEWSQUEST (LEEDS) LIMITED
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NOTES TO THE ACCOUNTS
52 weeks ended 28 December 2003

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

Accounting period

The profit and loss accounts cover the 52 weeks from 29 December 2002 to 28 December 2003 and the 52 weeks from 31 December 2001 to 29 December 2002. The balance sheets for 2003 and 2002 have been drawn up at 28 December 2003 and 29 December 2002 respectively.

Turnover

Turnover represents the invoiced value of sales, excluding Value Added Tax. Advertising revenues are recognised upon publication of the relevant newspaper. Circulation revenues, for paid-for newspapers, are recognised upon publication.

Intangible fixed assets

Internally developed intangibles are not carried on the balance sheet. Intangible fixed assets represent publishing rights, which are stated at fair value on acquisition. Intangible fixed assets are not subsequently revalued.

The directors believe that the company's publishing rights have an indefinite life. This is based on the history of the publishing rights, the vast majority of which have been profitably published for periods considerably in excess of 20 years; and that there is no evidence of any structural reduction in the value of local information that would lead the directors to believe that these publishing rights have ceased to have an indefinite life.

Intangible assets are reviewed for impairment annually, and provision is made for any impairment in value.

Deferred taxation

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date, calculated at the rate at which it is expected the tax will arise in accordance with FRS 19 "Deferred Tax". Deferred taxation balances are not discounted.

Cash flow statement

At 28 December 2003 the company was a wholly owned subsidiary and the consolidated financial statements in which the company is included are publicly available. Therefore, a cash flow statement is not required under Financial Reporting Standard 1 (revised).

2. TURNOVER

The whole of the turnover is attributable to the principal activity of the company, being the publishing of newspapers, and arises in the United Kingdom.

3. OPERATING EXPENSES

	2003	2002
	£'000	£'000
Administrative expenses	36	-

NEWSQUEST (LEEDS) LIMITED
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NOTES TO THE ACCOUNTS
52 weeks ended 28 December 2003

4. OPERATING PROFIT

The operating profit is stated after charging:

	2003 £'000	2002 £'000
Operating lease rentals:		
- land and buildings	3	-

Audit fees have been borne by another group company in the current and preceding periods.

5. STAFF COSTS

Staff costs were as follows:

	2003 £'000	2002 £'000
Wages and salaries	30	-
Social security costs	1	-
	31	-

The average monthly number of employees, including directors, during the period was 5 (2002 – 4).

There are also 23 (2002 – nil) people involved in distribution who work limited hours to deliver the company's products. The costs of these people are included in staff costs above.

Directors' remuneration in 2003 was £nil (2002 - £nil). All emoluments and pension payments made by related companies to directors are dealt with in the accounts of Newsquest Media Group Limited.

6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2003 £'000	2002 £'000
Analysis of (credit)/charge in the period:		
Current tax:		
UK Corporation tax at 30% (2002 – 30%)	-	-

The tax charge for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £'000	2002 £'000
Analysis of charge in the period:		
Profit on ordinary activities before taxation	4	-
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	1	
Expenses that may not qualify as deductible for tax purposes	1	-
Utilisation of tax losses	(2)	-
	-	-

Tax losses arising within the Gannett U.K. Limited group of companies are relieved amongst group companies. The principal factor that may affect tax charge in future periods is the basis on which tax losses are allocated within the group and the rate (if any) at which the company pays for those losses.

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NOTES TO THE ACCOUNTS
52 weeks ended 28 December 2003

7. INTANGIBLE ASSETS

Publishing rights and titles	£'000
Cost and net book value	
At 29 December 2002	-
Acquisitions	20
	<hr/>
At 28 December 2003	20
	<hr/>

On 31 January 2003 the company acquired the title The Bramley Advertiser for cash consideration of £20,000.

8. DEBTORS

	2003 £'000	2002 £'000
Due within one year		
Amounts owed by group undertakings	1,041	1,041
	<hr/>	<hr/>

9. CREDITORS

	2003 £'000	2002 £'000
Due within one year		
Amounts owed to group undertakings	16	-
	<hr/>	<hr/>

10. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
32 ordinary shares of £1 each	32	32
	<hr/>	<hr/>

11. RESERVES

	2003 £'000	2002 £'000
Share premium account		
At 28 December 2003 and 29 December 2002	750	750
	<hr/>	<hr/>
Profit and loss account reserve		
At 29 December 2002	291	291
Profit for the period	4	-
	<hr/>	<hr/>
At 28 December 2003	295	291
	<hr/>	<hr/>

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NOTES TO THE ACCOUNTS
52 weeks ended 28 December 2003

12. SHAREHOLDERS' FUNDS

	2003 £'000	2002 £'000
Profit for the financial period	4	-
Net additions to shareholders' funds	4	-
Opening shareholders' funds	1,041	1,041
Closing shareholders' funds	1,045	1,041

13. OTHER COMMITMENTS

At 28 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2003 £'000	2002 £'000
Expiry date		
Between two and five years	2	-

At 28 December 2003 the company had no annual capital commitments (2002 - £nil).

14. RELATED PARTIES

The company is a wholly owned subsidiary included in the consolidated financial statements of its ultimate parent company. These financial statements are publicly available, therefore, the company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosure of transactions with entities that are part of the group or investees of the group qualifying as related parties.

15. ULTIMATE PARENT COMPANY

The company's ultimate parent and controlling company is Gannett Co., Inc., a company incorporated in the United States of America. The controlling company of the Newsquest group of companies in the United Kingdom is Gannett U.K. Limited, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of Gannett Co., Inc. and Gannett U.K. Limited comprise respectively the largest and smallest groups of which the company is a member that prepare consolidated financial statements. The annual report and consolidated financial statements of Gannett Co., Inc. can be obtained from the Secretary, Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107. The annual report and consolidated financial statements of Gannett U.K. Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.