

Registered number  
798870

Tindle Newspapers Limited

Annual Report

31 March 2005



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

### **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**

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 2005.

### **Principal activities and review of the business**

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

The board of directors are pleased to note that the group has recorded its highest ever profit before tax.

During the year the group acquired the newspaper title Y Cymro, a Welsh language newspaper. It also acquired Radio Ceredigion 2000 Cyfyngedig and obtained control of Delta Radio Limited.

### **Future developments**

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

### **Results and dividends**

The profit for the year, after taxation is disclosed on page 5. The directors recommend a final ordinary dividend of £250,000, making the total of ordinary dividends £375,000 for the year which, after minority interests of £83,199, leaves a profit of £5,528,525 to be retained.

### **Directors**

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

|                                | <b>£1 Ordinary shares</b> |             |
|--------------------------------|---------------------------|-------------|
|                                | <b>2005</b>               | <b>2004</b> |
| 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        | -                         | -           |

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.

### **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 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.

### **Charitable donations**

In the year under review, the group made charitable donations totalling £78,092 (2004 £53,249).

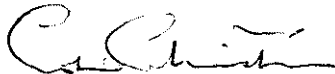
## **Tindle Newspapers Limited Directors' Report**

### **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.

### **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 20<sup>th</sup> January 2006.

## **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 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 are set out in the Directors' Responsibilities section of the Directors' Report on page 2.

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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **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 2005 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*

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

186 City Road  
London EC1V 2NU

*30* January 2006

**Tindle Newspapers Limited**  
**Consolidated Profit and Loss Account**  
**for the year ended 31 March 2005**

|  | Notes | 2005                 |                                     |              | 2004 - restated      |                                     |              |
|--|-------|----------------------|-------------------------------------|--------------|----------------------|-------------------------------------|--------------|
|  |       | Operating activities | Amortisation and other exceptionals | Total        | Operating activities | Amortisation and other exceptionals | Total        |
|  |       | £                    | £                                   | £            | £                    | £                                   | £            |
| <b>Turnover</b>                                      |       |                      |                                     |              |                      |                                     |              |
| Existing operations                                  |       | 32,268,796           | -                                   | 32,268,796   | 30,359,049           | -                                   | 30,359,049   |
| Acquisitions   |       | 637,916              | -                                   | 637,916      | -                    | -                                   | -            |
| Continuing operations                                |       | 32,906,712           | -                                   | 32,906,712   | 30,359,049           | -                                   | 30,359,049   |
| Discontinued operations                              |       | -                    | -                                   | -            | 198,269              | -                                   | 198,269      |
|  | 2     | 32,906,712           | -                                   | 32,906,712   | 30,557,318           | -                                   | 30,557,318   |
| <b>Cost of sales</b>                                 | 3     | (16,511,240)         | -                                   | (16,511,240) | (14,648,639)         | -                                   | (14,648,639) |
| <b>Gross profit</b>                                  | 3     | 16,395,472           | -                                   | 16,395,472   | 15,908,679           | -                                   | 15,908,679   |
| <b>Net operating expenses</b>                        | 3     | (8,667,502)          | 222,916                             | (8,444,586)  | (9,648,228)          | 152,284                             | (9,495,944)  |
| <b>Group operating profit</b>                        | 3 & 4 | 7,727,970            | 222,916                             | 7,950,886    | 6,260,451            | 152,284                             | 6,412,735    |
| Existing operations                                  |       | 7,879,991            | 222,916                             | 8,102,907    | 6,266,644            | 157,152                             | 6,423,796    |
| Acquisitions   |       | (152,021)            | -                                   | (152,021)    | -                    | -                                   | -            |
| Discontinued operations                              |       | -                    | -                                   | -            | (6,193)              | (4,868)                             | (11,061)     |
|  |       | 7,727,970            | 222,916                             | 7,950,886    | 6,260,451            | 152,284                             | 6,412,735    |
| <b>Group's share of operating profit of:</b>         |       |                      |                                     |              |                      |                                     |              |
| Joint venture  |       | 64,802               | -                                   | 64,802       | 65,016               | -                                   | 65,016       |
| <b>Operating profit</b>                              |       | 7,792,772            | 222,916                             | 8,015,688    | 6,325,467            | 152,284                             | 6,477,751    |
| <b>Change in value and sale of investments</b>       |       | -                    | (57,171)                            | (57,171)     | -                    | (75,155)                            | (75,155)     |
| <b>Interest receivable</b>                           | 8     | 612,088              | -                                   | 612,088      | 302,444              | -                                   | 302,444      |
| <b>Interest payable</b>                              | 9     | (33,038)             | -                                   | (33,038)     | (16,756)             | -                                   | (16,756)     |
| <b>Profit on ordinary activities before taxation</b> |       | 8,371,822            | 165,745                             | 8,537,567    | 6,611,155            | 77,129                              | 6,688,284    |
| <b>Tax on profit on ordinary activities</b>          | 11    | (2,533,692)          | (17,151)                            | (2,550,843)  | (1,941,190)          | -                                   | (1,941,190)  |
| <b>Profit on ordinary activities after taxation</b>  |       | 5,838,130            | 148,594                             | 5,986,724    | 4,669,965            | 77,129                              | 4,747,094    |
| <b>Minority interests</b>                            |       | (83,199)             | -                                   | (83,199)     | 458,499              | -                                   | 458,499      |
| <b>Dividends:</b>                                    |       |                      |                                     |              |                      |                                     |              |
| dividend on ordinary shares                          | 12    | (375,000)            | -                                   | (375,000)    | -                    | (18,280,772)                        | (18,280,772) |
| <b>Retained profit/(loss) for the financial year</b> | 24    | 5,379,931            | 148,594                             | 5,528,525    | 5,128,464            | (18,203,643)                        | (13,075,179) |

Amortisation and other exceptionals include 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 £155,955 (2004: £156,389).

**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 2005**

|  | Notes | 2005              |                   | 2004              |                   |
|--|-------|-------------------|-------------------|-------------------|-------------------|
|  |       | £                 | £                 | £                 | £                 |
| <b>Fixed assets</b>  |       |                   |                   |                   |                   |
| Intangible assets  | 13    |                   | 13,904,823        |                   | 12,034,440        |
| Tangible assets  | 14    |                   | 5,303,773         |                   | 5,892,766         |
| Investments:   |       |                   |                   |                   |                   |
| Joint ventures: Share of gross assets                          |       | 101,015           |                   | 99,520            |                   |
| Share of gross liabilities                                     |       | (82,319)          |                   | (80,859)          |                   |
|  |       | <u>18,696</u>     |                   | <u>18,661</u>     |                   |
| Other investments  | 15    | <u>1</u>          | 18,697            | <u>2</u>          | 18,663            |
|  |       |                   | <u>19,227,293</u> |                   | <u>17,945,869</u> |
| <b>Current assets</b>  |       |                   |                   |                   |                   |
| Stocks   | 16    | 91,557            |                   | 76,459            |                   |
| Debtors  | 17    | 6,160,743         |                   | 8,049,793         |                   |
| Investments held as current assets                             | 18    | 144,000           |                   | -                 |                   |
| Cash at bank and in hand                                       |       | 19,581,965        |                   | 13,217,482        |                   |
|  |       | <u>25,978,265</u> |                   | <u>21,343,734</u> |                   |
| <b>Creditors: amounts falling due within one year</b>          | 19    | (4,728,106)       |                   | (4,245,610)       |                   |
| <b>Net current assets</b>                                      |       |                   | 21,250,159        |                   | 17,098,124        |
| <b>Total assets less current liabilities</b>                   |       |                   | <u>40,477,452</u> |                   | <u>35,043,993</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 20    |                   | (6,214)           |                   | (122,336)         |
| <b>Provisions for liabilities and charges</b>                  |       |                   |                   |                   |                   |
| Deferred taxation  | 22    |                   | (106,032)         |                   | (110,258)         |
|  |       |                   | <u>40,365,206</u> |                   | <u>34,811,399</u> |
| <b>Capital and reserves</b>                                    |       |                   |                   |                   |                   |
| Called up share capital  | 23    |                   | 18,002            |                   | 18,002            |
| Profit and loss account  | 24    |                   | 40,174,916        |                   | 34,646,391        |
| Shareholders' equity funds:                                    | 25    |                   | <u>40,192,918</u> |                   | <u>34,664,393</u> |
| Minority interests   |       |                   | 172,288           |                   | 147,006           |
|  |       |                   | <u>40,365,206</u> |                   | <u>34,811,399</u> |



**Sir Ray Tindle**  
Chairman




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

Approved by the board on 20<sup>th</sup> January 2006



**Tindle Newspapers Limited**  
**Company Balance Sheet**  
**as at 31 March 2005**

|   | Notes | 2005              |                   | 2004              |                   |
|---|-------|-------------------|-------------------|-------------------|-------------------|
|   |       | £                 | £                 | £                 | £                 |
| <b>Fixed assets</b>                                   |       |                   |                   |                   |                   |
| Intangible assets                                     | 13    |                   | 10,285,223        |                   | 9,016,920         |
| Tangible assets                                       | 14    |                   | 4,551,020         |                   | 5,027,109         |
| Investments   | 15    |                   | 5,326,587         |                   | 4,767,139         |
|   |       |                   | <u>20,162,830</u> |                   | <u>18,811,168</u> |
| <b>Current assets</b>                                 |       |                   |                   |                   |                   |
| Debtors   | 17    | 7,642,230         |                   | 9,260,318         |                   |
| Investments held as current assets                    | 18    | 144,000           |                   | -                 |                   |
| Cash at bank and in hand                              |       | 16,698,406        |                   | 10,548,732        |                   |
|   |       | <u>24,484,636</u> |                   | <u>19,809,050</u> |                   |
| <b>Creditors: amounts falling due within one year</b> | 19    | (7,368,517)       |                   | (6,810,408)       |                   |
| <b>Net current assets</b>                             |       |                   | 17,116,119        |                   | 12,998,642        |
| <b>Total assets less current liabilities</b>          |       |                   | <u>37,278,949</u> |                   | <u>31,809,810</u> |
| <b>Provisions for liabilities and charges</b>         |       |                   |                   |                   |                   |
| Deferred taxation                                     | 22    |                   | (106,032)         |                   | (109,422)         |
|   |       |                   | <u>37,172,917</u> |                   | <u>31,700,388</u> |
| <b>Capital and reserves</b>                           |       |                   |                   |                   |                   |
| Called up share capital                               | 23    |                   | 18,002            |                   | 18,002            |
| Profit and loss account                               | 24    |                   | 37,154,915        |                   | 31,682,386        |
| <b>Shareholders' equity funds:</b>                    | 25    |                   | <u>37,172,917</u> |                   | <u>31,700,388</u> |



Sir Ray Tindle  
Chairman



C.R.G. Christmas  
Director

Approved by the board on 20<sup>th</sup> January 2006

**Tindle Newspapers Limited**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 March 2005**

|  | Notes | 2005<br>£          | 2004<br>£          |
|--|-------|--------------------|--------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |       |                    |                    |
| Operating profit   |       | 7,950,886          | 6,412,735          |
| Depreciation charges   |       | 440,805            | 637,187            |
| Amortisation and impairment adjustment   |       | 13,268             | (3,906)            |
| Profit on disposal of fixed assets   |       | (230,218)          | (124,690)          |
| Increase in stocks   |       | (15,098)           | (6,025)            |
| Decrease/(increase) in debtors   |       | 1,960,703          | (706,971)          |
| (Decrease)/increase in creditors   |       | (459,567)          | 449,439            |
| <b>Net cash inflow from operating activities</b>                                       |       | <b>9,660,779</b>   | <b>6,657,769</b>   |
| <b>CASH FLOW STATEMENT</b>   |       |                    |                    |
| <b>Net cash inflow from operating activities</b>                                       |       | <b>9,660,779</b>   | <b>6,657,769</b>   |
| <b>Dividends from joint ventures and associates</b>                                    |       | <b>54,160</b>      | <b>53,940</b>      |
| <b>Return on investments and servicing of finance</b>                                  | 26    | <b>523,249</b>     | <b>218,705</b>     |
| <b>Taxation</b>  |       | <b>(2,345,923)</b> | <b>(2,014,768)</b> |
| <b>Capital expenditure and financial investment</b>                                    | 26    | <b>(882,869)</b>   | <b>(1,448,712)</b> |
| <b>Acquisitions and disposals</b>  | 28    | <b>(262,141)</b>   | <b>300,143</b>     |
| <b>Equity dividends paid (cash element)</b>  |       | <b>(125,000)</b>   | <b>(2,123,830)</b> |
| <b>Cash inflow before use of liquid resources and financing</b>                        |       | <b>6,622,255</b>   | <b>1,643,247</b>   |
| <b>Management of liquid resources</b>  | 26    | <b>(249,779)</b>   | <b>-</b>           |
| <b>Financing</b>   | 26    | <b>(7,993)</b>     | <b>(21,998)</b>    |
| <b>Increase in cash</b>  |       | <b>6,364,483</b>   | <b>1,621,249</b>   |
| <b>Reconciliation of net cash flow to movement in net funds</b>                        |       |                    |                    |
| <b>Increase in cash in the year</b>  |       | <b>6,364,483</b>   | <b>1,621,249</b>   |
| <b>Decrease in debt and lease financing</b>  |       | <b>7,993</b>       | <b>21,998</b>      |
| <b>Increase in liquid resources</b>  |       | <b>144,000</b>     | <b>-</b>           |
| <b>Change in net funds</b>   | 27    | <b>6,516,476</b>   | <b>1,643,247</b>   |
| <b>Net funds at 1 April 2004</b>   |       | <b>13,091,877</b>  | <b>11,448,630</b>  |
| <b>Net funds at 31 March 2005</b>  | 27    | <b>19,608,353</b>  | <b>13,091,877</b>  |

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2005**

**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.

***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.

***Stocks***

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

***Current asset investments***

Current asset investments are valued at the lower of cost and net realisable value.

***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.

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2005**

**1 Accounting policies (continued)**

**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 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:

|                | 2005<br>£         | 2004<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | 32,523,901        | 30,189,329        |
| U.S.A.         | 382,811           | 367,989           |
|                | <u>32,906,712</u> | <u>30,557,318</u> |

**3 Analysis of results**

For the year ended 31 March 2005

|                               | Continuing operations | Discontinued operations | Total      |
|-------------------------------|-----------------------|-------------------------|------------|
|                               | Acquired<br>£         | Existing<br>£           | £          |
| Cost of sales                 | 319,477               | 16,191,763              | 16,511,240 |
| Gross profit                  | 318,439               | 16,077,033              | 16,395,472 |
| Net operating expenses:       |                       |                         |            |
| Distribution costs            | 303,204               | 1,929,148               | 2,232,352  |
| Administrative expenses       | 175,356               | 6,297,816               | 6,473,172  |
| Other operating income        | (8,100)               | (252,838)               | (260,938)  |
|                               | 470,460               | 7,974,126               | 8,444,586  |
| Group operating (loss)/profit | (152,021)             | 8,102,907               | 7,950,886  |

For the year ended 31 March 2004

|                               | Continuing operations | Discontinued operations | Total      |
|-------------------------------|-----------------------|-------------------------|------------|
|                               | £                     | £                       | £          |
| Cost of sales                 | 14,534,526            | 114,113                 | 14,648,639 |
| Gross profit                  | 15,824,523            | 84,156                  | 15,908,679 |
| Net operating expenses:       |                       |                         |            |
| Distribution costs            | 1,956,357             | -                       | 1,956,357  |
| Administrative expenses       | 7,699,115             | 95,217                  | 7,794,332  |
| Other operating income        | (254,745)             | -                       | (254,745)  |
|                               | 9,400,727             | 95,217                  | 9,495,944  |
| Group operating profit/(loss) | 6,423,796             | (11,061)                | 6,412,735  |

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2005**

|   |               |               |
|---|---------------|---------------|
| <b>4 Operating profit</b>   | <b>2005</b>   | <b>2004</b>   |
|   | <b>£</b>      | <b>£</b>      |
| This is stated after charging/(crediting):  |               |               |
| Depreciation of owned fixed assets  | 440,805       | 637,187       |
| Profit on disposal of fixed assets  | (230,218)     | (124,690)     |
| Amortisation of intangible fixed assets and impairment adjustments  | 13,268        | (3,906)       |
| Operating lease rentals - plant and machinery   | 10,724        | 7,042         |
| Operating lease rentals - land buildings  | 408,867       | 378,317       |
| Auditors' remuneration - parent   | 45,000        | 45,000        |
| Auditors' remuneration - group  | 128,920       | 110,794       |
|   |               |               |
| <b>5 Profit for the financial year</b>  |               |               |
| 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:  | <b>2005</b>   | <b>2004</b>   |
|   | <b>£</b>      | <b>£</b>      |
| Holding company's profits   | 5,847,529     | 4,788,563     |
| Share of net profits retained by associated and joint venture undertakings  | 54,193        | 53,944        |
|   |               |               |
| <b>6 Directors' emoluments</b>  | <b>2005</b>   | <b>2004</b>   |
|   | <b>£</b>      | <b>£</b>      |
| Emoluments  | 314,054       | 216,917       |
| Company contributions to money purchase pension schemes   | 2,325         | -             |
|   | 316,379       | 216,917       |
|   |               |               |
| Highest paid director:  |               |               |
| Emoluments  | 152,373       | 151,851       |
|   |               |               |
| Number of directors in company pension schemes:   | <b>2005</b>   | <b>2004</b>   |
|   | <b>Number</b> | <b>Number</b> |
| Money purchase schemes  | 1             | -             |
|   |               |               |
| <b>7 Staff costs</b>  | <b>2005</b>   | <b>2004</b>   |
|   | <b>£</b>      | <b>£</b>      |
| Wages and salaries  | 9,650,227     | 9,378,962     |
| Social security costs   | 851,524       | 796,432       |
| Other pension costs (note 10)   | 660,659       | 406,410       |
|   | 11,162,410    | 10,581,804    |
|   |               |               |
| Average number of employees during the year   | <b>Number</b> | <b>Number</b> |
| Management and administration   | 110           | 103           |
| Editorial and production  | 312           | 329           |
| Sales and marketing   | 250           | 244           |
|   | 672           | 676           |
|   |               |               |
| <b>8 Interest receivable</b>  | <b>2005</b>   | <b>2004</b>   |
|   | <b>£</b>      | <b>£</b>      |
| Bank interest   | 569,699       | 284,918       |
| Other interest  | 40,238        | 15,887        |
|   | 609,937       | 300,805       |
| Joint venture and associates  | 2,151         | 1,639         |
|   | 612,088       | 302,444       |

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2005**

| <b>9 Interest payable</b> | <b>2005</b>   | <b>2004</b>   |
|---------------------------|---------------|---------------|
|                           | <b>£</b>      | <b>£</b>      |
| Bank loans and overdrafts | 406           | 90            |
| Other loans               | 32,632        | 16,666        |
|                           | <u>33,038</u> | <u>16,756</u> |

**10 Pension costs**

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 an actuarial review at 31 March 2005 by RMA Walking (a qualified independent actuary) and relate only to 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 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 of return 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 £464,745 (2004: £265,600) 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 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 83% 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 plus quarterly payments of £24,500 which include an amount to achieve a 100% funding level over the average future working lives of members.

| <b>Fair value of the scheme's assets:</b> | <b>2005</b>        | <b>2004</b>        |
|---|--------------------|--------------------|
|   | <b>£</b>           | <b>£</b>           |
| Equities                                  | 2,737,000          | 2,242,000          |
| Bonds                                     | 463,000            | 280,000            |
| Bank deposits and cash balances           | 638,000            | 571,000            |
| Annuity contracts                         | 411,000            | 423,000            |
| Total market value of assets              | <u>4,249,000</u>   | <u>3,516,000</u>   |
| Present value of scheme liabilities       | <u>(4,685,000)</u> | <u>(4,176,000)</u> |
| Actuarial deficit                         | (436,000)          | (660,000)          |
| Related deferred tax asset                | 131,000            | 198,000            |
| Deficit of the scheme                     | <u>(305,000)</u>   | <u>(462,000)</u>   |

| <b>Assumptions:</b>                           | <b>2005</b> | <b>2004</b> |
|---|-------------|-------------|
|   | <b>%</b>    | <b>%</b>    |
| Discount rate for scheme liabilities          | 5.50        | 5.75        |
| Rate of increase in pensions where applicable | 2.50        | 2.50        |
| Rate of increase in salaries                  | 3.25        | 3.25        |
| Price inflation assumption                    | 2.90        | 2.75        |
| <b>Expected long term rates of return:</b>    | <b>%</b>    | <b>%</b>    |
| Equities                                      | 6.50        | 7.00        |
| Bonds   | 5.50        | 5.75        |
| Bank deposits and cash balances               | 4.50        | 4.00        |
| Annuity contracts                             | 4.50        | 5.00        |

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2005**

**10 Pension costs (continued)**

| <b>Movement in deficit during the year</b> | <b>2005</b>      | <b>2004</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Actuarial deficit in scheme as at 1 April  | (660,000)        | (909,000)        |
| Current service costs                      | (130,000)        | (162,000)        |
| Contributions                              | 438,000          | 316,000          |
| Other finance income                       | (14,000)         | (30,000)         |
| Actuarial (loss)/gain                      | (70,000)         | 125,000          |
| Actuarial deficit in scheme as at 31 March | <u>(436,000)</u> | <u>(660,000)</u> |

**Brecon and Radnor Express 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 £36,745 (2004 - £30,315) and all contributions were paid in the year.

| <b>Fair value of the scheme's assets:</b> | <b>2005</b>      | <b>2004</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| Equities                                  | 267,000          | 217,000          |
| Bonds                                     | 272,000          | 217,000          |
| Bank deposits and cash balances           | 16,000           | 18,000           |
| Total assets                              | <u>555,000</u>   | <u>452,000</u>   |
| Present value of scheme liabilities       | <u>(490,000)</u> | <u>(412,000)</u> |
| Actuarial surplus                         | 65,000           | 40,000           |
| Related deferred tax asset                | (19,000)         | (12,000)         |
| Surplus of the scheme                     | <u>46,000</u>    | <u>28,000</u>    |

| <b>Assumptions:</b>                           | <b>2005</b> | <b>2004</b> |
|---|-------------|-------------|
|   | <b>%</b>    | <b>%</b>    |
| Discount rate for scheme liabilities          | 5.50        | 5.75        |
| Rate of increase in pensions where applicable | 3.00        | 3.00        |
| Rate of increase in salaries                  | 3.25        | 3.25        |
| Price inflation assumption                    | 2.90        | 2.75        |

| <b>Expected rates of return:</b> | <b>%</b> | <b>%</b> |
|----------------------------------|----------|----------|
| Equities                         | 6.50     | 7.00     |
| Bonds                            | 5.50     | 5.75     |
| Bank deposits and cash balances  | 4.50     | 4.00     |

| <b>Movement in surplus during the year</b> | <b>2005</b>   | <b>2004</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Actuarial surplus in scheme as at 1 April  | 40,000        | 15,000        |
| Current service costs                      | (24,000)      | (23,000)      |
| Contributions                              | 28,000        | 19,000        |
| Other finance income                       | 5,000         | 2,000         |
| Actuarial gain                             | 16,000        | 27,000        |
| Actuarial surplus in scheme as at 31 March | <u>65,000</u> | <u>40,000</u> |

**Shareholders' funds after FRS 17 pensions adjustment**

If the amounts disclosed in the two schemes above were recognised in the Financial Statements, the shareholders' funds would be as follows:

|  | <b>2005</b>       | <b>2004</b>       |
|--|-------------------|-------------------|
|  | <b>£</b>          | <b>£</b>          |
| Total shareholders' funds                            | 40,365,206        | 34,811,399        |
| FRS 17 net pension deficit                           | <u>(259,000)</u>  | <u>(434,000)</u>  |
| Shareholders' funds after FRS 17 pensions adjustment | <u>40,106,206</u> | <u>34,377,399</u> |

**Tindle Newspapers Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2005**

**10 Pension costs (continued)**

Under the transitional 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 if FRS 17 had been adopted in full. These amounts have not been included in the profit and loss account or the statement of total recognised gains and losses.

The analysis of amounts that would be charged to operating profit for the current and prior years are as follows:

|                       | 2005    | 2004    |
|-----------------------|---------|---------|
|                       | £       | £       |
| Current service costs | 154,000 | 185,000 |

The analysis of amounts that would be credited to other finance income for the current and prior years are as follows:

|  | 2005      | 2004      |
|--|-----------|-----------|
|  | £         | £         |
| Expected return on pension schemes' assets | 263,000   | 203,000   |
| Interest on pension schemes' liabilities   | (272,000) | (231,000) |
|  | (9,000)   | (28,000)  |

The analysis of amounts that would be recognised in the statement of total recognised gains and losses for the current and prior years are as follows:

|  | 2005      | 2004     |
|--|-----------|----------|
|  | £         | £        |
| Actual return less expected return on pension schemes' assets                                | 124,000   | 336,000  |
| Experience gains and losses arising on the schemes' liabilities                              | 27,000    | (94,000) |
| Changes in assumptions underlying the present value of the schemes' liabilities              | (205,000) | (90,000) |
| Total actuarial (loss)/gain recognised in the statement of total recognised gains and losses | (54,000)  | 152,000  |

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

|  | 2005     |        | 2004     |        |
|--|----------|--------|----------|--------|
|  | £        | %      | £        | %      |
| Difference between expected and actual return on schemes' assets                           | 124,000  | 2.60   | 336,000  | 8.50   |
| Experience gains/losses on schemes' liabilities  | 27,000   | 0.50   | (94,000) | (2.00) |
| Total actuarial gain/loss recognised in the statement of total recognised gains and losses | (54,000) | (1.00) | 152,000  | 3.30   |

**Other contribution schemes for pensions**

A further £100,776 (2004: £89,707) was paid under various defined contribution schemes. The assets of these schemes are held separately from those of the group in independently administered funds.

**11 Analysis of taxation in year**

|   | 2005      | 2004      |
|---|-----------|-----------|
|   | £         | £         |
| Current tax:  |           |           |
| UK corporation tax on profits of the period                 | 2,548,991 | 2,134,892 |
| UK corporation tax relating to joint venture and associates | 12,758    | 12,709    |
| Adjustments in respect of previous periods                  | (6,680)   | (207,059) |
|   | 2,555,069 | 1,940,542 |
| Deferred tax:   |           |           |
| Origination and reversal of timing differences              | (4,226)   | 648       |
| Tax on profit on ordinary activities                        | 2,550,843 | 1,941,190 |



**Tindle Newspapers Limited**  
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**for the year ended 31 March 2005**

**11 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>2005</b> | <b>2004</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Profit on ordinary activities before tax                 | 8,537,567   | 6,688,284   |
| Standard rate of corporation tax in the UK               | 30%         | 30%         |
|  | <b>£</b>    | <b>£</b>    |
| Corporation tax based on the above accounting profit     | 2,561,270   | 2,006,485   |
| Effects of:  |             |             |
| Expenses not tax deductible                              | (16,672)    | 118,569     |
| Change in value of investments adjustment                | 17,151      | 22,547      |
| Deferred tax   | (4,226)     | 648         |
| Adjustments to tax charge in respect of previous periods | (6,680)     | (207,059)   |
| Current tax charge for period                            | 2,550,843   | 1,941,190   |

**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.

| <b>12 Equity dividends</b>                         | <b>2005</b> | <b>2004</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Equity dividends on ordinary shares - interim paid | 125,000     | -           |
| Equity dividends on ordinary shares - proposed     | 250,000     | 18,280,772  |
|  | 375,000     | 18,280,772  |

The consolidated dividends of £18,280,772 represent distributions in specie in respect of the demerger of the net assets of Tindle Radio Holdings Limited group of companies (£16,790,817) and the transfer of the net assets of Tindle Properties Limited and certain other investment properties to Tindle Press Holdings Limited (£1,489,955). The resolutions passed to give effect to the demerger and transfer approved dividends of £18,500,000 for Tindle Radio Holdings Limited, £2 for Tindle Properties Limited and £2,206,103 for the investment properties.

| <b>13 Intangible fixed assets - group</b> | <b>Goodwill</b> | <b>Broadcasting</b> | <b>Publishing</b> | <b>Total</b> |
|---|-----------------|---------------------|-------------------|--------------|
|   | <b>£</b>        | <b>£</b>            | <b>£</b>          | <b>£</b>     |
| <b>Cost</b>                               |                 |                     |                   |              |
| At 1 April 2004                           | -               | -                   | 12,071,507        | 12,071,507   |
| Additions                                 | 690,950         | 539,921             | 656,566           | 1,887,437    |
| Disposals                                 | -               | -                   | (3,786)           | (3,786)      |
| At 31 March 2005                          | 690,950         | 539,921             | 12,724,287        | 13,955,158   |
| <b>Amortisation and impairment</b>        |                 |                     |                   |              |
| At 1 April 2004                           | -               | -                   | 37,067            | 37,067       |
| Adjusted and provided during the year     | -               | 13,268              | -                 | 13,268       |
| At 31 March 2005                          | -               | 13,268              | 37,067            | 50,335       |
| <b>Net book value</b>                     |                 |                     |                   |              |
| At 31 March 2005                          | 690,950         | 526,653             | 12,687,220        | 13,904,823   |
| At 31 March 2004                          | -               | -                   | 12,034,440        | 12,034,440   |

| <b>13 Intangible fixed assets - company</b> | <b>Goodwill</b> | <b>Publishing</b> | <b>Total</b> |
|---|-----------------|-------------------|--------------|
|   | <b>£</b>        | <b>£</b>          | <b>£</b>     |
| <b>Cost</b>                                 |                 |                   |              |
| At 1 April 2004                             | -               | 9,052,952         | 9,052,952    |
| Additions                                   | 690,950         | 577,353           | 1,268,303    |
| At 31 March 2005                            | 690,950         | 9,630,305         | 10,321,255   |
| <b>Impairment</b>                           |                 |                   |              |
| At 1 April 2004                             | -               | 36,032            | 36,032       |
| At 31 March 2005                            | -               | 36,032            | 36,032       |
| <b>Net book value</b>                       |                 |                   |              |
| At 31 March 2005                            | 690,950         | 9,594,273         | 10,285,223   |
| At 31 March 2004                            | -               | 9,016,920         | 9,016,920    |

The goodwill represents the acquisition of the bookkeeping division of Milne Eldridge & Co., a business owned by Mr C.R.G. Christmas who is a director of the company - see note 31.

**Tindle Newspapers Limited**  
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**for the year ended 31 March 2005**

**14 Tangible fixed assets - group**

|                       | Freehold land<br>and buildings<br>£ | Leasehold<br>land and<br>buildings<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£ |
|-----------------------|-------------------------------------|---|---|------------|
| <b>Cost</b>           |                                     |   |   |            |
| At 1 April 2004       | 4,992,190                           | 185,340                                 | 4,127,932                                   | 9,305,462  |
| Additions             | -                                   | 33,784                                  | 166,205                                     | 199,989    |
| Acquisitions          | -                                   | -                                       | 172,259                                     | 172,259    |
| Disposals             | (354,395)                           | -                                       | (212,383)                                   | (566,778)  |
| At 31 March 2005      | 4,637,795                           | 219,124                                 | 4,254,013                                   | 9,110,932  |
| <b>Depreciation</b>   |                                     |   |   |            |
| At 1 April 2004       | 590,348                             | 58,708                                  | 2,763,640                                   | 3,412,696  |
| Charge for the year   | 60,361                              | 4,717                                   | 375,727                                     | 440,805    |
| Acquisitions          | -                                   | -                                       | 146,132                                     | 146,132    |
| On disposals          | (35,825)                            | -                                       | (156,649)                                   | (192,474)  |
| At 31 March 2005      | 614,884                             | 63,425                                  | 3,128,850                                   | 3,807,159  |
| <b>Net book value</b> |                                     |   |   |            |
| At 31 March 2005      | 4,022,911                           | 155,699                                 | 1,125,163                                   | 5,303,773  |
| At 31 March 2004      | 4,401,842                           | 126,632                                 | 1,364,292                                   | 5,892,766  |

**14 Tangible fixed assets - company**

|                       | Freehold land<br>and buildings<br>£ | Leasehold<br>land and<br>buildings<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£ |
|-----------------------|-------------------------------------|---|---|------------|
| <b>Cost</b>           |                                     |   |   |            |
| At 1 April 2004       | 4,613,470                           | 128,459                                 | 1,483,545                                   | 6,225,474  |
| Additions             | -                                   | 19,749                                  | 35,955                                      | 55,704     |
| Disposals             | (354,395)                           | -                                       | (4,000)                                     | (358,395)  |
| At 31 March 2005      | 4,259,075                           | 148,208                                 | 1,515,500                                   | 5,922,783  |
| <b>Depreciation</b>   |                                     |   |   |            |
| At 1 April 2004       | 512,349                             | 18,160                                  | 667,856                                     | 1,198,365  |
| Charge for the year   | 54,673                              | 2,105                                   | 154,612                                     | 211,390    |
| On disposals          | (35,825)                            | -                                       | (2,167)                                     | (37,992)   |
| At 31 March 2005      | 531,197                             | 20,265                                  | 820,301                                     | 1,371,763  |
| <b>Net book value</b> |                                     |   |   |            |
| At 31 March 2005      | 3,727,878                           | 127,943                                 | 695,199                                     | 4,551,020  |
| At 31 March 2004      | 4,101,121                           | 110,299                                 | 815,689                                     | 5,027,109  |

**15 Investments - group**

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

|                                    | Cost of<br>shares<br>£ | Share of post<br>acquisition<br>profits<br>£ | Other<br>investments<br>£ | Total<br>£ |
|------------------------------------|------------------------|--|---------------------------|------------|
| <b>Cost</b>                        |                        |  |                           |            |
| At 1 April 2004                    | 20,166                 | 18,495                                       | 150,257                   | 188,918    |
| Retained profit share for the year | -                      | 54,195                                       | -                         | 54,195     |
| Disposals                          | -                      | -  | (1)                       | (1)        |
| Dividends and amortisation         | -                      | (54,160)                                     | -                         | (54,160)   |
| At 31 March 2005                   | 20,166                 | 18,530                                       | 150,256                   | 188,952    |
| <b>Provisions</b>                  |                        |  |                           |            |
| At 1 April 2004                    | 20,000                 | -  | 150,255                   | 170,255    |
| At 31 March 2005                   | 20,000                 | -  | 150,255                   | 170,255    |
| <b>Net book value</b>              |                        |  |                           |            |
| At 31 March 2005                   | 166                    | 18,530                                       | 1                         | 18,697     |
| At 31 March 2004                   | 166                    | 18,495                                       | 2                         | 18,663     |

**Tjndle Newspapers Limited**  
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**for the year ended 31 March 2005**

**15 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<br>year end | Nature of<br>business | Shares held<br>Class | Holding |
|--------------------|------------------------|-----------------------|----------------------|---------|
| FreeAdmart Limited | 31 March               | Newspaper             | Ordinary             | 25%     |

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

|  | 2005<br>£     | 2004<br>£     |
|--|---------------|---------------|
| <u>Group interest in joint venture</u> | <u>18,696</u> | <u>18,661</u> |
|  | <u>18,696</u> | <u>18,661</u> |
| Disclosed above as:                    |               |               |
| Cost of shares                         | 166           | 166           |
| Share of post acquisition profits      | 18,530        | 18,495        |
|  | <u>18,696</u> | <u>18,661</u> |

**Group participating interests and other investments**

|                             | 2005<br>£ | 2004<br>£ |
|-----------------------------|-----------|-----------|
| <u>Unlisted investments</u> | <u>1</u>  | <u>2</u>  |

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

|                                   | Nature of<br>business | Shares held<br>Class | Holding |
|-----------------------------------|-----------------------|----------------------|---------|
| African Media Investments Limited | Paper                 | 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.

**15 Investments - company**

|                       | Subsidiaries<br>£ | Associates<br>and joint<br>ventures<br>£ | Participating<br>interests and<br>other<br>investments<br>£ | Total<br>£       |
|-----------------------|-------------------|--|---|------------------|
| <b>Cost</b>           |                   |  |   |                  |
| At 1 April 2004       | 4,822,514         | 20,166                                   | 150,257   | 4,992,937        |
| Additions             | 563,235           | -  | -   | 563,235          |
| Disposals             | (3,786)           | -  | (1)   | (3,787)          |
| At 31 March 2005      | <u>5,381,963</u>  | <u>20,166</u>                            | <u>150,256</u>  | <u>5,552,385</u> |
| <b>Provisions</b>     |                   |  |   |                  |
| At 1 April 2004       | 55,543            | 20,000                                   | 150,255   | 225,798          |
| At 31 March 2005      | <u>55,543</u>     | <u>20,000</u>                            | <u>150,255</u>  | <u>225,798</u>   |
| <b>Net book value</b> |                   |  |   |                  |
| At 31 March 2005      | <u>5,326,420</u>  | <u>166</u>                               | <u>1</u>  | <u>5,326,587</u> |
| At 31 March 2004      | <u>4,766,971</u>  | <u>166</u>                               | <u>2</u>  | <u>4,767,139</u> |

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

|  | Shares held<br>Class | Holding |
|--|----------------------|---------|
| <u>Newspaper printers and publishers</u> |                      |         |
| Abergavenny Chronicle Limited            | Ordinary             | 100%    |
| Alton Gazette Limited                    | Ordinary             | 100%    |
| Biggin Hill News Limited                 | Ordinary             | 100%    |
| Bridge Publishers Limited                | Ordinary             | 100%    |
| Cambrian News Limited                    | Ordinary             | 100%    |
| Crediton Country Courier Limited         | Ordinary             | 100%    |
| Dawlish Newspapers Limited               | Ordinary             | 100%    |

**Tindle Newspapers Limited**  
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**15 Investments - company (continued)**

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

|   | Shares held |         |
|---|-------------|---------|
|   | Class       | Holding |
| <u>Newspaper printers and publishers</u>              |             |         |
| 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 Limited                               | Ordinary    | 100%    |
| Meon Valley News Limited                              | Ordinary    | 80%     |
| Midsomer Norton & Radstock Journal Limited            | Ordinary    | 100%    |
| Monmouthshire Beacon Co. Limited                      | Ordinary    | 100%    |
| North Cornwall Advertiser Limited                     | Ordinary    | 75%     |
| North Cornwall Post & Diary Limited                   | Ordinary    | 75%     |
| PM Publications Limited                               | Ordinary    | 100%    |
| Post Dispatch Limited                                 | Ordinary    | 80%     |
| 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 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    | 100%    |
| Tindle Newspapers (USA) Inc. (incl. Idyllwild)        | Ordinary    | 100%    |
| Town & Country Admart Limited                         | Ordinary    | 100%    |
| West Somerset Free Press Limited                      | Ordinary    | 85%     |
| <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**

|                      | 2005     | 2004     |
|----------------------|----------|----------|
|                      | £        | £        |
| Unlisted investments | 1        | 2        |
|                      | <u>1</u> | <u>2</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 2005**

| <b>16 Stocks - group</b>            | <b>2005</b>   | <b>2004</b>   |
|-------------------------------------|---------------|---------------|
|                                     | <b>£</b>      | <b>£</b>      |
| Raw materials and consumables       | 47,417        | 49,580        |
| Finished goods and goods for resale | 44,140        | 26,879        |
|                                     | <u>91,557</u> | <u>76,459</u> |

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

| <b>17 Debtors - group</b>  | <b>2005</b>      | <b>2004</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Trade debtors  | 5,018,411        | 4,295,883        |
| Amounts owed by the ultimate parent undertaking  | 210,933          | -                |
| Amounts owed by undertakings in which the company has a participating interest or are themselves subsidiaries of the ultimate parent undertaking | 34,557           | 2,821,801        |
| Other debtors  | 203,469          | 293,527          |
| Prepayments and accrued income   | 693,373          | 638,582          |
|  | <u>6,160,743</u> | <u>8,049,793</u> |

| <b>17 Debtors - company</b>  | <b>2005</b>      | <b>2004</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Trade debtors  | 4,980            | 12,543           |
| Amounts owed by group undertakings   | 1,359,710        | 845,675          |
| Amounts owed by the ultimate parent undertaking                                | 210,933          | -                |
| Amounts owed by undertakings in which the company has a participating interest | -                | 2,818,315        |
| Other debtors  | 5,934,576        | 5,416,682        |
| Prepayments and accrued income   | 132,031          | 167,103          |
|  | <u>7,642,230</u> | <u>9,260,318</u> |

Other debtors include dividends receivable from group undertakings amounting to £4,624,177 (2004: £4,141,350).

| <b>18 Investments held as current assets - group</b> | <b>2005</b>    | <b>2004</b> |
|--|----------------|-------------|
|  | <b>£</b>       | <b>£</b>    |
| Listed investments at valuation                      | 144,000        | -           |
|  | <u>144,000</u> | <u>-</u>    |
| <b>Investments held as current assets - company</b>  | <b>2005</b>    | <b>2004</b> |
|  | <b>£</b>       | <b>£</b>    |
| Listed investments at valuation                      | 144,000        | -           |
|  | <u>144,000</u> | <u>-</u>    |

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

| <b>19 Creditors: amounts falling due within one year - group</b>   | <b>2005</b>      | <b>2004</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Bank loans and overdrafts  | 3,908            | -                |
| Other loans  | 107,490          | 3,269            |
| Trade creditors  | 1,308,354        | 963,853          |
| Amounts owed by undertakings in which the company has a participating interest or are themselves subsidiaries of the ultimate parent undertaking | 63,941           | -                |
| Corporation tax  | 952,949          | 756,561          |
| Other taxes and social security costs  | 1,141,863        | 1,082,799        |
| Other creditors  | 81,109           | 66,475           |
| Accruals and deferred income   | 784,642          | 1,336,503        |
| Proposed dividend for the holding company and for minorities   | 283,850          | 36,150           |
|  | <u>4,728,106</u> | <u>4,245,610</u> |

**Tindle Newspapers Limited**  
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| 19 Creditors: amounts falling due within one year - company                    | 2005<br>£        | 2004<br>£        |
|--|------------------|------------------|
| Trade creditors  | 54,194           | 30,403           |
| Amounts owed to group undertakings   | 6,635,058        | 6,418,272        |
| Amounts owed to undertakings in which the company has a participating interest | 68,571           | -                |
| Other taxes and social security costs  | 81,699           | 82,194           |
| Other creditors  | 85,840           | 66,440           |
| Accruals and deferred income   | 193,155          | 213,099          |
| Proposed dividend  | 250,000          | -                |
|  | <u>7,368,517</u> | <u>6,810,408</u> |

| 20 Creditors: amounts falling due after one year - group                                      | 2005<br>£    | 2004<br>£      |
|---|--------------|----------------|
| Other loans   | <u>6,214</u> | <u>122,336</u> |
| The other loans are repayable by instalments within five years and attract interest at 9.25%. |              |                |

| 21 Loans - group              | 2005<br>£      | 2004<br>£      |
|-------------------------------|----------------|----------------|
| Analysis of maturity of debt: |                |                |
| Between one and two years     | 111,398        | 92,955         |
| Between two and five years    | <u>6,214</u>   | <u>32,650</u>  |
|                               | <u>117,612</u> | <u>125,605</u> |

| 22 Deferred taxation - group           | 2005<br>£         | 2004<br>£         |
|--|-------------------|-------------------|
| At 1 April 2004                        | 110,258           | 109,610           |
| Charged to the profit and loss account | <u>(4,226)</u>    | <u>648</u>        |
| At 31 March 2005                       | <u>106,032</u>    | <u>110,258</u>    |
| <b>Deferred taxation - company</b>     | <b>2005<br/>£</b> | <b>2004<br/>£</b> |
| At 1 April 2004                        | 109,422           | 108,179           |
| Charged to the profit and loss account | <u>(3,390)</u>    | <u>1,243</u>      |
| At 31 March 2005                       | <u>106,032</u>    | <u>109,422</u>    |

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

| 23 Share capital                    | 2005<br>£          | 2004<br>£          |
|-------------------------------------|--------------------|--------------------|
| Authorised:                         |                    |                    |
| Ordinary shares of £1 each          | <u>50,000</u>      | <u>50,000</u>      |
|                                     | <b>2005<br/>No</b> | <b>2004<br/>No</b> |
| Allotted, called up and fully paid: |                    |                    |
| Ordinary shares of £1 each          | <u>18,002</u>      | <u>18,002</u>      |

| 24 Profit and loss account       | 2005<br>£         | 2004<br>£           |
|----------------------------------|-------------------|---------------------|
| <b>Group</b>                     |                   |                     |
| At 1 April 2004                  | 34,646,391        | 47,721,570          |
| Retained profit before dividends | 5,903,525         | 5,205,593           |
| Dividends                        | <u>(375,000)</u>  | <u>(18,280,772)</u> |
| At 31 March 2005                 | <u>40,174,916</u> | <u>34,646,391</u>   |
| <b>Company</b>                   |                   |                     |
| At 1 April 2004                  | 31,682,386        | 47,599,928          |
| Retained profit before dividends | 5,847,529         | 4,788,563           |
| Dividends                        | <u>(375,000)</u>  | <u>(20,706,105)</u> |
| At 31 March 2005                 | <u>37,154,915</u> | <u>31,682,386</u>   |

**Tindle Newspapers Limited**  
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**for the year ended 31 March 2005**

**25 Reconciliation of movement in shareholders' equity funds**

|                               | 2005<br>£  | 2004<br>£    |
|-------------------------------|------------|--------------|
| <b>Group</b>                  |            |              |
| At 1 April 2004               | 34,664,393 | 47,739,572   |
| Profit for the financial year | 5,986,724  | 4,747,094    |
| Minority interests            | (83,199)   | 458,499      |
| Dividends                     | (375,000)  | (18,280,772) |
| At 31 March 2005              | 40,192,918 | 34,664,393   |
| <b>Company</b>                |            |              |
| At 1 April 2004               | 31,700,388 | 47,617,930   |
| Profit for the financial year | 5,847,529  | 4,788,563    |
| Dividends                     | (375,000)  | (20,706,105) |
| At 31 March 2005              | 37,172,917 | 31,700,388   |

**26 Gross cash flows**

|   | 2005<br>£   | 2004<br>£   |
|---|-------------|-------------|
| <b>Return on investments and servicing of finance</b> |             |             |
| Interest received                                     | 609,937     | 300,805     |
| Interest paid   | (33,038)    | (16,756)    |
| Minority dividends paid                               | (53,650)    | (65,344)    |
|   | 523,249     | 218,705     |
| <b>Capital expenditure and financial investment</b>   |             |             |
| Payments to acquire intangible fixed assets           | (1,275,443) | (1,408,217) |
| Payments to acquire tangible fixed assets             | (211,948)   | (441,065)   |
| Payments to acquire investments                       | -           | (1)         |
| Receipts from sales of intangible fixed assets        | -           | 80,000      |
| Receipts from sales of tangible fixed assets          | 604,522     | 320,571     |
|   | (882,869)   | (1,448,712) |
| <b>Management of liquid resources</b>                 |             |             |
| Purchase of current asset investments                 | (249,779)   | -           |
| <b>Financing</b>                                      |             |             |
| Loan repayments                                       | (7,993)     | (21,998)    |

**27 Analysis of changes in net debt**

|                           | At 1 Apr 2004<br>£ | Cash flows<br>£ | Non-cash<br>changes<br>£ | At 31 Mar<br>2005<br>£ |
|---------------------------|--------------------|-----------------|--------------------------|------------------------|
| Cash at bank and in hand  | 13,217,482         | 6,364,483       |                          | 19,581,965             |
| Debt due within 1 year    | (3,269)            | 7,993           | (116,122)                | (111,398)              |
| Debt due after 1 year     | (122,336)          | -               | 116,122                  | (6,214)                |
|                           |                    | 7,993           |                          |                        |
| Current asset investments | -                  | 249,779         | (105,779)                | 144,000                |
| Total                     | 13,091,877         | 6,622,255       | (105,779)                | 19,608,353             |

**Tindle Newspapers Limited**  
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| <b>28 Acquisitions and disposals</b>      | <b>Radio Ceredigion</b> | <b>Delta Radio</b> | <b>2005</b>    | <b>2004</b>      |
|---|-------------------------|--------------------|----------------|------------------|
|   | <b>£</b>                | <b>£</b>           | <b>£</b>       | <b>£</b>         |
| Fair value of net assets acquired:        |                         |                    |                |                  |
| Publishing rights                         | -                       | -                  | -              | 285,128          |
| Broadcast rights                          | 263,036                 | 276,885            | 539,921        | -                |
| Tangible fixed assets                     | 3,370                   | 10,798             | 14,168         | 1,000            |
| Debtors                                   | 41,288                  | 30,365             | 71,653         | 46,006           |
| Creditors                                 | (159,835)               | (230,011)          | (389,846)      | (65,110)         |
| Bank and overdraft                        | 13,104                  | 6,097              | 19,201         | 104,052          |
|   | <u>160,963</u>          | <u>94,134</u>      | <u>255,097</u> | <u>371,076</u>   |
| Minority interests in the above companies |                         |                    | 6,566          | -                |
| Minor additions to subsidiary investments |                         |                    | 72,074         | 16,276           |
| Part disposal of a subsidiary undertaking |                         |                    | (52,395)       | -                |
| <b>Total consideration</b>                |                         |                    | <u>281,342</u> | <u>387,352</u>   |
| Less cash at bank acquired                |                         |                    | (19,201)       | (104,052)        |
| Demerged working capital excluding cash   |                         |                    |                |                  |
| Radio Group                               |                         |                    | -              | (94,617)         |
| Tindle Properties                         |                         |                    | -              | (34,043)         |
| Freehold Properties                       |                         |                    | -              | (1,277)          |
| Non-cash changes                          |                         |                    | -              | (453,506)        |
|   |                         |                    | <u>262,141</u> | <u>(300,143)</u> |

The directors consider that no fair value adjustments arise from the minor subsidiary additions. The company acquired part of the accounting practice of Milne Eldridge & Co. for an amount of £750,000, paid in cash, representing work in process of £65,000 and goodwill of £685,000. No fair value adjustments were involved in the acquisition.

**29 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>2005</b>               | <b>2004</b>               | <b>2005</b>    | <b>2004</b>    |
|                                | <b>£</b>                  | <b>£</b>                  | <b>£</b>       | <b>£</b>       |
| Operating leases which expire: |                           |                           |                |                |
| within one year                | 102,353                   | 37,220                    | 43,437         | 57,758         |
| within two to five years       | 95,714                    | 87,745                    | 75,605         | 117,099        |
| in over five years             | 237,580                   | 287,826                   | 22,365         | 22,715         |
|                                | <u>435,647</u>            | <u>412,791</u>            | <u>141,407</u> | <u>197,572</u> |

**30 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 £156,453 (2004: £153,980). At the year end £34,557 (2004: £3,486) was owed by FreeAdmart Limited.

The company paid £45,000 (2004: £45,000) to Sir Ray Tindle for the rental of The Old Court House, Farnham, Surrey.

In the prior year the company advanced to Mr B.G. Doel £20,000 on an interest free repayment loan over two years. At the year end Mr B.G. Doel owed the company £8,333 (2004: £18,333).

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 £164,804 (2004: £464,438) during the year. Mr C.R.G. Christmas was and still is the proprietor of this firm. At the year end £nil (2004: £nil) was owing to the firm. Further, on 31 March 2005, Mr C.R.G. Christmas sold part of his business to Tindle Newspapers Limited for the sum of £750,000. No amounts were outstanding in relation to this transaction.

**31 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.