

Registered number  
798870

Tindle Newspapers Limited

Annual Report

31 March 2006

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**Tindle Newspapers Limited**  
**Report and group accounts**  
**Contents**

	<b>Page</b>
Company information	1
Directors' report	2
Independent auditors' report	4
Consolidated profit and loss account	5
Statement of total recognised gains and losses	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the accounts	10

## **Tindle Newspapers Limited Company Information**

### **Directors**

Sir Ray Tindle CBE, DL, FCIS  
Lady Tindle MA, Dip.Ed.(Lond.)  
Mr O.C. Tindle  
Mr B.G. Doel  
Mr C.R.G. Christmas FCA  
Mrs W. Craig

### **Joint secretaries**

Lady Tindle  
Mr C.R.G. Christmas

### **Auditors**

RSM Robson Rhodes LLP  
30 Finsbury Square  
London EC2P 2YU

### **Bankers**

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

### **Solicitors**

TWM Solicitors LLP  
128 High Street  
Guildford  
Surrey GU1 3HH

### **Registered office**

Bethune House  
88 West Street  
Farnham  
Surrey GU9 7EP

### **Registered number**

798870

## Tindle Newspapers Limited Directors' Report

The directors present their report and accounts for the year ended 31 March 2006.

### Principal activities and review of the business

The principal activities of the company and its subsidiaries (the group) have been those of weekly newspaper publishers and local radio station proprietors. There have not been any changes in the group's principal activities during the year nor are any envisaged for the forthcoming year.

The group's aim is to develop from a position of strength to ensure it is best placed to meet an uncertain future. To monitor this the company uses the following Key Performance Indicators.

	Target	2006	2005
Revenue growth - existing operations	5.00%	0.11%	6.30%
Return on capital employed	6.00%	15.13%	20.58%
Gross profit	50.00%	48.27%	50.27%
Liquidity (current assets:current liabilities)	2.5 times	5.9 times	5.8 times

The principal risks and uncertainties facing the group arise from the vagaries of the economy in the United Kingdom leading to fluctuations in the advertising market. The board are therefore pleased to report a modest growth in revenues from the group's on-going core business in spite of a difficult trading year. Similarly, the gross profit percentage (which is profit before overheads expressed as a percentage of total turnover) has reduced slightly as a result of the poor trading conditions in the United Kingdom. However, the group has reacted swiftly in order to minimise the impact of these difficulties, and the directors are satisfied with the result for the year.

The group continues to provide strong returns and measures this by expressing the profit before interest and tax for the year as a percentage of shareholder's equity funds (shown above as return on capital employed). Further, the group have a strong cash balance and the directors are satisfied with these positions.

### Future developments

The group intends to continue its policy of acquisition and launch of additional newspaper titles.

### Dividends

The company has paid interim dividends amounting to £300,000 and the directors do not recommend a final ordinary dividend.

### Directors

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

	£1 Ordinary shares	
	2006	2005
Sir Ray Tindle CBE, DL, FCIS	-	-
Lady Tindle MA, Dip.Ed.(Lond.)	-	-
Mr O.C. Tindle	-	-
Mr B.G. Doel	-	-
Mr C.R.G. Christmas FCA	-	-
Mrs W. Craig	-	-

The interest of Sir Ray Tindle in the shares of Tindle Press Holdings Limited (the ultimate holding company) is disclosed within that company's financial statements.

### Charitable donations

In the year under review, the group made charitable donations totalling £78,432 (2005 £78,092).

### Environment

The group's policy with regard to the environment is to ensure proper understanding and effective management of the actual and potential environmental impact of its activities. The group's operations are conducted in such a way that we comply with all legal requirements relating to the environment in all areas where we carry out our business. During the year, the group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

### 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.

It is the group's policy to provide employment opportunities and retraining, where possible, for disabled people and to care for people who become disabled whilst in the group's employment. The group operates an equal opportunities employment policy.

## **Tindle Newspapers Limited**

### **Directors' Report**

#### **Statement of directors' responsibilities for the annual report**

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. The financial statements are required by law to 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 are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

#### **Financial instruments**

The group's principal financial instruments are amounts receivable from customers, cash and bank balances and loans and amounts payable to suppliers.

#### **Credit and cash flow risk**

The group places its emphasis on good credit management in its mitigation of these risks. The group's credit risk is primarily attributable to its trade debtors. There is no significant concentration of credit risk with any one customer or group of customers. The amounts presented in the balance sheet for trade debtors are net of appropriate allowances for doubtful debts.

#### **Interest rate risk**

The group does not have significant borrowings and thus does not consider there is significant exposure to cash flow interest rate risk.

#### **Liquidity risk**

Due to the availability of cash on the balance sheet and strong operating cash flows, the group does not consider there is significant exposure to liquidity risk.

#### **Foreign currency risk**

The group has one overseas subsidiary in the United States of America. In structuring the ownership and funding of this subsidiary, the group has minimised its foreign currency fluctuation exposure. The exposure that remains is not significant to warrant the use of other measures to control this risk.

#### **Disclosure of information to auditors**

At the date of making this report each of the company's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant information needed by the group's auditors in connection with preparing their report of which the group's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the group's auditors in connection with preparing their report and to establish that the group's auditors are aware of that information.

#### **Auditors**

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 30 January 2007.

## **Tindle Newspapers Limited**

### **Independent auditors' report to the shareholder of Tindle Newspapers Limited**

We have audited the financial statements on pages 5 to 25.

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 auditors' 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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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 financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the group as at 31 March 2006 and of the group's profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the directors' report is consistent with the financial statements.

*RSM Robson Rhodes LLP*

**RSM Robson Rhodes LLP**  
Chartered Accountants and Registered Auditors

30 Finsbury Square  
London EC2P 2YU

*31* January 2007

**Tindle Newspapers Limited**  
**Consolidated Profit and Loss Account**  
**for the year ended 31 March 2006**

	Notes	2006			2005 - restated		
		Operating activities	Amortisation and other exceptionals	Total	Operating activities	Amortisation and other exceptionals	Total
		£	£	£	£	£	£
<b>Turnover</b>							
Existing operations		32,744,675	-	32,744,675	32,707,937	-	32,707,937
Continuing operations		32,744,675	-	32,744,675	32,707,937	-	32,707,937
Discontinued operations		50,401	-	50,401	198,775	-	198,775
	2	32,795,076	-	32,795,076	32,906,712	-	32,906,712
Cost of sales	3	(16,966,027)	-	(16,966,027)	(16,363,532)	-	(16,363,532)
<b>Gross profit</b>	3	15,829,049	-	15,829,049	16,543,180	-	16,543,180
Net operating expenses	3	(9,446,665)	(82,364)	(9,529,029)	(8,503,210)	222,916	(8,280,294)
<b>Group operating profit</b>	3 & 4	6,382,384	(82,364)	6,300,020	8,039,970	222,916	8,262,886
Existing operations		6,392,050	(82,364)	6,309,686	8,051,012	223,116	8,274,128
Discontinued operations		(9,666)	-	(9,666)	(11,042)	(200)	(11,242)
		6,382,384	(82,364)	6,300,020	8,039,970	222,916	8,262,886
<b>Group's share of operating profit of:</b>							
Joint venture		53,630	-	53,630	64,802	-	64,802
<b>Operating profit</b>		6,436,014	(82,364)	6,353,650	8,104,772	222,916	8,327,688
Profit on the disposal of tangible fixed assets	6	-	541,997	541,997	-	-	-
Change in value and sale of investments		-	(126,423)	(126,423)	-	(57,171)	(57,171)
Interest receivable	9	786,528	-	786,528	612,088	-	612,088
Interest payable	10	(6,259)	-	(6,259)	(42,038)	-	(42,038)
<b>Profit on ordinary activities before taxation</b>		7,216,283	333,210	7,549,493	8,674,822	165,745	8,840,567
Tax on profit on ordinary activities	12	(2,260,006)	-	(2,260,006)	(2,641,043)	-	(2,641,043)
<b>Profit on ordinary activities after taxation</b>		4,956,277	333,210	5,289,487	6,033,779	165,745	6,199,524
Equity minority interests		(39,702)	-	(39,702)	(83,199)	-	(83,199)
<b>Profit for the financial year</b>	25	4,916,575	333,210	5,249,785	5,950,580	165,745	6,116,325

Amortisation and other exceptionals include the amortisation of intangible assets, the gains or losses on fixed asset property sales and provisions against current asset investments.

The group's share of joint venture turnover amounted to £147,278 (2005: £155,955).

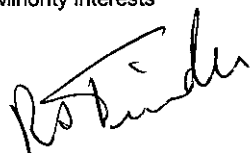
**Tindle Newspapers Limited**  
**Statement of total recognised gains and losses**  
**for the year ended 31 March 2006**

	<b>Notes</b>	<b>2006 £</b>	<b>2005 - restated £</b>
Profit for the financial year		5,249,785	6,116,325
Actuarial deficits on the pension scheme		(192,000)	(54,000)
Deferred tax on pension surplus		57,600	16,200
Total recognised gains and losses related to the year		<u>5,115,385</u>	<u>6,078,525</u>
Prior year adjustment for pension scheme recognition in accordance with FRS 17		(259,000)	
Total recognised gains and losses since last accounts		<u>4,856,385</u>	



**Tindle Newspapers Limited**  
**Consolidated Balance Sheet**  
**as at 31 March 2006**

	Notes	2006		Restated 2005	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	14		13,826,119		13,904,823
Tangible assets	15		5,849,738		5,303,773
Investments:					
Joint ventures: Share of gross assets		90,438		101,015	
Share of gross liabilities		(26,706)		(82,319)	
		<u>63,732</u>		<u>18,696</u>	
Other investments	16	<u>1</u>	<u>63,733</u>	<u>1</u>	<u>18,697</u>
			<u>19,739,590</u>		<u>19,227,293</u>
<b>Current assets</b>					
Stocks	17	87,897		91,557	
Debtors	18	6,828,597		6,160,743	
Investments held as current assets	19	36,000		144,000	
Cash at bank and in hand		20,289,104		19,581,965	
		<u>27,241,598</u>		<u>25,978,265</u>	
Debtor amounts falling due after more than one year	18	2,899,190		-	
		<u>30,140,788</u>		<u>25,978,265</u>	
<b>Creditors: amounts falling due within one year</b>	20	<u>(4,597,106)</u>		<u>(4,478,106)</u>	
<b>Net current assets</b>			<u>25,543,682</u>		<u>21,500,159</u>
<b>Total assets less current liabilities</b>			<u>45,283,272</u>		<u>40,727,452</u>
<b>Creditors: amounts falling due after more than one year</b>	21		(6,648)		(6,214)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	23		(106,032)		(106,032)
<b>Net assets excluding pensions deficit</b>			<u>45,170,592</u>		<u>40,615,206</u>
Pensions deficit	11		(255,000)		(259,000)
<b>Net assets including pensions deficit</b>			<u>44,915,592</u>		<u>40,356,206</u>
<b>Capital and reserves</b>					
Called up share capital	24		18,002		18,002
Profit and loss account	25		44,731,301		40,165,916
Shareholder's equity funds:	26		<u>44,749,303</u>		<u>40,183,918</u>
Minority interests			166,289		172,288
			<u>44,915,592</u>		<u>40,356,206</u>



**Sir Ray Tindle**  
Chairman

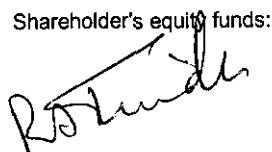


**C.R.G. Christmas**  
Director

Approved by the board on 30 January 2007

**Tindle Newspapers Limited**  
**Company Balance Sheet**  
**as at 31 March 2006**

	Notes	<u>2006</u>		<u>Restated 2005</u>	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	14		10,216,128		10,285,223
Tangible assets	15		5,140,937		4,551,020
Investments	16		5,327,248		5,326,587
			<u>20,684,313</u>		<u>20,162,830</u>
<b>Current assets</b>					
Debtors	18	4,028,049		3,018,053	
Investments held as current assets	19	36,000		144,000	
Cash at bank and in hand		17,622,125		16,698,406	
		<u>21,686,174</u>		<u>19,860,459</u>	
Debtor amounts falling due after more than one year	18	2,899,190		-	
		<u>24,585,364</u>		<u>19,860,459</u>	
<b>Creditors: amounts falling due within one year</b>	20	(3,730,177)		(7,118,517)	
<b>Net current assets</b>			20,855,187		12,741,942
<b>Total assets less current liabilities</b>			<u>41,539,500</u>		<u>32,904,772</u>
<b>Provisions for liabilities and charges</b>					
Deferred taxation	23		(106,032)		(106,032)
			<u>41,433,468</u>		<u>32,798,740</u>
<b>Capital and reserves</b>					
Called up share capital	24		18,002		18,002
Profit and loss account	25		41,415,466		32,780,738
Shareholder's equity funds:	26		<u>41,433,468</u>		<u>32,798,740</u>



**Sir Ray Tindle**  
Chairman



**C.R.G. Christmas**  
Director

Approved by the board on 30 January 2007

**Tindle Newspapers Limited**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 March 2006**

	Notes	2006 £	Restated 2005 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		6,300,020	8,262,886
Depreciation charges		364,816	440,805
Amortisation and impairment adjustment		82,364	13,268
Profit on disposal of fixed assets		(14,337)	(230,218)
Decrease/(increase) in stocks		3,660	(15,098)
(Increase)/decrease in debtors		(667,854)	1,960,703
Increase/(decrease) in creditors		519,258	(459,567)
Adjustment in respect of pension scheme contribution in excess of current service costs		(200,000)	(312,000)
<b>Net cash inflow from operating activities</b>		<b>6,387,927</b>	<b>9,660,779</b>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash inflow from operating activities</b>		<b>6,387,927</b>	<b>9,660,779</b>
<b>Dividends from joint ventures and associates</b>		-	54,160
<b>Return on investments and servicing of finance</b>	27	697,989	523,249
<b>Taxation</b>		(2,480,397)	(2,345,923)
<b>Capital expenditure and financial investment</b>	27	(3,221,024)	(882,869)
<b>Acquisitions and disposals</b>	29	(661)	(262,141)
<b>Equity dividends paid (cash element)</b>		(550,000)	(125,000)
<b>Cash inflow before use of liquid resources and financing</b>		<b>833,834</b>	<b>6,622,255</b>
<b>Management of liquid resources</b>	27	(18,423)	(249,779)
<b>Financing</b>	27	(108,272)	(7,993)
<b>Increase in cash</b>		<b>707,139</b>	<b>6,364,483</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
<b>Increase in cash in the year</b>		<b>707,139</b>	<b>6,364,483</b>
<b>Decrease in debt and lease financing</b>		108,272	7,993
<b>Increase in liquid resources</b>		-	144,000
<b>Other non-cash changes</b>		(108,000)	-
<b>Change in net funds</b>	28	<b>707,411</b>	<b>6,516,476</b>
<b>Net funds at 1 April 2005</b>		<b>19,608,353</b>	<b>13,091,877</b>
<b>Net funds at 31 March 2006</b>	28	<b>20,315,764</b>	<b>19,608,353</b>

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**1 Accounting policies**

***Accounting convention***

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

The adoption of FRS 21 'Events After The Balance Sheet Date' has resulted in a prior year adjustment in respect of the proposed ordinary dividends being accounted for only when the shareholder becomes absolutely entitled to receive the dividends. The impact of this has been shown in note 25 of these financial statements. The impact of the adoption of FRS 21 on minority dividends has not been adjusted as it is not considered material.

The group has also adopted FRS 17 'Retirement Benefits' in respect of the group's defined benefit pension schemes - see note 11. This has resulted in a prior year adjustment to bring in to the accounts the schemes' deficits. These adjustments are shown in note 25.

***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 consist of 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 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.

***Goodwill***

Acquired goodwill is written off in equal annual instalments over its useful economic life of 10 years. In addition to systematic amortisation, the book value is written down to its recoverable amount when any impairment is 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.

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**1 Accounting policies (continued)**

**Stocks**

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

**Pensions**

The Group's defined benefit pension schemes are accounted for in accordance with FRS 17 'Retirement Benefits'. These requirements were adopted in full for the first time this year. The pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency.

Operating profit is charged with the cost of providing pension benefits earned by employees. Interest payable includes the increase during the year in the present value of the schemes' liabilities that arises from the passage of time less the expected return on the schemes' assets. Actuarial gains and losses are recognised in the consolidated statement of total recognised gains and losses.

The parent company operates the Farnham Castle Newspapers Limited Pension and Life Assurance Scheme. The company has continued to account for this defined benefit scheme as if it were a defined contribution scheme, as permitted by FRS 17, as the scheme is a multi-employer scheme where the assets and liabilities of the scheme relating to the company cannot be separately identified.

The group also operates a defined contribution scheme. These costs are charged to the profit and loss in the period to which they relate.

**Current asset investments**

Current asset investments are 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.

**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.

**2 Turnover**

Turnover represents the 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:

	2006 £	2005 £
United Kingdom	32,365,371	32,523,901
U.S.A.	429,705	382,811
	<u>32,795,076</u>	<u>32,906,712</u>

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**3 Analysis of results**

For the year ended 31 March 2006

	Continuing operations Existing £	Discontinued operations £	Total £
Cost of sales	16,938,114	27,913	16,966,027
Gross profit	15,806,560	22,489	15,829,049
Net operating expenses:			
Distribution costs	2,510,647	3,163	2,513,810
Administrative expenses	7,340,101	28,992	7,369,093
Other operating income	(353,874)	-	(353,874)
	9,496,874	32,155	9,529,029
Group operating profit/(loss)	6,309,686	(9,666)	6,300,020

For the year ended 31 March 2005

	Continuing operations £	Discontinued operations £	Total £
Cost of sales	16,243,470	120,062	16,363,532
Gross profit	16,464,467	78,713	16,543,180
Net operating expenses:			
Distribution costs	2,220,677	10,639	2,231,316
Administrative expenses	6,230,600	79,316	6,309,916
Other operating income	(260,938)	-	(260,938)
	8,190,339	89,955	8,280,294
Group operating profit/(loss)	8,274,128	(11,242)	8,262,886

**4 Operating profit**

This is stated after charging/(crediting):

	2006 £	2005 £
Depreciation of owned fixed assets	364,816	440,805
Profit on disposal of fixed assets	(14,337)	(230,218)
Amortisation of intangible fixed assets and impairment adjustments	82,364	13,268
Operating lease rentals - plant and machinery	163,135	110,631
Operating lease rentals - land and buildings	411,036	408,867
Auditors' remuneration - parent	45,000	45,000
Auditors' remuneration - group	119,353	128,920

**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:

	2006 £	2005 £
Holding company's profits	9,184,728	5,364,702
Share of net profits retained by associated and joint venture undertakings	45,036	54,193

**6 Exceptional items**

	2006 £	2005 £
Profit on disposal of land and buildings	541,997	-

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

<b>7 Directors' emoluments</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Emoluments	267,103	314,054
Company contributions to money purchase pension schemes	3,100	2,325
	<u>270,203</u>	<u>316,379</u>
Highest paid director: Emoluments	<u>147,603</u>	<u>152,373</u>
<b>Number of directors in company pension schemes:</b>	<b>2006</b>	<b>2005</b>
	<b>Number</b>	<b>Number</b>
Money purchase schemes	<u>1</u>	<u>1</u>
<b>8 Staff costs</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	10,444,534	9,724,473
Social security costs	944,726	856,489
Other pension costs	297,120	290,265
	<u>11,686,380</u>	<u>10,871,227</u>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Management and administration	132	130
Editorial and production	335	312
Sales and marketing	274	250
	<u>741</u>	<u>692</u>
<b>9 Interest receivable</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank interest	747,747	569,699
Other interest	36,814	40,238
	<u>784,561</u>	<u>609,937</u>
Joint venture and associates	1,967	2,151
	<u>786,528</u>	<u>612,088</u>
<b>10 Interest payable</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	22	406
Other loans	5,237	32,632
	<u>5,259</u>	<u>33,038</u>
Interest on pension schemes' liabilities less expected returns on pension schemes' assets	1,000	9,000
	<u>6,259</u>	<u>42,038</u>

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**11 Pension costs**

Based on an actuarial review at 31 March 2006 by RMA Walking (a qualified independent actuary) the following information is provided as it relates only to the defined benefit schemes below. These schemes are now closed to new entrants and under the projected unit method for closed schemes, the current service cost will increase as the members of the scheme approach retirement.

**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. 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 2005. The main long term actuarial assumptions adopted were that the annual rate of return on investment would be 6.5% for pre-retirement (5.0% for post-retirement), the annual increase in pensionable salaries would be 3.25% and the annual rate of pension increase would be that guaranteed under the scheme.

The market value of the scheme's assets as at 1 January 2005 was estimated to be £3,659,728 which excludes 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 91% of the benefits that have accrued to deferred and active members, after allowing for expected future increases in earnings. The company's contributions are in line with the actuary's recommendations which are designed to achieve a 100% funding level over the average future working lives of members.

Contributions payable by the group to this scheme amounted to £354,000 (2005: £438,000) 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.

**Fair value of the scheme's assets:**

	2006	2005
	£	£
Equities	3,405,000	2,737,000
Bonds	843,000	463,000
Bank deposits and cash balances	670,000	638,000
Annuity contracts	380,000	411,000
Total market value of assets	5,298,000	4,249,000
Present value of scheme liabilities	(5,634,000)	(4,685,000)
Actuarial deficit	(336,000)	(436,000)
Related deferred tax asset	101,000	131,000
Deficit of the scheme	(235,000)	(305,000)

**Assumptions:**

	2006	2005
	%	%
Discount rate for scheme liabilities	5.00	5.50
Rate of increase in pensions where applicable	2.50	2.50
Rate of increase in salaries	3.25	3.25
Price inflation assumption	2.75	2.90

**Expected long term rates of return:**

	2006	2005
	%	%
Equities	6.50	6.50
Bonds	5.00	5.50
Bank deposits and cash balances	4.50	4.50
Annuity contracts	5.00	4.50



**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**11 Pension costs (continued)**

<b>Movement in deficit during the year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Actuarial deficit in scheme as at 1 April	(436,000)	(660,000)
Current service costs	(159,000)	(130,000)
Contributions	354,000	438,000
Other finance income	(7,000)	(14,000)
Actuarial loss	(88,000)	(70,000)
Actuarial deficit in scheme as at 31 March	<u>(336,000)</u>	<u>(436,000)</u>

**Brecon and Radnor Express Pension Scheme**

The company operates a defined benefit scheme, whereby retirement benefits are based on the employee's final remuneration and length of service. The assets of the scheme are held separately from those of the company. Contributions are made in accordance with the recommendations of a qualified independent actuary who values the scheme at regular intervals, usually triennially.

The most recent actuarial valuation of the scheme was at 6 April 2003. The scheme was valued using the projected unit method and the principal assumptions were that the investment returns would be 5.5% per annum and that salary increases would average 6.0% per annum. The market value of the scheme's assets at the valuation date was £437,000 which represented a deficit of £29,000 over the scheme's liabilities.

Contributions payable by the group to this scheme amounted to £24,000 (2005 - £28,000) and all contributions were paid in the year.

<b>Fair value of the scheme's assets:</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Equities	410,000	267,000
Bonds	246,000	272,000
Bank deposits and cash balances	<u>29,000</u>	<u>16,000</u>
Total assets	685,000	555,000
Present value of scheme liabilities	<u>(713,000)</u>	<u>(490,000)</u>
Actuarial (deficit)/surplus	(28,000)	65,000
Related deferred tax asset/(liabilities)	<u>8,000</u>	<u>(19,000)</u>
(Deficit)/surplus of the scheme	<u>(20,000)</u>	<u>46,000</u>

<b>Assumptions:</b>	<b>2006</b>	<b>2005</b>
	<b>%</b>	<b>%</b>
Discount rate for scheme liabilities	5.00	5.50
Rate of increase in pensions where applicable	3.00	3.00
Rate of increase in salaries	3.25	3.25
Price inflation assumption	2.75	2.90

<b>Expected rates of return:</b>	<b>2006</b>	<b>2005</b>
	<b>%</b>	<b>%</b>
Equities	6.50	6.50
Bonds	5.00	5.50
Bank deposits and cash balances	4.50	4.50

<b>Movement in (deficit)/surplus during the year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Actuarial surplus in scheme as at 1 April	65,000	40,000
Current service costs	(19,000)	(24,000)
Contributions	24,000	28,000
Other finance income	6,000	5,000
Actuarial (loss)/gain	<u>(104,000)</u>	<u>16,000</u>
(Actuarial deficit)/actuarial surplus in scheme as at 31 March	<u>(28,000)</u>	<u>65,000</u>

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**11 Pension costs (continued)**

Under the requirements of FRS 17, the following disclosures are given to show the impact on the profit and loss account and statement of total recognised gains and losses of the above mentioned two schemes as a result of FRS 17 being adopted in full. These amounts have been included in the profit and loss account or the statement of total recognised gains and losses.

The analysis of amounts that are charged to operating profit are as follows:

	2006 £	2005 £
Current service costs	178,000	154,000

The analysis of amounts that are credited to other finance income are as follows:

	2006 £	2005 £
Expected return on pension schemes' assets	284,000	263,000
Interest on pension schemes' liabilities	(285,000)	(272,000)
	(1,000)	(9,000)

The analysis of amounts that are recognised in the statement of total recognised gains and losses are as follows:

	2006 £	2005 £
Actual return less expected return on pension schemes' assets	549,000	124,000
Experience gains and losses arising on the schemes' liabilities	(15,000)	27,000
Changes in assumptions underlying the present value of the schemes' liabilities	(726,000)	(205,000)
Total actuarial loss recognised in the statement of total recognised gains and losses	(192,000)	(54,000)

History of the experience gains and losses for the current and prior years are as follows:

	2006 £	%	2005 £	%
Difference between expected and actual return on schemes' assets	549,000	9.18	124,000	2.58
Experience (losses)/gains on schemes' liabilities	(15,000)	(0.24)	27,000	0.52
Total actuarial loss recognised in the statement of total recognised gains and losses	(192,000)	(3.03)	(54,000)	(1.04)

**Other contribution schemes for pensions**

A further £97,415 (2005: £100,776) 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**

	2006 £	2005 £
Current tax:		
UK corporation tax on profits of the period	2,129,414	2,548,991
UK corporation tax relating to joint venture and associates	10,561	12,758
Adjustments in respect of previous periods	59,431	(6,680)
Current tax charge for period	2,199,406	2,555,069
Deferred tax:		
Origination and reversal of timing differences	-	(4,226)
Deferred tax arising from the inclusion of the pension schemes in the accounts	60,600	90,200
Tax on profit on ordinary activities	2,260,006	2,641,043

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**12 Analysis of taxation in year (continued)**

**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:

<b>Reconciliation of tax charge</b>	<b>2006 £</b>	<b>2005 £</b>
Profit on ordinary activities before tax	7,549,493	8,840,567
Standard rate of corporation tax in the UK	30%	30%
	£	£
Corporation tax based on the above accounting profit	2,264,848	2,652,170
Effects of:		
Expenses not tax deductible	60,399	51,693
Change in value of investments adjustment	37,927	17,151
Pension costs charge in excess of pension relief	(60,600)	(90,200)
Income not chargeable to tax	(162,599)	(69,065)
Adjustments to tax charge in respect of previous periods	59,431	(6,680)
Current tax charge for period	2,199,406	2,555,069

**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.

**13 Equity dividends**

	<b>2006 £</b>	<b>2005 £ (restated)</b>
Equity dividends on ordinary shares - interim paid in year	300,000	125,000
Equity dividends on ordinary shares - proposed in prior year	250,000	-
	550,000	125,000

**14 Intangible fixed assets - group**

	<b>Goodwill £</b>	<b>Broadcasting £</b>	<b>Publishing £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2005	690,950	539,921	12,724,287	13,955,158
Additions	-	152	3,508	3,660
At 31 March 2006	690,950	540,073	12,727,795	13,958,818
<b>Amortisation and impairment</b>				
At 1 April 2005	-	13,268	37,067	50,335
Adjusted and provided during the year	69,095	13,269	-	82,364
At 31 March 2006	69,095	26,537	37,067	132,699
<b>Net book value</b>				
At 31 March 2006	621,855	513,536	12,690,728	13,826,119
At 31 March 2005	690,950	526,653	12,687,220	13,904,823
<b>Intangible fixed assets - company</b>		<b>Goodwill £</b>	<b>Publishing £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2005		690,950	9,630,305	10,321,255
At 31 March 2006		690,950	9,630,305	10,321,255
<b>Impairment</b>				
At 1 April 2005		-	36,032	36,032
Provided during the year		69,095	-	69,095
At 31 March 2006		69,095	36,032	105,127
<b>Net book value</b>				
At 31 March 2006		621,855	9,594,273	10,216,128
At 31 March 2005		690,950	9,594,273	10,285,223

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**15 Tangible fixed assets - group**

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 April 2005	4,637,795	219,124	4,254,013	9,110,932
Additions	485,340	400,790	216,586	1,102,716
Disposals	(222,011)	(2)	(590,887)	(812,900)
At 31 March 2006	4,901,124	619,912	3,879,712	9,400,748
<b>Depreciation</b>				
At 1 April 2005	614,884	63,425	3,128,850	3,807,159
Charge for the year	60,574	19,544	284,698	364,816
On disposals	(52,355)	-	(568,610)	(620,965)
At 31 March 2006	623,103	82,969	2,844,938	3,551,010
<b>Net book value</b>				
At 31 March 2006	4,278,021	536,943	1,034,774	5,849,738
At 31 March 2005	4,022,911	155,699	1,125,163	5,303,773

**Tangible fixed assets - company**

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 April 2005	4,259,075	148,208	1,515,500	5,922,783
Additions	557,340	400,263	39,955	997,558
Disposals	(222,011)	(2)	(110,431)	(332,444)
At 31 March 2006	4,594,404	548,469	1,445,024	6,587,897
<b>Depreciation</b>				
At 1 April 2005	531,197	20,265	820,301	1,371,763
Charge for the year	54,819	6,480	155,451	216,750
On disposals	(35,255)	-	(106,298)	(141,553)
At 31 March 2006	550,761	26,745	869,454	1,446,960
<b>Net book value</b>				
At 31 March 2006	4,043,643	521,724	575,570	5,140,937
At 31 March 2005	3,727,878	127,943	695,199	4,551,020

**16 Investments - group**

**Associates, joint venture and other fixed asset investments**

	Cost of shares £	Share of post acquisition profits £	Other investments £	Total £
<b>Cost</b>				
At 1 April 2005	20,166	18,530	150,256	188,952
Retained profit share for the year	-	45,036	-	45,036
At 31 March 2006	20,166	63,566	150,256	233,988
<b>Provisions</b>				
At 1 April 2005	20,000	-	150,255	170,255
At 31 March 2006	20,000	-	150,255	170,255
<b>Net book value</b>				
At 31 March 2006	166	63,566	1	63,733
At 31 March 2005	166	18,530	1	18,697

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**16 Investments - group (continued)**

**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%

**Group interests in associated undertakings and joint venture**

	2006 £	2005 £
<u>Group interest in joint venture</u>	<u>63,732</u>	<u>18,696</u>
	<u>63,732</u>	<u>18,696</u>
Disclosed above as:		
Cost of shares	166	166
Share of post acquisition profits	63,566	18,530
	<u>63,732</u>	<u>18,696</u>

**Group participating interests and other investments**

	2006 £	2005 £
Unlisted investments	<u>1</u>	<u>1</u>

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

	Nature of business	Shares held Class	Holding
African Media Investments Limited	Newspaper	Ordinary	18%

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.

**Investments - company**

	Subsidiaries £	Associates and joint ventures £	Participating interests and other investments £	Total £
<b>Cost</b>				
At 1 April 2005	5,381,963	20,166	150,256	5,552,385
Additions	661	-	-	661
At 31 March 2006	<u>5,382,624</u>	<u>20,166</u>	<u>150,256</u>	<u>5,553,046</u>
<b>Provisions</b>				
At 1 April 2005	55,543	20,000	150,255	225,798
At 31 March 2006	<u>55,543</u>	<u>20,000</u>	<u>150,255</u>	<u>225,798</u>
<b>Net book value</b>				
At 31 March 2006	<u>5,327,081</u>	<u>166</u>	<u>1</u>	<u>5,327,248</u>
At 31 March 2005	<u>5,326,420</u>	<u>166</u>	<u>1</u>	<u>5,326,587</u>

**Subsidiary undertakings contributing to the group's results**

	Shares held Class	Holding
<u>Newspaper printers and publishers</u>		
Abergavenny Chronicle Limited	Ordinary	100%
Biggin Hill News Limited	Ordinary	100%
Bridge Publishers Limited	Ordinary	100%
Cambrian News Limited	Ordinary	100%

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**16 Investments - company (continued)**

**Subsidiary undertakings contributing to the group's results (continued)**

	Shares held	
	Class	Holding
<u>Newspaper printers and publishers</u>		
Crediton Country Courier Limited	Ordinary	100%
Dawlish Newspapers Limited	Ordinary	100%
Devon & Cornwall Newspapers Limited	Ordinary	100%
Devon Diary 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 Ltd	Ordinary	80%
Meon Valley News Limited	Ordinary	100%
Midsomer Norton & Radstock Journal Limited	Ordinary	100%
Monmouthshire Beacon Co. Limited	Ordinary	75%
North Cornwall Advertiser Limited	Ordinary	75%
North Cornwall Post & Diary Limited	Ordinary	100%
PM Publications Limited	Ordinary	80%
Post Dispatch Limited	Ordinary	100%
Putnam Newspapers Limited	Ordinary	100%
South Hams 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 Cornish & Devon Post Limited	Ordinary	100%
The Diary (South West) Limited	Ordinary	100%
The Purbeck Gazette Limited	Ordinary	100%
The Ross Gazette Limited	Ordinary	100%
The Sunday Independent Limited	Ordinary	100%
The Village Echo Limited	Ordinary	100%
Tindle Community Newspapers Limited	Ordinary	100%
Tindle Group Accounts Limited	Ordinary	81%
Tindle Newspapers (USA) Inc. (incl. Idyllwild Publications inc.)	Ordinary	100%
Town & Country Admart Limited	Ordinary	85%
West Somerset Free Press Limited	Ordinary	
<u>Radio Stations</u>		
Delta Radio Limited	Ordinary	96%
Radio Ceredigion 2000 Cyfyngedig	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 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**

	2006 £	2005 £
Unlisted investments	1	1
	<u>1</u>	<u>1</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.

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

<b>17 Stocks - group</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Raw materials and consumables	69,033	47,417
Finished goods and goods for resale	18,864	44,140
	<u>87,897</u>	<u>91,557</u>

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

<b>18 Debtors - group</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Trade debtors	5,122,841	5,018,411
Amounts owed by the ultimate parent undertaking	208,050	210,933
Amounts owed by undertakings in which the company has a participating interest or are themselves subsidiaries of the ultimate parent undertaking	35,766	34,557
Other debtors	632,329	203,469
Prepayments and accrued income	829,611	693,373
	<u>6,828,597</u>	<u>6,160,743</u>

<b>Debtors - company</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b> (restated)
Trade debtors	8,616	4,980
Amounts owed by group undertakings	1,784,333	1,359,710
Amounts owed by the ultimate parent undertaking	208,050	210,933
Other debtors	1,841,708	1,310,399
Prepayments and accrued income	185,342	132,031
	<u>4,028,049</u>	<u>3,018,053</u>

**Debtor amounts falling due after more than one year**

Other debtors	2,899,190	-
	<u>2,899,190</u>	<u>-</u>

The other debtors shown above comprise unsecured interest bearing advances made to the Tindle Radio group amounting to £2,899,190, see note 33.

<b>19 Investments held as current assets - group</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Listed investments at valuation	36,000	144,000
	<u>36,000</u>	<u>144,000</u>

<b>Investments held as current assets - company</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Listed investments at valuation	36,000	144,000
	<u>36,000</u>	<u>144,000</u>

Current assets are held at the year end date valuation. There would be no capital gains tax due on disposal of these investments.

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**20 Creditors: amounts falling due within one year - group**

	2006 £	2005 £ (restated)
Bank loans and overdrafts	2,692	3,908
Other loans	-	107,490
Trade creditors	1,190,329	1,308,354
Amounts owed to undertakings in which the company has a participating interest or are themselves subsidiaries of the ultimate parent undertaking	551,658	63,941
Corporation tax	661,397	952,949
Other taxes and social security costs	1,126,498	1,141,863
Other creditors	223,307	81,109
Accruals and deferred income	841,225	818,492
	<u>4,597,106</u>	<u>4,478,106</u>

**Creditors: amounts falling due within one year - company**

	2006 £	2005 £ (restated)
Trade creditors	8,442	54,194
Amounts owed to group undertakings	2,849,223	6,635,058
Amounts owed to undertakings in which the company has a participating interest or are themselves subsidiaries of the ultimate parent undertaking	551,658	68,571
Other taxes and social security costs	29,945	81,699
Other creditors	99,697	85,840
Accruals and deferred income	191,212	193,155
	<u>3,730,177</u>	<u>7,118,517</u>

**21 Creditors: amounts falling due after one year - group**

	2006 £	2005 £
Other loans	<u>6,648</u>	<u>6,214</u>

The other loans are repayable by instalments within five years and attract interest at 9.25%.

**22 Loans - group**

	2006 £	2005 £
Analysis of maturity of debt:		
Between one and two years	2,692	111,398
Between two and five years	6,648	6,214
	<u>9,340</u>	<u>117,612</u>

**23 Deferred taxation - group**

	2006 £	2005 £
At 1 April 2005	106,032	110,258
Charged to the profit and loss account	-	(4,226)
At 31 March 2006	<u>106,032</u>	<u>106,032</u>

**Deferred taxation - company**

	2006 £	2005 £
At 1 April 2005	106,032	109,422
Charged to the profit and loss account	-	(3,390)
At 31 March 2006	<u>106,032</u>	<u>106,032</u>

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

**24 Share capital**

	2006 £	2005 £
Authorised:		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
	2006 No	2005 No
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>18,002</u>	<u>18,002</u>



**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**25 Profit and loss account**

	2006 £	2005 £
<b>Group</b>		
At 1 April 2005 as previously stated	40,174,916	34,646,391
Prior year adjustment relating to pensions deficit - FRS 17	(259,000)	(434,000)
Prior year adjustment relating to change of accounting policy for dividends - FRS 21	250,000	-
At 1 April 2005 - restated	40,165,916	34,212,391
Profit for the financial year	5,249,785	6,116,325
Actuarial gains and losses	(192,000)	(54,000)
Deferred tax on pension deficit	57,600	16,200
Dividends	(550,000)	(125,000)
At 31 March 2006	44,731,301	40,165,916
<b>Company</b>		
At 1 April 2005 as previously stated	37,154,915	31,682,386
Prior year adjustment relating to change of accounting policy for dividends - FRS21	(4,374,177)	(4,141,350)
	32,780,738	27,541,036
Retained profit before dividends	9,184,728	5,364,702
Dividends	(550,000)	(125,000)
At 31 March 2006	41,415,466	32,780,738

**26 Reconciliation of movement in shareholder's equity funds**

	2006 £	2005 £
<b>Group</b>		
At 1 April 2005 as previously stated	40,192,918	34,664,393
Prior year adjustment relating to pensions deficit - FRS 17	(259,000)	(434,000)
Prior year adjustment relating to change of accounting policy for dividends - FRS 21	250,000	-
At 1 April 2005 - restated	40,183,918	34,230,393
Profit for the financial year	5,289,487	6,199,524
Minority interests	(39,702)	(83,199)
Actuarial gains and losses	(192,000)	(54,000)
Deferred tax on pension deficit	57,600	16,200
Dividends	(550,000)	(125,000)
At 31 March 2006	44,749,303	40,183,918
<b>Company</b>		
At 1 April 2005	37,172,917	31,700,388
Prior year adjustment relating to change of accounting policy for dividends - FRS 21	(4,374,177)	(4,141,350)
At 1 April 2005 - restated	32,798,740	27,559,038
Profit for the financial year	9,184,728	5,364,702
Dividends	(550,000)	(125,000)
At 31 March 2006	41,433,468	32,798,740

**27 Gross cash flows**

	2006 £	2005 £
<b>Return on investments and servicing of finance</b>		
Interest received	748,949	609,937
Interest paid	(5,259)	(33,038)
Minority dividends paid	(45,701)	(53,650)
	697,989	523,249
<b>Capital expenditure and financial investment</b>		
Payments to acquire intangible fixed assets	(2,999)	(1,275,443)
Payments to acquire tangible fixed assets	(1,102,716)	(211,948)
Loan advances to Radio Group	(2,863,578)	-
Receipts from sales of tangible fixed assets	748,269	604,522
	(3,221,024)	(882,869)
<b>Management of liquid resources</b>		
Purchase of current asset investments	(18,423)	(249,779)
<b>Financing</b>		
Loan repayments	(108,272)	(7,993)

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

<b>28 Analysis of changes in net debt</b>	<b>At 1 Apr 2005</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At 31 Mar 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	19,581,965	707,139		20,289,104
Debt due within 1 year	(111,398)	224,828	(116,122)	(2,692)
Debt due after 1 year	(6,214)	(116,556)	116,122	(6,648)
		108,272		
Current asset investments	144,000	18,423	(126,423)	36,000
<b>Total</b>	<b>19,608,353</b>	<b>833,834</b>	<b>(126,423)</b>	<b>20,315,764</b>

<b>29 Acquisitions and disposals</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Fair value of net assets acquired:		
Broadcast rights	-	539,921
Tangible fixed assets	-	14,168
Debtors	-	71,653
Creditors	-	(389,846)
Bank and overdraft	-	19,201
	-	255,097
Minority interests in the above companies	-	6,566
Minor additions to subsidiary investments	661	72,074
Part disposal of a subsidiary undertaking	-	(52,395)
<b>Total consideration</b>	<b>661</b>	<b>281,342</b>
Less cash at bank acquired	-	(19,201)
	<b>661</b>	<b>262,141</b>

The directors consider that no fair value adjustments arise from the minor subsidiary additions.

**30 Post balance sheet events**

On 19 August 2006 the group acquired from Courier Newspapers (Oxford) Limited the Property Weekly Series for a consideration in excess of £1 million.

**31 Other financial commitments**

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

	<b>Land and buildings</b>	<b>Land and buildings</b>	<b>Other</b>	<b>Other</b>
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire:				
within one year	19,636	102,353	18,767	43,437
within two to five years	134,458	95,714	106,216	75,605
in over five years	274,886	237,580	59,083	22,365
	<b>428,980</b>	<b>435,647</b>	<b>184,066</b>	<b>141,407</b>

**32 Contingent liabilities**

Tindle Newspapers Limited has given an undertaking to Tindle Radio Holdings Limited and its subsidiaries to provide funding to cover the costs of developing radio stations for at least the next 12 months and will not seek to recover this funding until the Radio Group establishes surplus funds. No provision has been made in respect of this funding. Sir Ray Tindle is the sole beneficial owner of Tindle Radio Holdings Limited.

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2006**

**33 Related parties and transactions involving directors**

During the year the following transactions occurred with related parties:

The group entered into transactions with FreeAdmart Limited (an associated company) to supply printing services amounting to £156,078 (2005: £156,453). At the year end £35,766 (2005: £34,557) was owed by FreeAdmart Limited.

The company paid £45,000 (2005: £45,000) to Sir Ray Tindle for the rental of The Old Court House, Farnham, Surrey.

In the year the company advanced to Mr B.G. Doel £45,000 on an interest free repayment loan over four and a half years. At the year end Mr B.G. Doel owed the company £43,333 (2005: £8,333).

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 £69,467 (2005: £164,804) during the year. Mr C.R.G. Christmas was the proprietor of this firm. At the year end £2 (2005: £nil) was owing by the Mr C.R.G. Christmas.

During the year the company advanced to Tindle Radio Holdings Limited £750,000 and £2,113,578 to Provincial Radio Limited. These advances are funding loans and bear interest at the rate of 5% per annum. At the year end there was £2,899,190 outstanding on this funding.

**34 Controlling party**

The company is a wholly owned subsidiary of Tindle Press Holdings Limited. The ultimate controlling party is Sir Ray Tindle by virtue of his 100% interest in the ordinary issued share capital of that company. Copies of the Tindle Press Holdings Limited financial statements can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.