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Tindle Newspapers Limited

Annual Report

31 March 2003



Tindle Newspapers Limited
Report and group accounts
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Tindle Newspapers Limited Company Information

Directors

Sir Ray Tindle CBE, DL, FCI
Lady Tindle MA, Dip.Ed.(Lond.)
Mr C.R.G. Christmas FCA

Joint secretaries

Lady Tindle
Mr C.R.G. Christmas

Auditors

RSM Robson Rhodes LLP
186 City Road
London EC1V 2NU

Bankers

Lloyds TSB Bank plc
147 High Street
Guildford
Surrey GU1 3AG

Solicitors

Triggs Wilkinson Mann
128 High Street
Guildford
Surrey GU1 3HH

Registered office

114/115 West Street
Farnham
Surrey GU9 7HL

Registered number

798870

Tindle Newspapers Limited Directors' Report

The directors present their report and accounts for the year ended 31 March 2003.

Principal activities and review of the business

The principal activities of the company and its subsidiaries have been those of weekly newspaper proprietors, publishers and printers, local radio station proprietors and hotel operators.

The group's overall results for the year are shown below.

	2003 £	2002 £
Results as consolidated:		
Newspaper companies	5,412,561	4,694,759
Local radio companies	238,006	(83,375)
Hotel company	(105,895)	(11,518)
Trading profit	5,544,672	4,599,866
Less: Amortisation of broadcasting rights and premiums on acquisition of local radio companies	(709,319)	(634,443)
Exceptional profit on disposal of tangible fixed assets	199,945	300,110
Operating profit	5,035,298	4,265,533

During the year the group acquired the whole of the issued share capital of Goldcrest Broadcasting Limited and an 85% interest in Midland Community Radio Services Limited, a company located in Ireland.

The newspaper companies achieved improved results in comparison to those of the previous year. This was partly due to better trading conditions but also due to tremendous effort by executives and staff to offset the fall in Situations Vacant and other categories of advertising revenue. Sincere thanks were tendered to the executives and staff by the Chairman and directors.

The established local radio companies reported improved results for the year. The Chairman said that this represented an enormous effort by radio executives and staff in a difficult year for the industry. The Chairman and directors expressed their grateful thanks.

The hotel's results have been adversely affected by the continuing decline in conference business in Brighton. The Chairman and directors thanked the management and staff for their continuing loyalty and efforts in most difficult circumstances.

Future developments

On 11 April 2003 a written resolution was passed to approve the demerger of the group's radio operations. The boards of Tindle Newspapers Limited and Tindle Radio Holdings Limited consider that it is in the best interests of both groups to formally demerge to enable each business stream to operate independently. The demerger will pave the way for a clear segregation of management responsibilities enabling a more focused approach to the management and development of the respective businesses and will make possible greater improvement in corporate performance (see note 17).

Dividends

The directors do not recommend payment of a dividend for the parent company.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2003	2002
Sir Ray Tindle CBE, DL, FCIS	18,002	18,000
Lady Tindle MA, Dip.Ed.(Lond.)	-	2
Mr C.R.G. Christmas FCA	-	-
W.D. Craig (appointed 28 March 2003, resigned 30 April 2003)	-	-

Charitable donations

Over the last twenty years the Group established and operated Tindle Enterprises throughout the south of England, South Wales and the West Country for the purpose of assisting unemployed persons to set up in self-employment. As unemployment through these areas has reduced, the properties operated by Tindle Enterprises have been closed, and it is anticipated that the initiative will not be required beyond the current year.

In the year under review, the group made charitable donations totalling £214,854 including £7,314 in respect of Tindle Enterprises. In addition the Group has made available £250,000 in interest free loans to assist those worst affected by the foot and mouth crisis. Approximately £24,170 was outstanding at the year end.

Tindle Newspapers Limited Directors' Report

Employees

The individual companies within the group are responsible through their own management for implementing the consultative and negotiating practices which best meet their staff's particular requirements. Staff are kept informed of matters concerning them by means of briefing meetings, meetings with union officials, notices and direct communication.

Statement of directors' responsibilities for the annual report

Company law in the United Kingdom requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those accounts, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- prepared the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- followed applicable United Kingdom accounting standards, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for maintaining 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 accounts 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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Auditors

On 3 May 2003, RSM Robson Rhodes, the company's auditors, transferred their business to RSM Robdon Rhodes LLP. The directors have consented to treating the appointment of RSM Robson Rhodes as extending to RSM Robson Rhodes LLP and a resolution to reappoint RSM Robson Rhodes LLP as auditors to the company will be proposed at the forthcoming Annual General Meeting.



C.R.G. Christmas
Director

This report was approved by the board on 28.1. 2004

Tindle Newspapers Limited

Independent auditors' report to the shareholders of Tindle Newspapers Limited

We have audited the financial statements on pages 5 to 22.

This report is made solely to the company's shareholders as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' Responsibilities section of the Directors' Report on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Director's 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 the information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

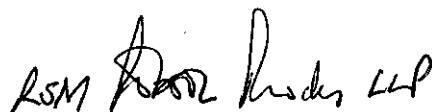
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 accounts 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 accounts give a true and fair view of the state of affairs of the company and of the group as at 31 March 2003 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors

186 City Road
London EC1V 2NU

28 January 2004

Tindle Newspapers Limited
Consolidated Profit and Loss Account
for the year ended 31 March 2003

	Notes	2003			2002 - restated		
		Operating activities	Amortisation and other exceptionals	Total	Operating activities	Amortisation and other exceptionals	Total
		£	£	£	£	£	£
Turnover							
Existing operations		28,186,555	-	28,186,555	26,154,127	-	26,154,127
Acquisitions		237,427	-	237,427	-	-	-
Continuing operations		28,423,982	-	28,423,982	26,154,127	-	26,154,127
Discontinued operations		4,890,634	-	4,890,634	3,843,559	-	3,843,559
	2	33,314,616	-	33,314,616	29,997,686	-	29,997,686
Cost of sales	3	(16,570,362)	-	(16,570,362)	(15,344,460)	-	(15,344,460)
Gross profit	3	16,744,254	-	16,744,254	14,653,226	-	14,653,226
Net operating expenses	3	(11,238,062)	(505,375)	(11,743,437)	(10,113,120)	(334,333)	(10,447,453)
Group operating profit	3 & 4	5,506,192	(505,375)	5,000,817	4,540,106	(334,333)	4,205,773
Existing operations		5,317,720	200,809	5,518,529	4,649,330	290,470	4,939,800
Acquisitions		13,428	(2,009)	11,419	-	-	-
Discontinued operations		175,044	(704,175)	(529,131)	(109,224)	(624,803)	(734,027)
		5,506,192	(505,375)	5,000,817	4,540,106	(334,333)	4,205,773
Group share of operating profit of:							
Joint venture		64,034	-	64,034	68,268	-	68,268
Associates		(29,553)	-	(29,553)	(8,508)	-	(8,508)
Operating profit		5,540,673	(505,375)	5,035,298	4,599,866	(334,333)	4,265,533
Change in value and sale of investments		-	(118,676)	(118,676)	-	(50,415)	(50,415)
Income from investments	8	-	-	-	29	-	29
Interest receivable	9	258,595	-	258,595	389,149	-	389,149
Interest payable	10	(56,502)	-	(56,502)	(44,274)	-	(44,274)
Profit on ordinary activities before taxation		5,742,766	(624,051)	5,118,715	4,944,770	(384,748)	4,560,022
Tax on profit on ordinary activities	12	(1,800,891)	35,603	(1,765,288)	(1,338,229)	14,116	(1,324,113)
Profit on ordinary activities after taxation		3,941,875	(588,448)	3,353,427	3,606,541	(370,632)	3,235,909
Minority interests		(86,980)	-	(86,980)	46,846	-	46,846
Retained profit for the financial year	26	3,854,895	(588,448)	3,266,447	3,653,387	(370,632)	3,282,755

Amortisation and other exceptionals includes the amortisation of intangible assets and the gains or losses on fixed asset property sales.

The group's share of joint venture turnover amounted to £151,363 (2002: £160,452).

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the retained profit for the above two financial years.

Tindle Newspapers Limited
Consolidated Balance Sheet
as at 31 March 2003

	Notes	2003		2002	
		£	£	£	£
Fixed assets					
Intangible assets	13		10,401,094		20,184,734
Tangible assets	14		10,653,820		12,020,780
Investments:					
Joint ventures: Share of gross assets		99,790		104,163	
Share of gross liabilities		(81,135)		(85,538)	
		<u>18,655</u>		<u>18,625</u>	
Associates		-		478,259	
Other investments		<u>75,156</u>		<u>490,853</u>	
	15		93,811		987,737
			<u>21,148,725</u>		<u>33,193,251</u>
Current assets					
Stocks	16	70,434		96,693	
Radio group de-merger	17	16,790,817		-	
Debtors	18	4,478,496		5,711,691	
Investments held as current assets	19	-		51,200	
Cash at bank and in hand		<u>9,925,909</u>		<u>10,505,973</u>	
		31,265,656		16,365,557	
Creditors: amounts falling due within one year	20	(3,779,441)		(4,318,774)	
Net current assets			<u>27,486,215</u>		<u>12,046,783</u>
Total assets less current liabilities			<u>48,634,940</u>		<u>45,240,034</u>
Creditors: amounts falling due after more than one year	21	(141,603)		(603,069)	
Provisions for liabilities and charges					
Deferred taxation	24	(109,610)		(81,589)	
			<u>48,383,727</u>		<u>44,555,376</u>
Capital and reserves					
Called up share capital	25	18,002		18,002	
Profit and loss account	26	47,721,570		44,455,123	
Shareholders' equity funds:	27	<u>47,739,572</u>		<u>44,473,125</u>	
Minority interests		644,155		82,251	
		<u>48,383,727</u>		<u>44,555,376</u>	



Sir Ray Tindle
Chairman



C.R.G. Christmas
Director

Approved by the board on 28.1.2004

Tindle Newspapers Limited
Company Balance Sheet
as at 31 March 2003

	Notes	2003		2002	
		£	£	£	£
Fixed assets					
Intangible assets	13		7,666,205		7,698,705
Tangible assets	14		7,360,086		7,849,494
Investments	15		4,492,889		4,031,381
			<u>19,519,180</u>		<u>19,579,580</u>
Current assets					
Debtors	18	26,470,842		20,405,207	
Cash at bank and in hand		7,928,819		8,582,334	
		<u>34,399,661</u>		<u>28,987,541</u>	
Creditors: amounts falling due within one year	20	(6,192,732)		(4,651,959)	
Net current assets			28,206,929		24,335,582
Total assets less current liabilities			<u>47,726,109</u>		<u>43,915,162</u>
Provisions for liabilities and charges					
Deferred taxation	24		(108,179)		(80,039)
			<u>47,617,930</u>		<u>43,835,123</u>
Capital and reserves					
Called up share capital	25		18,002		18,002
Profit and loss account	26		47,625,331		43,817,121
Shareholders' equity funds:	27		<u>47,643,333</u>		<u>43,835,123</u>

Sir Ray Tindle
Chairman

C.R.G. Christmas
Director

Approved by the board on 28.1 2004

Tindle Newspapers Limited
Consolidated Cash Flow Statement
for the year ended 31 March 2003

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		5,000,817	4,205,773
Depreciation charges		907,008	907,679
Amortisation and impairment charge		717,994	634,443
Profit on disposal of fixed assets		(199,945)	(300,110)
Decrease in stocks		26,259	36,123
Decrease in debtors		276,726	11,541
(Decrease)/increase in creditors		(122,628)	197,891
Net cash inflow from operating activities		6,606,231	5,693,340
CASH FLOW STATEMENT			
Net cash inflow from operating activities		6,606,231	5,693,340
Dividends from joint ventures and associates		53,300	56,000
Return on investments and servicing of finance	28	171,015	336,875
Taxation		(1,631,505)	(2,292,171)
Capital expenditure and financial investment	28	89,197	(596,034)
Acquisitions and disposals	30	(3,666,651)	(1,792,654)
Management of liquid resources	28	51,200	(51,200)
Financing	28	(129,021)	(122,408)
Increase in cash		1,543,766	1,231,748
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in Newspapers Group cash in the year		(580,064)	1,231,748
Demerged Radio Group cash		2,123,830	-
Increase in cash in the year		1,543,766	1,231,748
Decrease in debt and lease financing		129,021	122,408
Loan notes		-	(420,000)
New finance leases		(102,500)	(45,000)
(Decrease)/increase in liquid resources		(51,200)	51,200
Change in net funds	29	1,519,087	940,356
Net funds at 1 April		9,929,543	8,989,187
Net funds at 31 March		11,448,630	9,929,543

Within the reconciliation of operating profit the movements on debtors and creditors contain the cash flow impact of the demerger of the Radio Group as disclosed in note 17.

Tindle Newspapers Limited

Notes to the Accounts

for the year ended 31 March 2003

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the audited accounts of the company and its subsidiary undertakings at the year end using acquisition accounting. The results of subsidiary undertakings acquired or disposed of during the year are included from, or up to, the effective date of acquisition or disposal.

Associated undertakings and joint ventures

The group's participating interests comprise investments in associated undertakings, where the group has a shareholding between 20% and 50% and also has significant influence over the operating and financial policy decisions, and joint ventures. The group's share of the results of associated undertakings and joint ventures is included in the consolidated profit and loss account. Unless otherwise stated, the interests in the consolidated balance sheet of the associated undertakings (adjusted as necessary to reflect group accounting policies) are included at the group's share of the net assets of the associated undertakings together with the premium arising on acquisition. Joint ventures are disclosed in the consolidated balance sheet on a gross asset and gross liability basis.

The premium on acquisition of the investment in an associated undertaking or joint venture is amortised over its estimated useful life of 20 years.

Intangible assets

Publishing titles

Publishing titles acquired after 31 March 1998 are included in the balance sheet at their fair value on acquisition. Titles acquired prior to this date are included at their book value at that date. No amortisation is charged on publishing titles as the group has demonstrated through its publishing policy that such titles do not have a finite life. Impairment tests are undertaken each year to determine whether any diminution in value should be brought into the consolidated accounts.

Broadcasting rights

Broadcasting rights are stated at fair value on acquisition and, subject to annual review, are carried in the balance sheet at cost less amortisation. Amortisation commences in the month following the month of acquisition and is provided so as to write off these assets over their estimated life of 20 years. If any impairment in value were to arise it would be charged to the profit and loss account as soon as it has been identified.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	1.25% on cost or valuation
Leasehold land and buildings	over the lease term
Fixtures, fittings, plant and equipment	20% straight line
Press	10% straight line

The charge to depreciation commences in the month following the month of acquisition. The rate applied to freehold land and buildings is deemed to be equivalent to writing down the buildings over 50 years.

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen and not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

In accordance with FRS 19 deferred tax is not provided for:

- revaluation gains on land and buildings unless there is a binding agreement to sell them at the balance sheet date;
- gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over;
- extra tax payable if the overseas retained profits of subsidiaries and associates are remitted in the future; and
- fair value adjustment gains to fixed assets and stock to uplift prices to those ruling when an acquisition is made.

Deferred tax assets are only recognised to the extent that it is considered more likely than not that they will be recovered.

Tindle Newspapers Limited
Notes to the Accounts
for the year ended 31 March 2003

1 Accounting policies (continued)

Leasing and hire purchase commitments

Assets held under such agreements, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to profit and loss over the lease term.

Pensions

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the various schemes operated by the group. These contributions are invested separately from the assets of the group companies and, in the case of defined benefit schemes, are assessed in accordance with the advice of independent actuaries.

Deferred tax is fully accounted for on any difference between accumulated pension costs charged to profit and accumulated contributions paid.

2 Turnover

Turnover represents the invoiced value of goods and services rendered by the group, net of value added tax. Turnover is attributable to the group's principal activities.

Analysis by geographical market:

	2003 £	2002 £
United Kingdom	32,924,901	29,610,248
U.S.A.	389,715	387,438
	<u>33,314,616</u>	<u>29,997,686</u>

3 Analysis of results

For the year ended 31 March 2003

	Continuing operations	Discontinued operations	Total
	Acquired £	Existing £	£
Cost of sales	76,614	13,993,874	2,499,874
Gross profit	160,813	14,192,681	2,390,760
Net operating expenses			
Distribution costs	21,125	1,726,503	7,919
Administrative expenses	128,269	7,213,835	2,972,260
Other operating income	-	(266,186)	(60,288)
	<u>149,394</u>	<u>8,674,152</u>	<u>2,919,891</u>
Group operating profit	<u>11,419</u>	<u>5,518,529</u>	<u>(529,131)</u>
			<u>5,000,817</u>

For the year ended 31 March 2002

	Continuing operations	Discontinued operations	Total
	£	£	£
Cost of sales	13,135,521	2,208,939	15,344,460
Gross profit	13,018,606	1,634,620	14,653,226
Net operating expenses			
Distribution costs	1,617,921	-	1,617,921
Administrative expenses	6,810,907	2,368,647	9,179,554
Other operating income	(350,022)	-	(350,022)
	<u>8,078,806</u>	<u>2,368,647</u>	<u>10,447,453</u>
Group operating profit/(loss)	<u>4,939,800</u>	<u>(734,027)</u>	<u>4,205,773</u>

Tindle Newspapers Limited
Notes to the Accounts
for the year ended 31 March 2003

4 Operating profit	2003	2002
	£	£
<i>This is stated after charging/(crediting):</i>		
Depreciation of owned fixed assets	906,256	906,927
Depreciation of assets held under finance leases and hire purchase contracts	752	752
Profit on disposal of fixed assets	(199,945)	(300,110)
Amortisation of intangible fixed assets	693,852	625,390
Amortisation of premium on associates	24,142	9,053
Operating lease rentals - plant and machinery	6,679	5,813
Operating lease rentals - land buildings	59,366	11,985
Auditors' remuneration - parent	41,000	40,000
Auditors' remuneration - group	<u>154,612</u>	<u>134,497</u>

5 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these accounts.

The consolidated profit before dividends includes:

	2003	2002
	£	£
Holding company's profits	<u>3,808,210</u>	<u>3,820,798</u>
Share of net profits retained by associated undertakings	<u>23,409</u>	<u>46,883</u>

6 Directors' emoluments

	2003	2002
	£	£
Emoluments	<u>163,000</u>	<u>176,000</u>

7 Staff costs

	2003	2002
	£	£
Wages and salaries	11,271,589	10,146,784
Social security costs	923,670	754,738
Other pension costs (note 11)	448,636	421,293
	<u>12,643,895</u>	<u>11,322,815</u>

Average number of employees during the year

	Number	Number
Management and administration	150	135
Editorial and production	342	329
Sales and marketing	291	271
	<u>783</u>	<u>735</u>

8 Income from investments

	2003	2002
	£	£
Unlisted investment income	-	29
	<u>-</u>	<u>29</u>

9 Interest receivable

	2003	2002
	£	£
Bank interest	248,082	347,590
Other interest	8,758	39,611
	<u>256,840</u>	<u>387,201</u>
Joint venture and associates	1,755	1,948
	<u>258,595</u>	<u>389,149</u>

Tindle Newspapers Limited
Notes to the Accounts
for the year ended 31 March 2003

10 Interest payable	2003 £	2002 £
Bank loans and overdrafts	20,643	12,758
Other loans	31,020	31,336
Finance charges payable under finance leases and hire purchase contracts	4,471	-
	<u>56,134</u>	<u>44,094</u>
Joint venture and associates	368	180
	<u>56,502</u>	<u>44,274</u>

11 Pension costs

Farnham Castle Newspapers Limited Pension and Life Assurance Scheme

Certain directors and employees of group companies are members of a group pension scheme. This pension scheme is of the defined benefit type under which benefits are based on members' years of pensionable service and final pensionable salary. The assets of the scheme are held in a separate trustee administered professionally managed fund. Employer contributions are based on pension costs across the Tindle Newspapers Limited group as a whole and are charged to the profit and loss account so as to spread the cost of pensions over scheme members' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit funding method with members contributing 5% of pensionable salary. The latest actuarial valuation of the scheme was at 1 January 2002. The main long term actuarial assumptions adopted were that the annual rate on investment would be 5.5%, the annual increase in pensionable salaries would be 3.5% and the annual rate of pension increase would be that guaranteed under the scheme.

Contributions payable by the group to this scheme amounted to £299,087 (2002: £287,670) and all contributions were paid in the year. These contributions included an amount to amortise experience deficiencies and the cost of benefit improvements that are being funded over the average working lives of members.

The market value of the scheme's assets as at 1 January 2002 was estimated to be £2,518,859 which includes the value placed on annuities purchased by the trustees. The actuarial valuation of the assets at that date covered 100% of pensions in payment and 86% of the benefits that have accrued to deferred and active members, after allowing for expected future increases in earnings. In line with the actuary's recommendations the company is contributing 14.5% of pensionable salaries which includes an amount to achieve a 100% funding level over the average future working lives of members.

The profit and loss account charge for pension costs, the accounting policies and the disclosures above are provided in the accounts under SSAP 24. This standard is going to be replaced by FRS 17. The following disclosures are given in preparation for the adoption of FRS 17. They are based on a full actuarial review at 31 March 2003 and relate only to defined benefit schemes.

Fair value of the scheme's assets:	2003 £	2002 £
Equities	1,813,000	2,142,000
Bonds	313,000	478,000
Bank deposits and cash balances	223,000	42,000
Annuity contracts	416,000	428,000
Total assets	<u>2,765,000</u>	<u>3,090,000</u>
Present value of scheme liabilities	<u>(3,674,000)</u>	<u>(3,260,000)</u>
Actuarial deficit	<u>(909,000)</u>	<u>(170,000)</u>
Related deferred tax asset	<u>273,000</u>	<u>51,000</u>
Deficit of the scheme	<u>(636,000)</u>	<u>(119,000)</u>

Farnham Castle Newspapers Limited Pension and Life Assurance Scheme - continued

	2003 %	2002 %
Assumptions:		
Discount rate for scheme liabilities	5.50	6.00
Rate if increase in pensions where applicable	2.00	2.50
Rate of increase in salaries	3.00	3.50
Price inflation assumption	2.30	2.50
Expected rates of return:		
Equities	6.50	6.25
Bonds	5.50	6.00
Bank deposits and cash balances	3.75	6.00
Annuity contracts	5.50	6.00

The deficit of £636,000 (2002: £119,000) would need to be disclosed in the group balance sheet and charged against the group's profit once all the provisions of FRS 17 come into force.

Tindle Newspapers Limited
Notes to the Accounts
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11 Pension costs (continued)

Movement in deficit during the year	2003
	£
Actuarial deficit in scheme as at 1 April	(170,000)
Current service costs	(252,000)
Contributions	409,000
Past service costs	-
Other finance income	-
Actuarial loss	(896,000)
Actuarial deficit in scheme as at 31 March	(909,000)

Brecon and Radnor Express Scheme

The company operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the company. The contributions are determined by a qualified independent actuary on the basis of triennial valuations using the projected unit method. The most recent scheme valuation was at 6 April 2000. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 8% per annum, that salary increases would average 6% per annum and that present and future pensions would increase at the rate of 3.75% per annum.

The pension charge for the year was £31,894 (2002 - £24,871).

The most recent actuarial valuation showed that the market value of the scheme's assets was £357,000 and that this represented a surplus of £98,000 over the scheme's liabilities. The market value of the scheme's assets at the balance sheet date was £431,806.

Other contribution schemes

A further £100,886 (2002: £108,753) was paid under various defined contribution schemes. The assets of these schemes are held separately from those of the group in independently administered funds.

12 Analysis of taxation in year

	2003	2002
	£	£
Current tax:		
UK corporation tax on profits of the period	1,584,361	1,560,420
Overseas taxation	46,982	105,000
UK corporation tax relating to joint venture and associates	12,459	14,645
Adjustments in respect of previous periods	93,465	(365,955)
	<u>1,737,267</u>	<u>1,314,110</u>
Deferred tax:		
Origination and reversal of timing differences	<u>28,021</u>	<u>10,003</u>
Tax on profit on ordinary activities	<u>1,765,288</u>	<u>1,324,113</u>

Factors affecting tax charge for year

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

Reconciliation of tax charge	2003	2002
	£	£
Profit on ordinary activities before tax	<u>5,118,715</u>	<u>4,560,022</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Corporation tax based on the above accounting profit	1,535,615	1,368,007
Effects of:		
Expenses not tax deductible and accelerated capital allowances	108,187	312,058
Deferred tax	28,021	10,003
Adjustments to tax charge in respect of previous periods	93,465	(365,955)
Current tax charge for period	<u>1,765,288</u>	<u>1,324,113</u>

Factors that may affect future tax charges

Assets subject to rollover relief amounting to £297,149 would generate additional corporation tax of £89,145 if the assets, to which the rollover claim attached, were sold.

Tindle Newspapers Limited
Notes to the Accounts
for the year ended 31 March 2003

13 Intangible fixed assets - group

	Publishing £	Broadcasting £	Total £
Cost			
At 1 April 2002	9,807,480	12,481,071	22,288,551
Additions	668,443	3,345,567	4,014,010
Transfer on demerger	-	(15,855,112)	(15,855,112)
Acquisitions	-	69,617	69,617
Disposals	(32,500)	(41,143)	(73,643)
At 31 March 2003	10,443,423	-	10,443,423
Amortisation and impairment			
At 1 April 2002	38,671	2,065,146	2,103,817
Provided during the year	3,658	690,194	693,852
Acquisitions	-	5,030	5,030
Transfer on demerger	-	(2,760,370)	(2,760,370)
At 31 March 2003	42,329	-	42,329
Net book value			
At 31 March 2003	10,401,094	-	10,401,094
At 31 March 2002	9,768,809	10,415,925	20,184,734

Intangible fixed assets - company

	Publishing £
Cost	
At 1 April 2002	7,734,737
Disposals	(32,500)
At 31 March 2003	7,702,237
Impairment	
At 1 April 2002	36,032
At 31 March 2003	36,032
Net book value	
At 31 March 2003	7,666,205
At 31 March 2002	7,698,705

14 Tangible fixed assets - group

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2002	10,186,139	185,606	7,062,897	17,434,642
Additions	302,330	5,996	868,270	1,176,596
Acquisitions	-	82,780	374,530	457,310
Transfer on demerger	(89,844)	(88,777)	(1,490,388)	(1,669,009)
Disposals	(917,150)	(265)	(2,090,586)	(3,008,001)
At 31 March 2003	9,481,475	185,340	4,724,723	14,391,538
Depreciation				
At 1 April 2002	631,473	51,379	4,731,010	5,413,862
Charge for the year	118,716	8,397	779,895	907,008
Acquisitions	-	19,082	108,597	127,679
Transfer on demerger	-	(23,591)	(743,386)	(766,977)
On disposals	(55,683)	(265)	(1,887,906)	(1,943,854)
At 31 March 2003	694,506	55,002	2,988,210	3,737,718
Net book value				
At 31 March 2003	8,786,969	130,338	1,736,513	10,653,820
At 31 March 2002	9,554,666	134,227	2,331,887	12,020,780

	2003 £	2002 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	6,021	6,773

Tindle Enterprises currently uses certain of the company's freehold properties having a cost of £547,769 (2002: £273,250) less accumulated depreciation of £45,502 (2002: £53,880).

Net obligations under finance leases and hire purchase agreements are secured on the assets acquired.

Tindle Newspapers Limited
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14 Tangible fixed assets - company

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2002	7,543,295	128,724	1,635,110	9,307,129
Additions	233,313	-	304,041	537,354
Disposals	(832,037)	(265)	(546,760)	(1,379,062)
At 31 March 2003	<u>6,944,571</u>	<u>128,459</u>	<u>1,392,391</u>	<u>8,465,421</u>
Depreciation				
At 1 April 2002	504,516	14,228	938,891	1,457,635
Charge for the year	84,128	2,092	128,931	215,151
On disposals	(49,883)	(265)	(517,303)	(567,451)
At 31 March 2003	<u>538,761</u>	<u>16,055</u>	<u>550,519</u>	<u>1,105,335</u>
Net book value				
At 31 March 2003	<u>6,405,810</u>	<u>112,404</u>	<u>841,872</u>	<u>7,360,086</u>
At 31 March 2002	<u>7,038,779</u>	<u>114,496</u>	<u>696,219</u>	<u>7,849,494</u>

15 Investments - group

Associates, joint ventures and other fixed asset investments

	Cost of shares £	Share of post acquisition profits £	Other investments £	Total £
Cost				
At 1 April 2002	516,166	718	490,853	1,007,737
Additions	-	-	37	37
Retained profit share for the year	-	23,409	-	23,409
Transfer on demerger	(496,000)	71,804	(340,634)	(764,830)
Dividends and amortisation	-	(77,442)	-	(77,442)
At 31 March 2003	<u>20,166</u>	<u>18,489</u>	<u>150,256</u>	<u>188,911</u>
Provisions				
At 1 April 2002	20,000	-	-	20,000
Provided in year	-	-	75,100	75,100
At 31 March 2003	<u>20,000</u>	<u>-</u>	<u>75,100</u>	<u>95,100</u>
Net book value				
At 31 March 2003	<u>166</u>	<u>18,489</u>	<u>75,156</u>	<u>93,811</u>
At 31 March 2002	<u>496,166</u>	<u>718</u>	<u>490,853</u>	<u>987,737</u>

Group interest in joint venture at year end

The group holds more than 20% of the share capital of the following companies:

	Accounting year end	Nature of business	Shares held Class	Holding
FreeAdmart Limited	31 March	Newspaper	Ordinary	25%

Tindle Newspapers Limited
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15 Group interests in associated undertakings and joint venture - continued	2003 £	2002 £
Share of associated undertakings' net assets (excluding premium)	-	4,474
Unamortised premium on acquisition	20,000	493,785
	20,000	498,259
Less provisions on investments in associates	(20,000)	(20,000)
<u>Group interest in associated undertakings</u>	-	478,259
<u>Group interest in joint venture</u>	18,655	18,625
	18,655	496,884
Disclosed above as:		
Cost of shares	166	496,166
Share of post acquisition profits	18,489	718
	18,655	496,884

Group participating interests and other investments	2003 £	2002 £
Unlisted investments	75,156	490,853

The following participating interests are included in the unlisted investments above:

	Shares held Class	Holding
African Media Investments Limited	Ordinary	18%
South Hams Radio Limited	Ordinary	10%

In the directors' opinion the value of the unlisted investments is at least equal to or in excess of the net book value. All the investments listed above are in companies incorporated in Great Britain.

15 Investments - company

	Subsidiaries £	Associates and joint ventures £	Participating interests and other investments £	Total £
Cost				
At 1 April 2002	3,936,502	20,166	150,256	4,106,924
Additions	536,608	-	-	536,608
At 31 March 2003	4,473,110	20,166	150,256	4,643,532
Provisions				
At 1 April 2002	55,543	20,000	-	75,543
Movement in year	-	-	75,100	75,100
At 31 March 2003	55,543	20,000	75,100	150,643
Net book value				
At 31 March 2003	4,417,567	166	75,156	4,492,889
At 31 March 2002	3,880,959	166	150,256	4,031,381

Subsidiary undertakings contributing to the group's results

	Shares held Class	Holding
<u>Newspaper printers and publishers</u>		
Abergavenny Chronicle Limited	Ordinary	100%
Alton Gazette Limited	Ordinary	100%
Biggin Hill News Limited	Ordinary	100%
British American Newspapers Limited	Ordinary	100%
Cambrian News Limited	Ordinary	100%
Country Graphics Limited	Ordinary	100%
Dawlish Newspapers Limited	Ordinary	100%

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15 Investments - company (continued)

Subsidiary undertakings contributing to the group's results

	Shares held	
	Class	Holding
<u>Newspaper printers and publishers</u>		
Devon & Cornwall Newspapers Limited	Ordinary	100%
Devon, Dorset & Somerset Series of Newspapers Limited	Ordinary	100%
Faringdon Newspapers Limited	Ordinary	100%
Farnham Castle Newspapers Limited	Ordinary	100%
Forest of Dean & Wye Valley Review Limited	Ordinary	100%
Glamorgan Gem Limited	Ordinary	100%
Goldcrest Broadcasting Limited	Ordinary	100%
Hampshire Voice Limited	Ordinary	100%
Meon Valley News Limited	Ordinary	80%
Monmouthshire Beacon Co. Limited	Ordinary	100%
North Cornwall Advertiser Limited	Ordinary	75%
PM Publications Limited	Ordinary	100%
Post Dispatch Limited	Ordinary	80%
Prime of Life Publications Limited	Ordinary	60%
Pulmans Weekly News Limited	Ordinary	100%
Putnam Newspapers Limited	Ordinary	100%
South Hants Newspapers Limited	Ordinary	100%
Surrey & Hants News Limited	Ordinary	100%
Surrey Press Centre Limited	Ordinary	100%
Tavistock Newspapers Limited	Ordinary	100%
Tavy Typesetting Limited	Ordinary	100%
Tenby Observer Limited	Ordinary	100%
The Brecon & Radnor Express Limited	Ordinary	100%
The Bridgend & District Recorder Limited	Ordinary	100%
The Cornish & Devon Post Limited	Ordinary	100%
The Ross Gazette Limited	Ordinary	100%
Tindle Newspapers (USA) Inc. (incl. Idyllwild)	Ordinary	100%
Town & Country Admart Limited	Ordinary	100%
Tribune Newspapers (Wales) Limited	Ordinary	100%
West Somerset Free Press Limited	Ordinary	85%
Westmorland Messenger Limited	Ordinary	100%
<u>Radio Stations</u>		
Bridge FM Radio Limited	Ordinary	56%
Channel Radio Limited	Ordinary	100%
East Coast Radio (The Beach) Limited	Ordinary	100%
Island FM Limited	Ordinary	100%
Mellow 1557 Limited	Ordinary	100%
Mid Essex Radio Limited	Ordinary	100%
Midland Community Radio Services Limited	Ordinary	85%
} Transferable on demerger		
<u>Hotels</u>		
Tindle Properties Limited	Ordinary	100%

The directors consider the realisable value of the company's investment in its group undertakings to be not less than the carrying value as stated in the company's balance sheet.

The group also has other dormant subsidiaries that are not disclosed in accordance with schedule 5 of the Companies Act 1985.

All the above companies are incorporated in Great Britain with the exception of Midland Community Radio Services Limited which is incorporated in Ireland and Tindle Newspapers (USA) Inc. which is incorporated in the United States of America. The American company has a 31 December year end that has been chosen for the purposes of taxation.

Participating interests and other investments

	2003	2002
	£	£
Unlisted investments	75,156	150,256
	<u>75,156</u>	<u>150,256</u>

In the directors' opinion the value of the unlisted investments above is in excess of the net book value. All the investments above are in companies incorporated in Great Britain.

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16 Stocks - group	2003 £	2002 £
Raw materials and consumables	47,008	48,259
Work in progress	-	3,988
Finished goods and goods for resale	23,426	44,446
	<u>70,434</u>	<u>96,693</u>

The difference between purchase price or production cost of stocks and their replacement cost is not significant.

17 Radio group demerger	2003	
	£	£
The consolidated net assets of the Radio Group as at 31 March 2003 were as follows:		
<u>Fixed assets</u>		
Intangible assets		13,094,742
Tangible assets		902,032
Investment in associate		424,196
Other investments		340,634
		<u>14,761,604</u>
<u>Current assets</u>		
Debtors	1,645,405	
Bank balances and cash in hand	2,123,830	
	<u>3,769,235</u>	
<u>Creditors: amounts falling due within one year</u>	<u>(1,148,777)</u>	
<u>Net current assets</u>		<u>2,620,458</u>
<u>Total assets less current liabilities</u>		<u>17,382,062</u>
<u>Creditors: amounts falling due after more than one year</u>		<u>(591,245)</u>
Net assets subject to the demerger		<u>16,790,817</u>

On 11 April 2003 the shareholder passed a written resolution to approve the demerger of the group's radio operations. On demerger the company declared a dividend satisfied by the issue of shares in Provincial Radio Limited, the newly formed parent company of the radio sub group. This dividend in specie represents the net assets of the individual operations transferred to Provincial Radio Limited on demerger. The shareholder in Tindle Newspapers Limited was issued shares in Provincial Radio Limited in the ratio of one share in that company for every share held in Tindle Newspapers Limited.

The results of operations to be transferred to Provincial Radio Limited are reported as discontinued activities in these financial statements.

The balance sheet on page 6 shows the net assets to be demerged within current assets as assets awaiting demerger but comparative figures at 31 March 2002 include the assets and liabilities of the discontinued operations in the normal manner.

18 Debtors - group	2003 £	2002 £
Trade debtors	3,866,652	4,773,547
Amounts owed by undertakings in which the company has a participating interest	27,771	59,736
Other debtors	251,358	378,614
Prepayments and accrued income	332,715	499,794
	<u>4,478,496</u>	<u>5,711,691</u>
 <u>Debtors - company</u>	 2003 £	 2002 £
Trade debtors	3,827	4,851
Amounts owed by group undertakings	3,382,524	16,655,155
Group balances subject to demerger	18,500,000	-
Other debtors	4,529,651	3,669,111
Prepayments and accrued income	54,840	76,090
	<u>26,470,842</u>	<u>20,405,207</u>

Other debtors include dividends receivable from group undertakings amounting to £3,692,156 (2002: £3,016,184).

Tindle Newspapers Limited
Notes to the Accounts
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19 Investments held as current assets - group	2003	2002
	£	£
Unlisted investments	-	51,200

In the directors' opinion the value of the unlisted investments is at least equal to or in excess of the net book value. All the investments listed above are in companies incorporated in Great Britain.

20 Creditors: amounts falling due within one year - group	2003	2002
	£	£
Other loans	6,000	3,399
Obligations under finance lease and hire purchase contracts	-	21,162
Trade creditors	716,292	1,255,759
Corporation tax	775,516	948,185
Other taxes and social security costs	943,229	916,073
Other creditors	84,583	104,569
Accruals and deferred income	1,190,977	1,006,783
Proposed dividend for minorities	62,844	62,844
	<u>3,779,441</u>	<u>4,318,774</u>

Creditors: amounts falling due within one year - company	2003	2002
	£	£
Trade creditors	25,423	24,850
Amounts owed to group undertakings	5,834,492	4,320,660
Other taxes and social security costs	17,357	109,610
Other creditors	33,741	1,581
Accruals and deferred income	281,719	195,258
	<u>6,192,732</u>	<u>4,651,959</u>

21 Creditors: amounts falling due after one year - group	2003	2002
	£	£
Loan notes	-	420,000
Other loans	141,603	160,237
Obligations under finance lease and hire purchase contracts	-	22,832
	<u>141,603</u>	<u>603,069</u>

The other loans are repayable by instalments within five years and attract interest at 1.5% above the three month LIBOR.

22 Loans - group	2003	2002
	£	£
Analysis of maturity of debt:		
Between one and two years	6,000	51,436
Between two and five years	141,603	532,200
	<u>147,603</u>	<u>583,636</u>

23 Obligations under finance leases and hire purchase contracts - group	2003	2002
	£	£
Amounts payable:		
Within one year	-	21,162
Within two to five years	-	22,832
	<u>-</u>	<u>43,994</u>

24 Deferred taxation - group	2003	2002
	£	£
At 1 April	81,589	71,586
Charged to the profit and loss account	28,021	10,003
At 31 March	<u>109,610</u>	<u>81,589</u>

Tindle Newspapers Limited
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24 Deferred taxation - company	2003	2002
	£	£
At 1 April	80,039	71,586
Charged to the profit and loss account	28,140	8,453
At 31 March	<u>108,179</u>	<u>80,039</u>

The charges to the profit and loss account all relate to capital allowances being in advance of depreciation charges.

25 Share capital	2003	2002
	£	£
Authorised:		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
	2003	2002
	No	No
	£	£
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>18,002</u>	<u>18,002</u>

26 Profit and loss account	2003	2002
	£	£
Group		
At 1 April	44,455,123	41,172,368
Retained profit	<u>3,266,447</u>	<u>3,282,755</u>
At 31 March	<u>47,721,570</u>	<u>44,455,123</u>
Company		
At 1 April	43,817,121	39,996,323
Retained profit	<u>3,808,210</u>	<u>3,820,798</u>
At 31 March	<u>47,625,331</u>	<u>43,817,121</u>

27 Reconciliation of movement in shareholders' equity funds	2003	2002
	£	£
Group		
At 1 April	44,473,125	41,190,370
Profit for the financial year	3,353,427	3,235,909
Minority interests	<u>(86,980)</u>	<u>46,846</u>
At 31 March	<u>47,739,572</u>	<u>44,473,125</u>
Company		
At 1 April	43,835,123	40,014,325
Profit for the financial year	<u>3,808,210</u>	<u>3,820,798</u>
At 31 March	<u>47,643,333</u>	<u>43,835,123</u>

28 Gross cash flows	2003	2002
	£	£
Return on investments and servicing of finance		
Dividends received	11,072	12,906
Interest received	258,595	389,149
Interest paid	<u>(56,502)</u>	<u>(44,274)</u>
Minority dividends paid	<u>(42,150)</u>	<u>(20,906)</u>
	<u>171,015</u>	<u>336,875</u>
Capital expenditure and financial investment		
Payments to acquire intangible fixed assets	(130,868)	(112,043)
Payments to acquire tangible fixed assets	<u>(1,074,057)</u>	<u>(986,656)</u>
Payments to acquire investments	<u>(37)</u>	<u>(326,098)</u>
Receipts from sales of tangible fixed assets	1,264,092	811,573
Receipts from sales of investments	<u>30,067</u>	<u>17,190</u>
	<u>89,197</u>	<u>(596,034)</u>

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28 Gross cash flows (continued)	2003 £	2002 £
Management of liquid resources		
Sale/(purchase) of current asset investments	51,200	(51,200)
Financing		
Loan repayments	(96,455)	(117,405)
Finance lease rental payments	(32,566)	(5,003)
	<u>(129,021)</u>	<u>(122,408)</u>

29 Analysis of changes in net debt	At 1 Apr 2002 £	Cash flows £	Non-cash changes £	At 31 Mar 2003 £
Cash at bank and in hand	10,505,973	1,543,766		12,049,739
Debt due within 1 year	(3,399)	(162,179)		(165,578)
Debt due after 1 year	(580,237)	258,634		(321,603)
Finance leases	(43,994)	32,566	(102,500)	(113,928)
		<u>129,021</u>		
Current asset investments	51,200	(51,200)		-
Total	<u>9,929,543</u>	<u>1,621,587</u>	<u>(102,500)</u>	<u>11,448,630</u>

Included in the closing cash at bank and in hand at the year end was £2,123,830 relating to the demerged Radio Group.

30 Acquisitions and disposals	Goldcrest £	Midland £	2003 £	2002 £
Fair value of net assets acquired:				
Publishing rights	674,951	-	674,951	217,080
Broadcast rights	-	3,329,660	3,329,660	1,827,277
Tangible fixed assets	38,929	290,741	329,670	42,641
Debtors	130,240	208,494	338,734	140,710
Creditors	(208,014)	(224,394)	(432,408)	(133,794)
Bank and overdraft	1,571	(157,342)	(155,771)	(17,252)
	<u>637,677</u>	<u>3,447,159</u>	<u>4,084,836</u>	<u>2,076,662</u>
Minority interests in the above			(517,074)	-
Minor additions to subsidiary investments			(56,992)	35,249
Purchase of subsidiary undertakings			3,510,770	2,111,911
Disposal of associated undertakings			-	(412,500)
Purchase of associated undertakings			-	496,000
Total consideration			<u>3,510,770</u>	<u>2,195,411</u>
Less cash at bank acquired			(42,115)	(40,826)
Plus overdrafts acquired			197,996	58,069
Less deferred consideration			-	(420,000)
			<u>3,666,651</u>	<u>1,792,654</u>

31 Major non-cash transactions	2003 £
Capital value of new finance lease arrangements	<u>102,500</u>

32 Post balance sheet events

Three additional titles have been acquired and one disposed of after the year end. The net consideration amounted to £206,000.

All information relating to the demerger is disclosed within note 17.

33 Capital commitments	2003 £	2002 £
Amounts contracted for but not provided in the accounts	-	<u>199,600</u>

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34 Other financial commitments

At the year end the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2003 £	Land and buildings 2002 £	Other 2003 £	Other 2002 £
Operating leases which expire:				
within one year	105,983	99,727	22,323	10,182
within two to five years	196,006	148,660	85,454	24,801
in over five years	205,308	232,681	42,635	16,523
	<u>507,297</u>	<u>481,068</u>	<u>150,412</u>	<u>51,506</u>

35 Contingent liabilities

In the ordinary course of business the company has entered into agreements whereby it may be required to acquire some investments at some point in time over the next six years for a consideration to be determined at the appropriate time. The directors do not consider these items to be material.

36 Related parties

During the year the following transactions occurred with related parties:

The company entered into transactions to receive accountancy, taxation, computer support, software training and other professional services from Milne Eldridge & Co. Chartered Accountants, amounting to £387,031 (2002: £322,526) during the year. Mr C.R.G. Christmas was and still is the proprietor of this firm. At the year end £nil (2002: £nil) was owing to the firm.

The group entered into transactions with FreeAdmart Limited (an associated company) to supply printing services amounting to £167,126 (2002: £181,229). At the year end £24,285 (2002: £30,706) was owed by FreeAdmart Limited.

The company paid £45,000 (2002: £nil) to Sir Ray Tindle for the rental of The Old Court House, Farnham, Surrey. At the year end the company owed Sir Ray Tindle £nil in respect of the rental.

37 Controlling party

The company is controlled by Sir Ray Tindle by virtue of his 100% interest in the ordinary issued share capital of the company.