

Company Registration No. 3223511

NEWSQUEST (OXFORDSHIRE) LIMITED

**Directors' Report and Financial Statements
for the 53 weeks ended 3 January 1999**



NEWSQUEST (OXFORDSHIRE) LIMITED

REPORT AND FINANCIAL STATEMENTS 1998

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NEWSQUEST (OXFORDSHIRE) LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the 53 weeks ended 3 January 1999.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company's principal activity continues to be that of publishing newspapers.

The directors are satisfied with the performance and prospects of the company in its second period of trading.

RESULTS AND DIVIDENDS

The retained profit for the year amounted to £2,542,000 (1997 - £1,043,000).

The directors do not recommend that a dividend is paid (1997 £nil).

DIRECTORS

The directors who served throughout the year are listed below. The interests of Messrs Brown, Davidson and Pfeil in the shares of Newsquest plc, the ultimate parent company, are detailed in the report and financial statements of that company. The interests of Messrs Aiken, Christie and Radburn in the shares of Newsquest plc are detailed in the report and financial statements of Newsquest Media Group Limited.

J T Brown
I W Aiken
D G Christie
P Davidson
J C Pfeil
P A Radburn

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The company agrees terms and conditions for its business transactions with suppliers. Payment is then made to these terms subject to the terms and conditions being met by the supplier. The number of days purchases within trade creditors at the year end was 3 days (1997 - 11 days).

POLITICAL AND CHARITABLE CONTRIBUTIONS

Details of political and charitable contributions are contained in the report and financial statements of Newsquest plc, the ultimate parent company.

EMPLOYEE PARTICIPATION

Employee participation processes have continued throughout the year. Such processes are undertaken on a regional basis, and include consultation with staff via elected representatives on a Staff Council, the publication of regular newsletters and the regular meetings of directors and senior managers with all staff throughout the year.

DISABLED PERSONS

It is the policy of the company to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

YEAR 2000

Details of the group's progress towards achieving Year 2000 compliance are set out in the accounts of Newsquest plc.


NEWSQUEST (OXFORDSHIRE) LIMITED

DIRECTORS' REPORT

AUDITORS

The auditors, Deloitte & Touche, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the Board on 31 March 1999 and signed on its behalf.

A handwritten signature in dark ink, appearing to read 'Jo Glass', is positioned above the printed name and title.

Jo Glass
Secretary

NEWSQUEST (OXFORDSHIRE) LIMITED

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 as at the end of the financial year and of the profit or loss of the company for that year. 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;
- 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.

NEWSQUEST (OXFORDSHIRE) LIMITED

AUDITORS' REPORT TO THE MEMBERS OF NEWSQUEST (OXFORDSHIRE) LIMITED

We have audited the financial statements on pages 5 to 14 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3, 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 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 affairs of the company at 3 January 1999 and of its profit for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

31 March 1999

NEWSQUEST (OXFORDSHIRE) LIMITED

PROFIT AND LOSS ACCOUNT 53 weeks ended 3 January 1999 (note 1)

	Note	1998 £'000	1997 £'000
TURNOVER	1,2	18,873	16,471
Cost of sales		(4,354)	(4,426)
GROSS PROFIT		14,519	12,045
Operating expenses	3	(10,581)	(10,565)
OPERATING PROFIT	4	3,938	1,480
Interest payable	6	(19)	(19)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,919	1,461
Tax on profit on ordinary activities	7	(1,377)	(418)
RETAINED PROFIT FOR THE FINANCIAL PERIOD	16	2,542	1,043

All the above transactions relate to continuing operations.

There were no recognised gains or losses for the year 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.

NEWSQUEST (OXFORDSHIRE) LIMITED

BALANCE SHEET 3 January 1999 (note 1)

	Note	£'000	1998 £'000	£'000	1997 £'000
FIXED ASSETS					
Intangible assets	8		31,262		31,262
Tangible fixed assets	9		3,746		3,414
			<u>35,008</u>		<u>34,676</u>
CURRENT ASSETS					
Stocks	10	112		199	
Debtors	11	7,715		4,392	
Cash at bank and in hand		146		127	
		<u>7,973</u>		<u>4,718</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(3,463)</u>		<u>(2,666)</u>	
NET CURRENT ASSETS			<u>4,510</u>		<u>2,052</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>39,518</u>		<u>36,728</u>
PROVISIONS FOR LIABILITIES AND CHARGES	13		<u>(296)</u>		<u>(48)</u>
NET ASSETS			<u><u>39,222</u></u>		<u><u>36,680</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		-		-
Share premium account	15		35,000		35,000
Profit and loss account	15		4,222		1,680
EQUITY SHAREHOLDERS' FUNDS	16		<u><u>39,222</u></u>		<u><u>36,680</u></u>

The financial statements were approved by the Board on 31 March 1999 and signed on its behalf

J C Pfeil
J C Pfeil
Director

NOTES TO THE ACCOUNTS
53 weeks ended 3 January 1999

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 and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

Accounting period

The profit and loss accounts cover the 53 weeks from 29 December 1997 to 3 January 1999 and the 52 weeks from 30 December 1996 to 28 December 1997. The balance sheets for 1998 and 1997 have been drawn up at 3 January 1999 and 28 December 1997 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 distribution.

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. No depreciation is provided on land. Freehold buildings, long leases and plant and equipment are depreciated over their estimated useful lives on the following bases:

Freehold buildings	-	2% straight line basis
Plant and equipment	-	2% - 50% straight line basis

Short leases are written off over the duration of the lease.

Intangible fixed assets

Publishing rights and titles are stated at fair value on acquisition, based on the operating profits derived from them, and are not subsequently revalued. Publishing rights or titles have historically had lives in excess of 20 years and the directors do not foresee the end of their economic life, and, consequently, are treated as having an indefinite economic life. Having an indefinite economic life, no systematic amortisation is applied. Intangible assets are reviewed for impairment annually, and provision is made for any impairment in value. Internally developed intangibles are not carried on the balance sheet.

Stocks

Stocks are valued at the lower of cost, on a first in first out basis, and net realisable value.

Deferred taxation

Deferred taxation is provided on timing differences arising from the different treatment of items for accounting and taxation purposes which are expected to reverse in the future, calculated at the rate at which it is expected the tax will arise. No provision is made for tax which would become payable on the sale of intangible assets at the stated amounts as there is no present intention to sell these intangible assets.

Pensions

Employees are members of the Newsquest Pension Scheme ("the Scheme"), a defined benefit scheme. The expected cost of pensions in respect of the Scheme are charged to the profit and loss account so as to spread the costs over the service lives of employees in the Scheme. Actuarial surpluses and deficits are allocated over the average expected remaining service lives of employees. Pension costs are assessed in accordance with the advice of qualified actuaries.

NEWSQUEST (OXFORDSHIRE) LIMITED

NOTES TO THE ACCOUNTS 53 weeks ended 3 January 1999

1. ACCOUNTING POLICIES (CONTINUED)

Goodwill

On the acquisition of a business, the purchase consideration is allocated between the underlying net tangible and intangible assets on a fair value basis. Goodwill on acquisitions after 1 January 1998 is included on the balance sheet and amortised over its expected useful economic life, up to a maximum of 20 years.

Goodwill on acquisitions prior to 1 January 1998 has been written off against profit and loss reserve as a matter of accounting policy and the comparative figures in the accounts have been revised to reflect this. This goodwill will be charged to the profit and loss account in the event of the disposal of the business to which it relates.

Operating leases

Operating lease rentals are charged to profit and loss account on a straight line basis over the periods of the leases.

Cash flow statement

At 3 January 1999 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.

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company being publishing newspapers.

All turnover arose within the United Kingdom.

3. OPERATING EXPENSES

	1998 £'000	1997 £'000
Distribution costs	2,414	2,050
Administrative expenses	8,167	8,515
Total	<u>10,581</u>	<u>10,565</u>

Included in administrative expenses in the prior period are operating exceptional items aggregating to a net credit of £99,000, reflecting changes in accounting practice following the change of ownership.

NEWSQUEST (OXFORDSHIRE) LIMITED

NOTES TO THE ACCOUNTS 53 weeks ended 3 January 1999

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	1998 £'000	1997 £'000
Depreciation of tangible fixed assets:		
- owned by the company	652	453
Operating lease rentals:		
- hire of plant and machinery	37	19
- land and buildings	55	56
Management charge	1,476	3,011
Profit on disposals of fixed assets	(16)	(1)

Audit fees have been borne by the company's parent company in the current and preceding years.

5. STAFF COSTS

Staff costs were as follows:

	1998 £'000	1997 £'000
Wages and salaries	4,692	3,956
Social security costs	438	353
Other pension costs	120	112
	<u>5,250</u>	<u>4,421</u>

The average monthly number of employees, including directors, during the period was as follows:

	No.	No.
Pre-press	44	46
Printing	36	25
Editorial	93	81
Marketing and sales	93	61
Distribution	33	36
Finance and management	12	10
	<u>311</u>	<u>259</u>

Directors' remuneration

The company paid no emoluments to the directors during the current or preceding year. All emoluments and pension payments made by related companies to directors are dealt with in the accounts of Newsquest Media Group Limited.

NEWSQUEST (OXFORDSHIRE) LIMITED

NOTES TO THE ACCOUNTS 53 weeks ended 3 January 1999

6. INTEREST PAYABLE

	1998 £'000	1997 £'000
Other interest payable	19	19

7. TAXATION

	1998 £'000	1997 £'000
Corporation tax at 31% (31.5%)	1,209	479
Deferred taxation	63	(15)
Adjustments in respect of prior years:		
Corporation tax	(80)	(11)
Deferred taxation	185	(35)
	1,377	418

8. INTANGIBLE ASSETS

	1998 £'000	1997 £'000
Publishing rights		
Cost		
At 1 January and 31 December	31,262	31,262
Net book value		
At 1 January and 31 December	31,262	31,262

NEWSQUEST (OXFORDSHIRE) LIMITED

NOTES TO THE ACCOUNTS 53 weeks ended 3 January 1999

9. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 29 December 1997	1,675	6,432	8,107
Additions	-	1,013	1,013
Disposals	-	(173)	(173)
At 3 January 1999	<u>1,675</u>	<u>7,272</u>	<u>8,947</u>
Depreciation			
At 29 December 1997	468	4,225	4,693
Charge for period	37	615	652
On disposals	-	(144)	(144)
At 3 January 1999	<u>505</u>	<u>4,696</u>	<u>5,201</u>
Net book value			
At 3 January 1999	<u>1,170</u>	<u>2,576</u>	<u>3,746</u>
At 28 December 1997	<u>1,207</u>	<u>2,207</u>	<u>3,414</u>

Land and buildings at net book value includes freeholds of £1,162,000 (1997 - £1,198,000) and long leaseholds of £8,000 (1997 - £9,000). Included in land and buildings is freehold land with a book value of £113,000.

10. STOCK

	1998 £'000	1997 £'000
Raw materials	<u>112</u>	<u>199</u>

11. DEBTORS

	1998 £'000	1997 £'000
Due within one year		
Trade debtors	1,797	2,096
Amounts owed by group undertakings	5,786	2,138
Other debtors	10	16
Prepayments and accrued income	122	142
	<u>7,715</u>	<u>4,392</u>

NEWSQUEST (OXFORDSHIRE) LIMITED

NOTES TO THE ACCOUNTS 53 weeks ended 3 January 1999

12. CREDITORS

	1998 £'000	1997 £'000
Amounts falling due within one year		
Trade creditors	75	367
Amounts owed to group undertakings	161	216
Corporation tax	1,208	469
Other creditors including taxation and social security	1,512	913
Accruals and deferred income	507	701
	<u>3,463</u>	<u>2,666</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	1998 £'000	1997 £'000
Deferred tax liability		
At 29 December 1997	48	98
Charge/(credit) for the year (note 7)	248	(50)
	<u>296</u>	<u>48</u>

14. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	£	£
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

NEWSQUEST (OXFORDSHIRE) LIMITED

NOTES TO THE ACCOUNTS 53 weeks ended 3 January 1999

15. RESERVES

	1998 £'000	1997 £'000
Share premium account		
At 29 December 1997 and 3 January 1999	35,000	35,000
Profit and loss account		
At 29 December 1997	1,680	637
Profit for the year	2,542	1,043
At 3 January 1999	4,222	1,680

Profit and loss account reserve

Included in the profit and loss account is £134,000 of goodwill written off to reserves.

16. SHAREHOLDERS' FUNDS

	1998 £'000	1997 £'000
Profit for the period	2,542	1,043
Net additions to shareholders' funds	2,542	1,043
Opening shareholders' funds	36,680	35,637
Closing shareholders' funds	39,222	36,680

NEWSQUEST (OXFORDSHIRE) LIMITED

NOTES TO THE ACCOUNTS 53 weeks ended 3 January 1999

17. OTHER COMMITMENTS

At 3 January 1999 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Plant and machinery	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Expiry date				
Within 1 year	-	2	-	-
Between 2 and 5 years	8	7	29	16
In more than 5 years	44	44	4	-
	<u>44</u>	<u>44</u>	<u>4</u>	<u>-</u>

At 3 January 1999 the company had the following capital commitments:

	1998 £'000	1997 £'000
Contracted for but not provided in these accounts	<u>85</u>	<u>56</u>

18. PENSIONS

The company is a member of the Newsquest Pension Plan, which is primarily a funded defined benefit scheme, details of which, including particulars of the latest actuarial valuation, can be found in the financial statements of Newsquest plc for the period ended 3 January 1999. The pension costs relating to the group plan are assessed in accordance with the advice of a qualified actuary.

The total pension cost for the period was £120,000 (1997 - £112,000).

19. RELATED PARTIES

The company is 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 FRS 8 paragraph 3 (c) from disclosure of transactions with entities that are part of the group or investees of the group qualifying as related parties.

20. ULTIMATE PARENT COMPANY

The company's ultimate parent and controlling company is Newsquest plc, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of Newsquest plc and Newsquest Capital plc comprise respectively the largest and smallest groups of which the company is a member that prepares consolidated financial statements. The annual report and consolidated financial statements of Newsquest plc and Newsquest Capital plc can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.