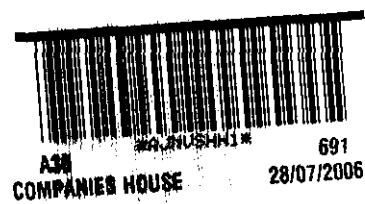


NORTH LONDON NEWS LIMITED

Registered Number: 3104246

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2005



NORTH LONDON NEWS LIMITED

Registered Number: 3104246

DIRECTORS

J O Ellison
J A Fry
A D Jeakings

SECRETARY

J O Ellison

REGISTERED OFFICE

Prospect House
Rouen Road
Norwich
NR1 1RE

NORTH LONDON NEWS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report together with the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company did not trade during the year.

DIRECTORS AND THEIR INTERESTS

The names of the directors who served during the year were as follows:

J O Ellison
J A Fry
A D Jeakings

None of the directors had an interest in the share capital of the company at any time during the year.

Mr J A Fry and Mr A D Jeakings were also directors of the holding company at 31 December 2005 and have declared their interests in the shares of the holding company in that company's financial statements.

Mr J O Ellison had the following interests in the shares of the holding company :

	31.12.2004	31.12.2005
Ordinary shares of 20p each	17,492	22,576

NORTH LONDON NEWS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing this report and the financial statements in accordance with applicable law and Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period 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. 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; and

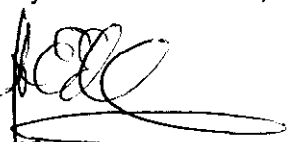
state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the financial statements comply with the above requirements.

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.

By order of the Board,



JO Ellison
Secretary
24 July 2006

NORTH LONDON NEWS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
OPERATING RESULT		-	-
Profit on closure of operations		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities	2	-	392
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	6	-	392

There are no recognised gains or losses for the period other than those included in the profit and loss account above.

The notes on pages 7 and 8 form part of these financial statements.

NORTH LONDON NEWS LIMITED**BALANCE SHEET AT 31 DECEMBER 2005**

	Note	2005 £	2004 £
CREDITORS			
Amounts falling due after more than one year	4	(760,919)	(760,919)
NET LIABILITIES		<u>(760,919)</u>	<u>(760,919)</u>
CAPITAL AND RESERVES			
Called up share capital	5	500,000	500,000
Profit and loss account	6	(1,260,919)	(1,260,919)
SHAREHOLDERS' DEFICIT	6	<u>(760,919)</u>	<u>(760,919)</u>

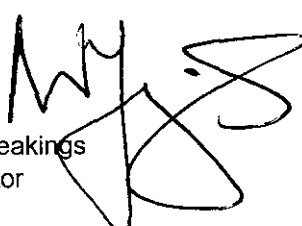
For the year ended 31 December 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its financial statements for the period in question in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for :

- a) Ensuring the company keeps accounting records which comply with section 221;
- b) Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial period in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 24 July 2006 and signed on their behalf by:


A D Jeakings
Director

The notes on pages 7 and 8 form part of these financial statements.

NORTH LONDON NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2005

1 ACCOUNTING POLICIES

Fundamental accounting concept

The financial statements have been prepared on the going concern concept as the ultimate parent undertaking has agreed to continuing financial support for the foreseeable future to enable the company to meet its obligations.

Basis of preparation

The financial statements are prepared under the historical cost convention and are drawn up in accordance with United Kingdom Generally Accepted Accounting Practice.

2 TAX ON PROFIT ON ORDINARY ACTIVITIES	2005	2004
	£	£
UK corporation tax charge		
Adjustment relating to previous years	-	(392)
	<u>-</u>	<u>(392)</u>
	<u>-</u>	<u>(392)</u>

Factors affecting current tax charge

The tax assessed is lower than the profit on ordinary activities for the year multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%), as a result of tax overprovided in previous years.

4 CREDITORS: Amounts falling due in more than one year	2005	2004
	£	£
Loan from parent company	760,919	760,919
	<u>760,919</u>	<u>760,919</u>
	<u>760,919</u>	<u>760,919</u>

5 CALLED UP SHARE CAPITAL	2005	2004
	£	£
Authorised		
500,000 ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
500,000 ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
	<u>500,000</u>	<u>500,000</u>

NORTH LONDON NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2005

6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit & loss account £	Shareholders' funds £
At 31 December 2003	500,000	(1,261,311)	(761,311)
Profit for the year	-	392	392
At 31 December 2004	<u>500,000</u>	<u>(1,260,919)</u>	<u>(760,919)</u>
Profit for the year	-	-	-
At 31 December 2005	<u>500,000</u>	<u>(1,260,919)</u>	<u>(760,919)</u>

7 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in paragraph 3 of FRS 8 on the grounds that it is a wholly owned subsidiary.

8 ULTIMATE PARENT UNDERTAKING

At 31 December 2005, the parent undertaking for which group financial statements are drawn up and of which the company was a member was Archant Limited, registered in England and Wales. Copies of that company's financial statements can be obtained from The Registrar, Companies House, Crown Way, Maindy, Cardiff.