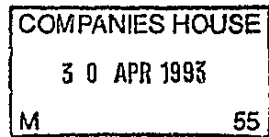


84121



ASSOCIATED NEWSPAPERS LIMITED
COMPANY REGISTERED NUMBER [84121]
REPORT AND ACCOUNTS
30TH SEPTEMBER 1992

ASSOCIATED NEWSPAPERS LIMITED

CONTENTS	Page
Directors and Advisors	1
Directors' Report	2
Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Accounting Policies	7
Notes to the Accounts	9
Subsidiaries	20

Directors

Sir David English

C. J. F. Sinclair

H. C. Hardy

K. B. S. Malik

Rt. Hon. The Viscount Rothermere

P.M. Dacre

A. V. Hilton

J. Holborow

M.D. Jones

G. R. Mellis

I. J. Pay

W. J. Pressey

S. G. Steven

J.P. Williams

Chairman

Deputy Chairman

Managing Director

Finance Director

Secretary and Registered Office:

I. M. Jackson
Northcliffe House
2 Derry Street
London W8 5TT

Telephonc: 071-938-6000

Telex: 884243

Facsimile: 071-938-4626

Advisors

Auditors

Coopers & Lybrand,
1 Embankment Place,
London WC2N 6NN.

Bankers

Coutts & Co.
London WC2R.

Directors' Report

The Directors have pleasure in submitting their Eighty Seventh Annual Report and Accounts for the year ended 30th September 1992.

Trading Results and Dividends

The profit after taxation for the financial year of the Company amounted to £18,154,000 (1991 £1,911,000). No dividend is proposed (1991 £Nil). The trading results for the year ended 30th September 1992, included a full years trading of the Evening Standard Co Limited, which was purchased on 30th September 1991.

Activities

The principal activity of the Company is the publication and printing of newspapers and periodicals. The analyses of turnover and trading profit for the years ended 30th September, 1992 and 1991 are included as Notes 2 & 3 to the Accounts.

Fixed Assets

Expenditure of £8,304,000 (1991 £17,325,000) on tangible fixed assets during the year is shown in Note 11 to the Accounts.

Investments

Changes in investments during the year are set out in Notes 12 & 13 to the Accounts.

Employees

Under the Company's general policy of decentralised management, it is the responsibility of the management in each division to encourage the involvement and participation of employees in the Company.

The methods used depend on the varying sizes of the divisions but management make every effort to ensure regular contact and exchange of information with staff. It is the Company's policy to give full and fair consideration to suitable applications from disabled persons for employment. Where employees become disabled in the course of their employment, they will continue to be employed wherever practicable, in the same job or, if this is not practicable, every effort will be made to find suitable alternative employment and to provide appropriate training.

Donations

Charitable donations made by the Company in the year amounted to £3,950 (1991 £1,150). No political contributions were made (1991 £Nil) by the Company.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting. Until 1st June 1992, the firm practiced in the name of Coopers & Lybrand Deloitte.

Close Company Provisions

From the information available to the Directors, the Company has remained a close Company throughout the financial year and has so remained since the year end.

Revaluation of Assets

During the year the Directors revalued the following investment properties, to their fair market valuation.

- Deansgate Manchester:
Value decreased by £968,046 to £1,500,000.
- 60A Kensington Place:
Value decreased by £62,636 to £400,000.

Directors' Report (continued)**Directors**

Mr M. MacLennan was appointed on 1st October 1991.

Mr J. Holborow was appointed on 29th July 1992.

Sir David English was appointed Chairman on 29th July 1992.

Rt. Hon The Viscount Rothermere resigned as Chairman on 29th July 1992, but continues as a member of the Board.

Mr M. MacLennan resigned on 25th November 1992.

The interest of Directors at the year end who are not Directors of the Parent Company, in options in the Company's shares are shown below:

	Number of Shares
P.M. Dacre	14,950
W.J. Pressey	24,900
J. Holborow	16,600

These options in the Company's shares were granted in March 1987. They are exercisable in accordance with the scheme's rules and restrictions, at a price of 25 pence between 23rd March 1990 and 23rd March 1997. The above interests in options have remained unchanged since 1st October 1992.

Future Prospects

Although the general economic conditions continue to be uncertain, we have great confidence in the quality of our editorial product and expect this to support revenue generation next year.

Notes:**Directors' and Officers' Liability Insurance**

The Company maintained Directors' and Officers' Liability Insurance throughout the year.

(i) Holdings of shares and options listed were unchanged at 7th December 1992.

(ii) No Director of the Company has or had a discloseable interest in any contract of significance existing during or at the end of the year.

Director's Interests

The interests held by Directors who are not Directors of the Parent Company, in Group Companies, are Nil at year end (1991 Nil). Share options have been granted under the 1984 Executive Share Option Scheme.

(iii) In July 1988, a loan was made to Mr M.D. Jones at the time a Director of Harmsworth Quays Limited. The purpose of the loan was the purchase of property. Mr M.D. Jones has subsequently become a Director of Associated Newspapers Limited. The opening balance of the loan was £105,000, the closing balance is £90,000, the maximum outstanding during the period was £105,000. The loan is interest free, and secured on property.

By order of the Board,
I. M. Jackson,
Secretary.

I. M. Jackson
7th December 1992

Auditors' Report

Report of the Auditors to the
Members of Associated Newspapers
Limited

We have audited the accounts on
pages 5 to 20 in accordance with
Auditing Standards.

In our opinion the Accounts give a
true and fair view of the state of the
Company's affairs at 30th September
1992 and of its profit for the year then
ended, and have been properly prepared
in accordance with the Companies Act
1985.

Coopers & Lybrand

COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
London

7th December 1992

ASSOCIATED NEWSPAPERS LIMITED

Page 5

**Profit and Loss Account
for the year ended 30th September 1992**

	Notes	1992 £'000	1991 £'000
Turnover	2 & 3	<u>388,415</u>	<u>291,978</u>
Trading profit	2 & 3	35,886	29,421
Income from associated undertakings	6	0	42
Net interest payable	7	(15,773)	(26,855)
Profit before exceptional items and taxation		<u>20,113</u>	<u>2,608</u>
Exceptional items	5	(2,297)	(6,820)
Profit/(loss) on ordinary activities before taxation		<u>17,816</u>	<u>(4,212)</u>
Taxation relief on Profit/(loss) on ordinary activities	8	338	6,123
Profit for the financial year		<u>18,154</u>	<u>1,911</u>
Dividends		0	0
Retained Profit	20	<u>18,154</u>	<u>1,911</u>

The Statements and Notes on pages 7 to 20 form part of these Accounts.

Balance Sheet

as at 30th September 1992

	Notes	1992 £'000	1991 £'000
Fixed Assets			
Intangible assets	10	24	30
Tangible assets	11	140,921	151,391
Investments:			
Subsidiary undertakings	12	1,855	1,855
Other investments	13	3	3
		<u>142,803</u>	<u>153,279</u>
Current Assets			
Stocks	14	2,846	2,827
Debtors	15	104,139	101,353
Cash at bank and in hand		<u>9,431</u>	<u>3,793</u>
		<u>116,416</u>	<u>107,973</u>
Creditors			
Amounts falling due within one year	16	<u>(50,428)</u>	<u>(56,563)</u>
Net Current Assets		65,988	51,410
Total Assets less Current Liabilities		<u>208,791</u>	<u>204,689</u>
Creditors			
Amounts falling due after more than one year	16	(196,299)	(209,757)
Provisions for Liabilities and Charges	17	<u>(9,283)</u>	<u>(8,969)</u>
		<u>3,209</u>	<u>(14,037)</u>
Capital and Reserves			
Called up share capital	19	78,412	78,412
Revaluation reserve	20	1,624	2,532
Profit and loss account	20	<u>(76,827)</u>	<u>(94,981)</u>
		<u>3,209</u>	<u>(14,037)</u>

The Accounts on pages 5 to 20 were approved by the Directors on 7th December 1992 and signed on their behalf by:


H. C. Hardy
Managing Director


K.B.S. Malik
Finance Director

The Statements and Notes on pages 7 to 20 form part of these Accounts.

Accounting Policies**(a) Basis of Accounting**

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain assets, and have been prepared in accordance with applicable accounting standards.

Rentals payable under finance leases are apportioned between interest, which is charged to the profit and loss account, and capital, which reduces, the outstanding commitment. Rentals payable relating to all other leases are charged to the profit and loss account.

(b) Turnover

Turnover is the total amount receivable for the year by the Company, excluding Value Added Tax (VAT), for its goods and services after deduction of trade discounts and commissions.

(f) Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition.

(c) Rates of Exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the balance sheet date whilst revenue items are translated at average rates for the year. All exchange differences are dealt with in the profit and loss account.

(g) Depreciation

Depreciation is calculated to amortise the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:—

Freehold land	Nil
Freehold buildings and long leasehold properties	10 – 50 years
Short leasehold properties	Period of lease or, if shorter, the estimated useful life of the asset.
Plant and equipment	3 – 20 years

(d) Intangible Fixed Assets

Copyrights purchased are included at cost and are amortised over their anticipated useful lives (10 years).

Depreciation on freehold buildings and leasehold properties is based on cost, or valuation where properties have been revalued.

(e) Leased Assets

Where assets are financed by leasing agreements which give rights approximating to ownership, the assets are treated as if they had been purchased. The present value of minimum lease payments payable during the lease term is capitalised as a tangible asset and the corresponding leasing commitment is included in obligations under finance leases.

No depreciation is charged on investment properties, being those held for their investment potential and which are not occupied by any Group company.

(h) Investments

Unlisted investments are included at Directors' valuation.

Accounting Policies (continued)

(i) Investment Properties

In accordance with SSAP 19:

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve.

The Directors consider this accounting policy results in the accounts giving a true and fair view.

(j) Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of work in progress includes overheads attributable to the cost of production. Where necessary, provision has been made for obsolete, slow moving and defective stocks.

(k) Deferred Taxation

Deferred taxation is provided to account for the effect of timing differences in respect of which it is anticipated that taxation will become payable in the foreseeable future.

Deferred tax is charged or credited to revaluation reserve when investments or investment properties are revalued.

(l) Pension Costs

The cost of providing pensions is calculated using actuarial valuation methods which reflect the long-term costs of providing pensions.

The amount charged to the profit and loss account is calculated so as to produce a substantially level percentage of the current and future pensionable payroll. Variations from the regular cost so calculated are allocated to the profit and loss account over the average remaining service lives of employees.

Notes to the Accounts

1. Group Accounts

The Accounts contain information about Associated Newspapers Limited as an individual Company and do not contain consolidated financial information as the Parent of the Group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated accounts as its subsidiaries are included by full consolidation in the consolidated Accounts of its Parent, Associated Newspapers Holdings Limited (see Note 23).

2. Turnover and Trading Profit

	Turnover		Trading Profit	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
By activity:				
Newspapers and magazines	388,415	291,978	35,886	29,421
	<u>388,415</u>	<u>291,978</u>	<u>35,886</u>	<u>29,421</u>
By geographical market:				
U.K.	388,415	291,978	35,886	29,421
	<u>388,415</u>	<u>291,978</u>	<u>35,886</u>	<u>29,421</u>
		1992		1991
		£'000		£'000
3. Trading Profit				
Turnover		363,356		263,246
Sales to Group Companies		23,736		28,540
Other operating income		<u>1,323</u>		<u>192</u>
		388,415		291,978
Raw materials and consumables	(29,699)		(26,337)	
Decrease in stocks of finished goods	0		(217)	
Other external charges	<u>(63,977)</u>		<u>(51,983)</u>	
	(93,676)		(78,537)	
Staff costs (Note 4)	(80,808)		(51,674)	
Depreciation:				
Tangible fixed assets	(17,456)		(13,687)	
Auditors' remuneration	(85)		(95)	
Auditors' non audit remuneration	(86)		(42)	
Hire of plant and equipment	(2,974)		(1,375)	
Property rental and other				
operating lease charges	(3,995)		(3,988)	
Other operating charges	(58,100)		(44,039)	
Charges from Group Companies	<u>(95,349)</u>		<u>(69,120)</u>	
		(352,529)		(262,557)
Trading Profit		<u>35,886</u>		<u>29,421</u>

Notes to the Accounts (continued)

4. Employees

	1992 Number	1991 Number
Average number of persons employed by the Group by activity:		
Newspapers and magazines	<u>2,191</u>	<u>1,338</u>
	<u>2,191</u>	<u>1,338</u>
	£'000	£'000
Total staff costs comprised:		
Wages and salaries	(70,788)	(44,207)
Social security costs	(6,973)	(4,453)
Pension contributions	(3,047)	(3,014)
	<u>(80,808)</u>	<u>(51,674)</u>

5. Exceptional Items

Release of excess provision in respect of closure of Northprint Limited's operations	0	2,987
Write off of goodwill on transfer of Evening Standard Company Limited's net assets	0	(9,135)
Reorganisation and redundancy costs	<u>(2,297)</u>	<u>(672)</u>
	<u>(2,297)</u>	<u>(6,820)</u>

6. Income from Associated Undertakings

Unlisted	<u>0</u>	<u>42</u>
	<u>0</u>	<u>42</u>

7. Net Interest Payable

Interest on Group loans repayable by instalments within five years	(2,450)	(2,970)
Interest on other Group loans repayable within five years	(11,116)	(20,569)
Interest payable on finance leases	<u>(2,237)</u>	<u>(3,322)</u>
	<u>(15,803)</u>	<u>(26,861)</u>
Interest receivable	30	6
	<u>(15,773)</u>	<u>(26,855)</u>

Notes to the Accounts (continued)

	1992 £'000	1991 £'000
8. Taxation on Profit/(Loss) on Ordinary Activities		
The (taxation charge)/group relief on the profit/(loss):		
Tax (charge)/credit at 33% (1991 33.5%)	0	3,080
Taxation attributable to profit/(loss) of current year	0	3,080
Prior years items	(925)	3,043
Deferred taxation	1,263	0
	<u>338</u>	<u>6,123</u>

Losses of the Company brought forward were £37,586,153, of which £19,505,091 were utilised during the year. Leaving losses to carry forward of £18,081,062.

(i) If provision had been made for deferred taxation on all timing differences a further release/(charge) of £9,288,000 (1991 (£5,562,000)) would have been required as follows:

Accelerated capital allowances	(477)	(1,701)
Other timing differences	9,765	(3,861)
	<u>9,288</u>	<u>(5,562)</u>

9. Directors

The emoluments of the Directors of the Company were as follows:

	£	£
As Directors	0	0
As Executives	1,874,549	1,972,454
Pension contributions	276,701	477,484
	<u>2,151,250</u>	<u>2,449,938</u>

Chairman 1st October 1991 to 29th July 1992 £Nil (1991 £Nil)

Chairman 29th July 1992 to 30th September £60,475 (1991 £Nil)

Highest paid Director £355,992 (1991 £330,415)

The number of Directors (including the Chairman and highest paid Director) who received fees and emoluments during the year (excluding pension contributions) in the following ranges was:

	1992 Number	1991 Number		1992 Number	1991 Number
£0 - £5,000	4	4	£140,001 - £145,000	0	1
£25,001 - £30,000	1	0	£150,001 - £155,000	0	1
£40,001 - £45,000	0	1	£160,001 - £165,000	1	0
£60,001 - £65,000	0	1	£170,001 - £175,000	1	0
£105,001 - £110,000	1	1	£185,001 - £190,000	1	0
£115,001 - £120,000	0	1	£205,001 - £210,000	0	1
£120,001 - £125,000	1	1	£255,001 - £260,000	0	1
£125,001 - £130,000	1	0	£295,001 - £300,000	0	1
£130,001 - £135,000	1	0	£330,001 - £335,000	0	1
£135,001 - £140,000	1	1	£340,001 - £345,000	1	0
			£355,001 - £360,000	1	0

Notes to the Accounts (continued)

10. Intangible Fixed Assets

	Copyrights £'000
Cost	
At beginning and end of year	<u>60</u>
Accumulated amortisation	
At beginning of year	30
Charge for year	<u>6</u>
At end of year	<u>36</u>
Net book value – 1992	<u>24</u>
Net book value – 1991	<u>30</u>

11. Tangible Fixed Assets

	Freehold Properties £'000	Leasehold Properties Long £'000	Short £'000	Plant and Equipment £'000	Total £'000
Cost or valuation [Note (i)]					
At beginning of year	2,837	42,984	30,838	117,829	194,488
Additions		6		8,298	8,304
Disposals	(198)			(972)	(1,170)
Revaluations	(1,136)	(145)			(1,281)
At end of year	<u>1,503</u>	<u>42,845</u>	<u>30,838</u>	<u>125,155</u>	<u>200,341</u>
Held at:					
Cost [Note (ii)]	3	42,445	30,838	125,155	198,441
Valuation	1,500	400			1,900
	<u>1,503</u>	<u>42,845</u>	<u>30,838</u>	<u>125,155</u>	<u>200,341</u>
Accumulated depreciation					
At beginning of year	144	5,050	4,257	33,646	43,097
Charge for the year	36	1,509	1,472	14,439	17,456
Disposals	(9)			(874)	(883)
Revaluations	(168)	(82)			(250)
At end of year	<u>3</u>	<u>6,477</u>	<u>5,729</u>	<u>47,211</u>	<u>59,420</u>
Net book value – 1992 [Note ii]	<u>1,500</u>	<u>36,368</u>	<u>25,109</u>	<u>77,944</u>	<u>140,921</u>
Net book value – 1991	<u>2,693</u>	<u>37,934</u>	<u>26,581</u>	<u>84,183</u>	<u>151,391</u>

Notes to the Accounts (continued)

11. Tangible Fixed Assets (continued)

- (i) Properties, where revalued, are shown at their open market value for existing or alternative use as appropriate, based on Directors valuations.
- (ii) Plant and equipment at cost includes assets in the course of construction of £1,611,000 (1991 £6,737,000).
- (iii) The net book value of plant and equipment includes £28,067,000 (1991 £29,981,000) in respect of assets held under finance leases, mostly equipment for the printing complex in Surrey Quays. Depreciation of £1,914,000 (1991 £1,914,000) was charged during the year.
- (iv) No significant liability for taxation would have arisen, had the properties been sold at the balance sheet date for their net book values, due to the effects of "roll-over" relief.
- (v) The historical cost and related depreciation of properties are set out below:

	Freehold Properties £'000	Leasehold Properties	
		Long £'000	Short £'000
Historical cost at end of year	382	42,919	30,838
Aggregate depreciation based on historical cost	(337)	(6,551)	(5,729)
	<u>45</u>	<u>36,368</u>	<u>25,109</u>

(vi) Investment Properties

These properties were not treated as investment properties in prior years, as they were occupied by Group Companies. Investment properties and land are stated at open market value in accordance with Statement of Standard Accounting Practice No. 19.

	Freehold Properties £'000	Leasehold Properties		Total £'000
		Long £'000	Short £'000	
Investment Properties	2,468	463	0	2,931
Revaluation deficit	(968)	(63)	0	(1,031)
Cost or Valuation - 1992	<u>1,500</u>	<u>400</u>	<u>0</u>	<u>1,900</u>

Notes to the Accounts (continued)

12. Investments in Subsidiary Companies
(as listed on page 20)

	Shares £'000	Loans £'000	Total £'000
Cost			
At beginning and end of year	<u>11,445</u>	<u>2,991</u>	<u>14,436</u>
Provisions			
At beginning and end of year	<u>9,590</u>	<u>2,991</u>	<u>12,581</u>
Net book value – 1992	<u>1,855</u>	<u>0</u>	<u>1,855</u>
Net book value – 1991	<u>1,855</u>	<u>0</u>	<u>1,855</u>

In the opinion of the Directors, the value of the investments in subsidiaries is not less than their book values.

13. Other Investments

	£'000
Cost or valuation	
At beginning and end of year	<u>3</u>
Provisions	
At beginning and end of year	<u>0</u>
Net book value – 1992	<u>3</u>
Net book value – 1991	<u>3</u>

(The above investment is unlisted.)

14. Stocks and Work in Progress

	1992 £'000	1991 £'000
Raw materials and consumables	<u>2,846</u>	<u>2,827</u>

15. Debtors

Amounts falling due within one year :

Trade debtors	33,319	33,909
Amounts owed by Parent & Fellow Subsidiaries	59,228	57,388
Prepayments and accrued income	4,887	5,966
Pension prepayments	2,952	0
Other debtors	3,753	4,090
	<u>104,139</u>	<u>101,353</u>

Notes to the Accounts (continued)

	1992 £'000	1991 £'000
16. Creditors		
Amounts falling due within one year:		
Bank overdrafts	0	5,148
Trade creditors	15,559	14,371
Amounts owed to Subsidiaries	8,617	7,176
Amounts owed to Parent & Fellow Subsidiaries	448	687
Other taxation and social security	6,485	5,780
Other creditors	4,458	3,165
Accruals and deferred income	11,689	17,373
Obligations under finance leases	3,172	2,863
	<u>50,428</u>	<u>56,563</u>
Amounts falling due after more than one year:		
Loan from Group Company	174,012	164,274
Debenture loan stock 1983/93	0	20,000
Obligations under finance leases	22,287	25,483
	<u>196,299</u>	<u>209,757</u>

Finance Leases £'000	Other £'000	Total £'000
----------------------------	----------------	----------------

The long-term creditors are repayable as follows:

Between 1 - 2 years	3,472	174,012	177,484
Between 2 - 5 years	12,513	0	12,513
Over five years	6,302	0	6,302
	<u>22,287</u>	<u>174,012</u>	<u>196,299</u>

	Deferred Taxation £'000	Pension Provisions £'000	Other Provisions £'000	Total £'000
17. Provisions for Liabilities and Charges				
Opening Balance	3,626	1,576	3,767	8,969
Provided during year		745	5,014	5,759
Released during year	(1,386)			(1,386)
Applied during year		(25)	(4,034)	(4,059)
	<u>2,240</u>	<u>2,296</u>	<u>4,747</u>	<u>9,283</u>

Notes to the Accounts (continued)

	1992 £'000	1991 £'000
18. Deferred Taxation		
Capital gains on investments	2,363	3,626
Other timing differences	(123)	0
	<u>2,240</u>	<u>3,626</u>

The deferred taxation provided relates to the deferred gain on the transfer of shares to the Holding Company in a prior year.

If provision had been made for all timing differences, further deferred taxation would have been included in the balance sheet as follows:

Accelerated capital allowances	12,791	12,314
Other timing differences	(10,083)	(318)
	<u>2,708</u>	<u>11,996</u>

This amount excludes the liability to taxation which in certain circumstances might arise in the event of the disposal of the Company's properties at their net book value.

	Authorised		Allotted and Fully paid	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
19. Called up Share Capital				
Ordinary Shares of 25p each	<u>127,500</u>	<u>127,500</u>	<u>78,412</u>	<u>78,412</u>
	<u>127,500</u>	<u>127,500</u>	<u>78,412</u>	<u>78,412</u>
Number of Ordinary Shares	<u>510,000</u>	<u>510,000</u>	<u>313,649</u>	<u>313,649</u>
	<u>510,000</u>	<u>510,000</u>	<u>313,649</u>	<u>313,649</u>

Notes to the Accounts (continued)

	£'000
20. Reserves	
Revaluation Reserve	
At beginning of year	2,532
Revaluations during the year	(908)
At end of year	<u><u>1,624</u></u>
Profit and Loss Account	
At beginning of year	(94,981)
Retained profit for the year	18,154
At end of year	<u><u>(76,827)</u></u>

	1992 £'000	1991 £'000
21. Commitments		
Tangible fixed assets:		
Contracted but not provided in the Accounts	140	180
Authorised by Directors but not contracted	<u>2,181</u>	<u>487</u>
	<u><u>2,321</u></u>	<u><u>667</u></u>

At 30th September 1992 the Company had annual commitments under non-cancellable operating leases as follows:

	Properties £'000	Plant and Equipment £'000
Operating leases which expire:		
Within one year	0	666
Between 2 - 5 years	0	1,322
Over 5 years	<u>4,621</u>	<u>0</u>
	<u><u>4,621</u></u>	<u><u>1,988</u></u>

Most property leases are subject to rent reviews.

Notes to the Accounts (continued)

22. Pension Arrangements

The Company's pension arrangements are provided by the schemes operated by the Parent Company, Associated Newspapers Holdings Limited. Contributions are paid by the Company and employees.

These schemes are mostly in the nature of defined benefit pension funds, providing benefits based on final pensionable salary. The assets of the funds are held independently from the Group's finances and are administered by Trustees. Pension costs are assessed on the advice of an independent qualified Actuary on the basis of triennial valuations using the projected unit method. The most recent valuation of the principal funds for the purpose of these accounts was as at 31st March 1992. The assumptions having the most significant effect on the results of the valuation are that the growth of dividend income would be 5.5% per annum, that salary increases would average 7.5% per annum and that present and future pensions would increase, in the majority of cases, at the rate of 5% per annum.

The pension charge for the year ended 30th September 1992 was £3,048,000 (1991 £3,013,000). A prepayment of £2,952,000 (1991 £372,000) is included under debtors representing the excess of contributions paid over pension funding payable. An amount of £2,297,000 (1991 £1,875,000) is included in provisions representing the excess of pension charge over pension funding payable.

The market value of the Holding Company's principal funds' assets was in the order of £477 million as at 31st March 1992 (1989 £426 million). The actuarial value of those assets represented 115% of the value of benefits that had accrued to members, after allowing for benefit improvements granted to members following the valuation and expected future increases in salaries. It is intended that the funding contributions of the Company and of the employees to the contributory schemes, will each remain at 5.5% of pensionable salaries respectively until 31st March 1996. Over the estimated average service life of employees the pension cost to the Company, of the Company's principal schemes, is estimated to represent 5.5% of pensionable salaries.

Notes to the Accounts (continued)

23. Ultimate Holding Company

The Directors regard the ultimate Holding Company as Rothermere Investments Limited, which is incorporated in Jersey.

The largest Group of which the Company is a member and for which Group Accounts are drawn up is that of Daily Mail and General Trust plc, registered in England and Wales. Copies of the Report and Accounts are available from:

The Company Secretary
Daily Mail and General Trust plc
Northcliffe House
2 Derry Street
Kensington
London W8 5TT

The smallest group of which the Company is a member and for which Group Accounts are drawn up is that of Associated Newspapers Holdings Limited, registered in England and Wales. Copies of the Report and Accounts are available from:

Companies House
Crown Way
Cardiff
CF4 3UZ

Subsidiaries

	Principal Activity
Harmsworth Quays Limited	Inactive
Harmsworth Quays Printing Limited *	Printing
Evening Standard Company Limited	Non-Trading from 1st October 1991
Daily Mail Limited	Dormant
The Mail on Sunday Limited	Dormant
Weekend Publications Limited	Dormant
Soho Weekly News Incorporated (85%) (incorporated in the USA)	Dormant

(i) Unless stated otherwise by the percentage noted, the whole of the ordinary share capital of the subsidiary undertaking is held directly by Associated Newspapers Limited or indirectly (where marked *) by one of the Company's subsidiaries.

(ii) All subsidiaries, except where indicated, operate principally within the United Kingdom and are registered in England and Wales.