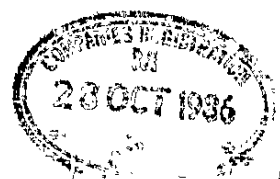


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APPLEBY & WOOD

CHARTERED ACCOUNTANTS
LONDON



DRAFT ONLY

TRIBUNE PUBLICATIONS LIMITED

FINANCIAL STATEMENTS

for the

YEAR ENDED 31ST DECEMBER 1985

TRIBUNE PUBLICATIONS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 1985

Directors

The Directors of the Company during the financial year were:-

Mr M Meacher	Mr J Boddy
Mr C Mullin	Mr B Murphy
Mrs S Williams	Mr M Madden
Mr N Williamson	Mr T Sawyer

Review of Business

The principal activity of the Company is that of newspaper publishing and there has been no significant change in this activity during the year.

The Directors submit the financial statements for the year to 31st December 1985 and report a profit for the year of £3,689.

Directors' Interest

The interest of the Directors in the Securities of the Company at the beginning and the end of the year were as follows:

Share Holding	1st January 1985	31st December 1985
Mr M Meacher	1	1
Mrs S Williams	50	50
Mr J Boddy	1	1
Mr B Murphy	1	1
Mr C Mullin	50	50
Mr M Madden	1	1
Mr T Sawyer	1	1
Mr N Williamson	50	50

Auditors

The auditors, Appleby & Wood are willing to continue in office and resolutions concerning their appointment and remuneration will be submitted to the Annual General Meeting.

Signed on Behalf of the Board

Chairman
Director
Secretary

[Handwritten signatures]

TRIBUNE PUBLICATIONS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 1985

	Notes	£	1985 £	£	1984 £
Turnover	2		159,476		142,358
Cost of Sales			106,400		103,308
Gross Profit			----- 53,076		----- 39,050
Distribution Expenses		24,413		17,094	
Administration Expenses		32,212		30,752	
		-----		-----	
			56,625		47,846
			-----		-----
			(3,549)		(8,796)
Other Operating Income			6,510		13,042
Operating Profit	3		----- 2,961		----- 4,246
Income from Fixed Asset Investment	4	655		655	
Other Interest Receivable		73		698	
		-----		-----	
			728		1,353
			-----		-----
Retained Profit for the year			3,689		5,599
Losses brought forward			(5,346)		(10,945)
Losses carried forward			----- (1,657)		----- (5,346)

TRIBUNE PUBLICATIONS LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1985

	Notes	£	1985 £	£	1984 £
Fixed Assets					
Tangible Assets	5(a)		1		567
Investments	5(b)		5,825		5,825
			-----		-----
			5,826		6,392
Current Assets					
Stock		248		437	
Debtors	6	28,225		32,259	
Cash at Bank and in Hand		8,045		694	
		-----		-----	
		36,518		33,390	
Creditors - Amounts falling due within one year	7	27,382		29,409	
		-----		-----	
Net Current Assets			9,136		3,981
			-----		-----
Total Assets less Current Liabilities			14,962		10,373
Creditors - Amounts falling due after more than one year	8		(2,953)		(2,053)
			-----		-----
			12,009		8,320
			-----		-----
Capital and Reserves					
Called Up Share Capital	9		853		853
Reserves	10		12,813		12,813
Profit and Loss Account			(1,657)		(5,346)
			-----		-----
			12,009		8,320
			-----		-----

TRIBUNE PUBLICATIONS LIMITED

SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31ST DECEMBER 1985

	1985 £	1984 £
Source of Funds		
Net Profit for the year	3,689	5,599
Adjustment for items not involving the movement of funds:		
Depreciation	566	278
Profit from Operations	4,255	5,877
Loans Received	900	--
	5,155	5,877
Application of Funds		
Purchase of Fixed Assets	--	845
	5,155	5,032
Increase/(Decrease) in Working Capital		
(Decrease)/Increase in Stock	(189)	41
(Decrease)/Increase in Debtors and Prepayments	(4,034)	3,936
Decrease in Creditors	2,027	950
	(2,196)	4,927
Movement in Net Liquid Funds		
Increase in Cash and Bank Balances	7,351	105
	5,155	5,032

TRIBUNE PUBLICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1985

1. Accounting Policies

- a) Depreciation has been provided on office equipment on the straight line basis at 33 1/3% per annum.
- b) No liability to Corporation Tax is expected to arise in respect of these financial statements due to the incidence of tax losses.
- c) Stock of books have been valued at the lower of cost and net realisable value.

2. Turnover

Turnover is in respect of newspaper sales and advertising.

3. Operating Profit

	£	1985 £	£	1984 £
a) The profit is stated after charging:				
Staff Costs -				
Salaries	40,884		40,262	
Social Security Costs	4,065		4,547	
	-----	44,949	-----	44,809
Auditors Remuneration		1,274		1,450
		-----		-----

- b) The average number of employees during the year was 8

4. Income from Fixed Asset Investments

Quoted	194	194
Unquoted	461	461
	----	----
	655	655
	----	----

5. Fixed Assets

a) Tangible		
Office Equipment:		
Cost	2,688	2,688
Accumulated Depreciation	2,687	2,121
	-----	-----
Net Book Value	1	567
	-----	-----
b) Investments		
Quoted	1,906	1,906
Unquoted	3,919	3,919
	-----	-----
	5,825	5,825
	-----	-----

The Market Value of the quoted investments at 31st December 1985 was £1,942

TRIBUNE PUBLICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1985

	1985 £	1984 £
6. Debtors		
Trade Debtors	23,189	25,665
Other Debtors	4,925	6,030
Prepayments	111	564
	-----	-----
	28,225	32,259
	-----	-----

Trade Debtors are stated after making provision for doubtful debts in respect of circulation and advertising.

7. Creditors - Amounts falling due within one year

Bank Overdraft - Secured	--	1,354
Trade Creditors	14,757	15,846
Taxation and Social Security Costs	1,167	909
Other Creditors	2,958	2,800
Deferred Income	8,500	8,500
	-----	-----
	27,382	29,409
	-----	-----

8. Loans

The loans are interest free and repayable on demand.

9. Share Capital

Authorised:		
Ordinary Shares of £1 each	1,000	1,000
	-----	-----
Issued and Fully Paid:		
Ordinary Shares of £1 each	853	853
	-----	-----

10. Reserves - Capital

Balance as at 1st January 1985	12,813	12,813
Transfers to Profit and Loss Account	--	--
	-----	-----
	12,813	12,813
	-----	-----

TRIBUNE PUBLICATIONS LIMITED
PRODUCTION AND PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 1985

	£	1985 £	£	1984 £
Income				
Sales		58,513		60,630
Subscriptions		28,803		26,272
Advertising Revenue		72,160		55,456
		-----		-----
		159,476		142,358
 Less Expenditure				
Newsprint, Printing, Photographs etc.	51,741		49,153	
Despatch	20,222		16,496	
Editorial Expenses	9,144		9,068	
	-----		-----	
		81,107		74,717
		-----		-----
		78,369		67,641
 Gross Profit for the year				
 Less Overheads				
Salaries and National Insurance	44,949		44,809	
Circulation and Sales Promotion	4,191		598	
Office Rent, Rates, Telephone and Insurance	20,430		20,892	
Rallies and Meetings	992		1,026	
Legal Fees	1,101		600	
Postage and Stationery	1,178		1,728	
Travelling and Sundry Expenses	6,079		4,463	
Audit and Accountancy Fees	1,274		1,450	
Bank Charges	587		593	
Bad Debts - written off	571		--	
Depreciation	566		278	
	-----		-----	
		81,918		76,437
		-----		-----
		(3,549)		(8,796)
 Trading Loss for the year				
 Less				
Royalties	90		241	
Compensation	--		400	
Interest Received	728		1,353	
Donations	6,420		12,401	
	-----		-----	
		7,238		14,395
		-----		-----
		3,698		5,599
		-----		-----
 Net Profit for the year				

TRIBUNE PUBLICATIONS LIMITED

AUDITORS' REPORT

To the Members of Tribune Publications Limited

We have audited the financial statements on pages 1 to 6 in accordance with approved Auditing Standards.

In our opinion, the financial statements which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Company as at 31st December 1985 and of the profit and the source and application of funds for the period ended on that date and comply with the Companies Act 1985.

4 The Office Village
Stratford
London E15 4EA

APPLEBY & WOOD
Chartered Accountants