

NEWSQUEST MEDIA GROUP LIMITED

**Directors' Report and Financial Statements
for the 53 weeks ended 31 December 2000**



REPORT AND FINANCIAL STATEMENTS 2000

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NEWSQUEST MEDIA GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 53 weeks ended 31 December 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Newsquest Media Group Limited is the parent operating company of a fully integrated group of companies operating within the publishing and printing industry.

The directors are satisfied with the performance of the company and expect this to continue in the future.

RESULTS AND DIVIDENDS

The company's profit after taxation was £34,317,000 (1999 - £23,987,000).

An interim dividend of £49,995,731 was paid on ordinary shares (1999 - £nil) and £4,269 on preference shares during the period (1999 - £4,269). No final dividends are proposed (1999 - £nil).

DIRECTORS

The directors who served throughout the period are listed below.

J T Brown	
I W Aiken	
P Davidson	
J C Pfeil	(resigned 2 July 2001)
P A Radburn	
E M Robinson	
R Mills	(appointed 2 July 2001)
T Blott	(appointed 2 July 2001)
P Hunter	(appointed 2 July 2001)

POLITICAL AND CHARITABLE DONATIONS

Contributions made by the company during the period for charitable purposes totalled £3,000 (1999 - £220). In the period there were no political donations made (1999 - £nil).

EMPLOYEE PARTICIPATION

Employee participation processes have continued throughout the period. Such processes are undertaken on a regional basis, and include consultation with staff via elected representatives on a Staff Council, the publication of regular newsletters and the regular meetings of directors and senior managers with all staff throughout the period.

DISABLED PERSONS

It is the policy of the company to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

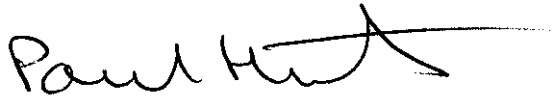
NEWSQUEST MEDIA GROUP LIMITED

DIRECTORS' REPORT

AUDITORS

The auditors, PricewaterhouseCoopers, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the Board on 24 October 2001 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Paul Hunter', with a long horizontal stroke extending to the right.

Paul Hunter
Company Secretary

24 October 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

NEWSQUEST MEDIA GROUP LIMITED

INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF NEWSQUEST MEDIA GROUP LIMITED

We have audited the financial statements on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' 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 information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

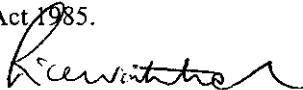
Basis of audit opinion

We conducted our audit in accordance with 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 financial statements 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 of the state of the company's affairs at 31 December 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH
24 October 2001

NEWSQUEST MEDIA GROUP LIMITED

PROFIT AND LOSS ACCOUNT

53 weeks ended 31 December 2000 (note 1)

	Note	2000 £'000	1999 £'000
TURNOVER	1,2	1,832	1,464
Cost of sales		(1,118)	(949)
GROSS PROFIT		714	515
Administrative expenses	4	(4,174)	(15,948)
Other operating income	5	5,400	20,005
OPERATING PROFIT	6	1,940	4,572
Income from fixed asset investments	7	34,002	24,800
Interest receivable and similar income	8	2,257	78
Interest payable and similar charges	9	(21)	(3,858)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		38,178	25,592
Tax charge on profit on ordinary activities	11	(3,861)	(1,605)
PROFIT FOR THE FINANCIAL PERIOD		34,317	23,987
Non-equity preference dividends	12	(4)	(4)
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		34,313	23,983
Equity ordinary dividends	12	(49,996)	-
RETAINED (LOSS)/PROFIT TRANSFERRED TO RESERVES	21	(15,683)	23,983

All the company's activities were in respect of continuing operations.

The company has no recognised gains or losses for the current and preceding financial periods other than those shown above and, therefore, no separate statement of total recognised gains and losses has been presented.

A reconciliation of movements in shareholders' funds is shown in note 22.

NEWSQUEST MEDIA GROUP LIMITED

BALANCE SHEET 31 December 2000 (note 1)

	Note	£'000	2000 £'000	1999 £'000
FIXED ASSETS				
Tangible assets	13		526	454
Investments	14		488,031	487,771
			<u>488,557</u>	<u>488,225</u>
CURRENT ASSETS				
Stock	15	1,430	-	-
Debtors	16	29,925	129,778	
Cash at bank and in hand		60,810	7,740	
		<u>92,165</u>	<u>137,518</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	(423,333)	(452,627)	
NET CURRENT LIABILITIES			<u>(331,168)</u>	<u>(315,109)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			157,389	173,116
PROVISIONS FOR LIABILITIES AND CHARGES	19		<u>(571)</u>	<u>(615)</u>
NET ASSETS			<u>156,818</u>	<u>172,501</u>
CAPITAL AND RESERVES				
Called up share capital – equity	20		1	1
Called up share capital - non-equity	20		425	425
Share premium account	21		50,418	50,418
Merger reserve	21		1,907	1,907
Profit and loss account	21		104,067	119,750
TOTAL SHAREHOLDERS' FUNDS	22		<u>156,818</u>	<u>172,501</u>
Shareholders' funds are attributable to:				
Equity shareholders' funds			156,393	172,076
Non-equity shareholders' funds			425	425
			<u>156,818</u>	<u>172,501</u>

The financial statements on pages 5 to 18 were approved by the Board of directors on 24 October 2001 and were signed on its behalf.



P Hunter
Director

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2000

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

Accounting period

The profit and loss accounts cover the 53 weeks from 27 December 1999 to 31 December 2000 and the 51 weeks from 4 January 1999 to 26 December 1999. The balance sheets for 2000 and 1999 have been drawn up at 31 December 2000 and 26 December 1999 respectively.

Turnover

Turnover represents the invoiced value of sales, excluding Value Added Tax. Advertising revenues are recognised upon publication of the relevant newspaper. Circulation revenues, for paid-for newspapers, are recognised upon distribution.

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. No depreciation is provided on land. Freehold buildings, long leases and plant and equipment are depreciated over their estimated useful lives on the following bases:

Plant and equipment - 2% - 50% straight line basis

Short leases are written off over the duration of the lease.

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments held as fixed assets are stated at cost, less provision, if appropriate, for any impairment in value other than a temporary diminution in value.

The carrying value of investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost, on a first in first out basis, and net realisable value.

Deferred taxation

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date, calculated at the rate at which it is expected the tax will arise in accordance with FRS 19 "Deferred Tax". Deferred taxation balances are not discounted.

The company has adopted FRS 19 which has not resulted in any changes to comparative financial information.

Vacant property

An accrual is made at the balance sheet date for the net present value and net future rentals on vacant and surplus property assets.

Pensions

Employees are members of the Newsquest Pension Scheme ("the Scheme"), a defined benefit scheme. The expected cost of pensions in respect of the Scheme are charged to the profit and loss account so as to spread the costs over the service lives of employees in the Scheme. Actuarial surpluses and deficits are allocated over the average expected remaining service lives of employees. Pension costs are assessed in accordance with the advice of qualified independent actuaries.

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2000

1. ACCOUNTING POLICIES (Continued)

Operating leases

Operating lease rentals are charged to profit and loss account on a straight line basis over the periods of the leases.

Group accounts and cash flow statement

The company, as it is a wholly owned subsidiary itself, is not required to prepare group accounts under Section 228 of the Companies Act 1985 because its parent undertaking is established under the law of a member state of the EU. Accordingly the financial statements present information about the company rather than the group as a whole. A cash flow statement is not required under Financial Reporting Standard 1 (revised), as the company is a wholly owned subsidiary and the group's financial statements are publicly available.

Post retirement medical benefit cost

Post retirement benefits other than pensions are accounted for on an accruals basis to recognise this obligation over the working lives of the employees concerned.

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company being publishing newspapers. All turnover arose within the United Kingdom.

3. EMPLOYEES

	2000	1999
	£'000	£'000
Staff costs		
Wages and salaries	3,823	3,031
Share scheme termination costs	-	3,660
Social security costs	463	349
Other pension costs	319	136
Total	4,605	7,176
	No.	No.
Average number of employees	106	96

4. NET OPERATING EXPENSES

	2000	1999
	£'000	£'000
Administrative expenses	4,174	15,948

Included within administrative expenses in 2000 are finance and management charges of £nil (1999 - £7,023,000) from Newsquest Capital plc.

NEWSQUEST MEDIA GROUP LIMITED

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2000

5. OTHER OPERATING INCOME

	2000 £'000	1999 £'000
Management fees charged to subsidiaries	5,400	20,005

6. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2000 £'000	1999 £'000
Operating lease rentals:		
- Land and buildings	93	51
- Hire of plant and machinery	19	1
Depreciation - owned assets	245	565
Auditors' remuneration - audit fees	140	115
- non audit fees	469	600
Loss/(Profit) on disposal of fixed assets	4	(6)
Rationalisation and reorganisation costs	-	197
Amounts written off investments (note 14)	7,773	724

7. INCOME FROM FIXED ASSET INVESTMENTS

	2000 £'000	1999 £'000
Dividends from group undertakings	34,002	24,800

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £'000	1999 £'000
Interest receivable	2,257	78

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £'000	1999 £'000
Interest and similar charges payable on bank loans	21	3,060
Swap termination costs	-	217
Amortisation of deferred finance fees	-	581
	21	3,858

NOTES TO THE ACCOUNTS
53 weeks ended 31 December 2000

10. DIRECTORS' EMOLUMENTS

The emoluments of the Directors were as follows:

	2000 £'000	1999 £'000
Fees to non-executive directors	-	145
Executive directors' salaries	855	946
Share scheme termination costs	-	2,781
Taxable benefits	65	65
Performance related payments	643	382
Pension scheme contributions	77	76
	<u>1,640</u>	<u>4,395</u>

The aggregate emoluments of the highest paid director were £440,320 (1999 - £696,203). The accrued pension for the highest paid director in 2000 was £nil per annum. No pension benefits accrued to the highest paid director in 2000.

11. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
Analysis of charge in the period:		
Current tax:		
UK Corporation tax at 30% (1999 - 30.25 %)	3,585	2,301
Adjustment in respect of prior periods	46	126
Total current tax (see below)	<u>3,631</u>	<u>2,427</u>
Deferred taxation		
Origination and reversal of timing differences	241	(609)
Adjustment in respect of prior periods	(11)	(213)
	<u>3,861</u>	<u>1,605</u>

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2000

11. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (Continued)

The tax charge for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2000 £'000	1999 £'000
Analysis of charge in the period:		
Profit on ordinary activities before taxation	38,178	25,592
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (1999 30.25%)	11,453	7,678
Dividend from group undertaking that are not subject to tax	(10,200)	(7,439)
Expenses that may not qualify as deductible for tax purposes	2,364	2,003
Depreciation for period in excess of capital allowances	(32)	59
Utilisation of tax losses	-	-
Adjustments to tax charge in respect of previous periods	46	126
	<u>3,631</u>	<u>2,427</u>

Tax losses arising within the Gannet U.K. Limited group of companies are relieved amongst group companies. The principal factor that may affect the tax charge in future periods is the basis on which tax losses are allocated within the group and the rate (if any) at which the company pays for those losses.

12. DIVIDENDS

	2000 £'000	1999 £'000
Interim ordinary dividend paid	49,996	-
Preference dividend paid	4	4

NOTES TO THE ACCOUNTS
53 weeks ended 31 December 2000

13. TANGIBLE FIXED ASSETS

	Plant and equipment £'000
Cost	
At 27 December 1999	3,559
Transfers from group companies	126
Additions	264
Disposals	(183)
At 31 December 2000	<u>3,766</u>
Accumulated depreciation	
At 27 December 1999	3,105
Transfers from group companies	18
Charge for the period	245
Disposals	(128)
At 31 December 2000	<u>3,240</u>
Net book value	
At 31 December 2000	<u><u>526</u></u>
At 26 December 1999	<u><u>454</u></u>

NOTES TO THE ACCOUNTS
53 weeks ended 31 December 2000

14. INVESTMENTS

	Other investments £'000	Investments in subsidiary undertakings £'000	Total £'000
Cost			
At 27 December 1999	924	487,771	488,695
Additions	7,773	260	8,033
At 31 December 2000	8,697	488,031	496,728
Provisions			
At 27 December 1999	924	-	924
Charge for the period	7,773	-	7,773
At 31 December 2000	8,697	-	8,697
Net book value			
At 31 December 2000	-	488,031	488,031
At 26 December 1999	-	487,771	487,771

Investments in subsidiary undertakings:

In the year the company acquired the entire share capital of Nursing Spectrum UK Limited (formerly Complimentary Limited).

NOTES TO THE ACCOUNTS
53 weeks ended 31 December 2000

14. INVESTMENTS (continued)

Other investments are unquoted.

Details of companies in which the company holds more than 10% of any class of equity share capital or more than 10% of the total allotted share capital, all of which are incorporated in Great Britain, are given below:

Name of company	Shares and proportion held	Nature of business
Newsquest (Midlands South) Limited	322 ordinary shares of £1 each (100%)	Publishing
Newsquest (Lancashire) Limited	282 ordinary shares of £1 each (100%)	Publishing
Newsquest (Cheshire/Merseyside) Limited	362 ordinary shares of £1 each (100%)	Publishing
Newsquest (Essex) Limited	242 ordinary shares of £1 each (100%)	Publishing
Newsquest (London) Limited	522 ordinary shares of £1 each (100%)	Publishing
Newsquest (York) Limited	100 ordinary shares of £1 each (100%)	Publishing
Newsquest (Sussex) Limited	100 ordinary shares of £1 each (100%)	Publishing
Newsquest (Oxfordshire) Limited	100 ordinary shares of £1 each (100%)	Publishing
Newsquest (Wiltshire) Limited	100 ordinary shares of £1 each (100%)	Publishing
Newsquest (North East) Limited	100 ordinary shares of £1 each (100%)	Publishing
Nursing Spectrum UK Limited	2 ordinary shares of £1 each (100%)	Publishing
Newsquest Printing (Worcester) Limited	32 ordinary shares of £1 each (100%)	Printing
Newsquest Printing (Losstock) Limited	62 ordinary shares of £1 each (100%)	Printing
Newsquest Printing (Colchester) Limited	52 ordinary shares of £1 each (100%)	Printing
Newsquest (Investments) Limited	5,602,465 ordinary shares of £1 each (100%)	Investing
Kinsman Reeds Limited	20,600 ordinary shares of £1 each (100%)	Dormant
Bury Times Limited	320,000 ordinary shares of £1 each (100%)	Dormant
Swallowdove Limited	1 ordinary share of £1 each (100%)	Holding company
Newsquest Media (Northern) Limited	87,209 ordinary shares of 1p each and 823,000 deferred shares of £1 each (100%)	Dormant
Newsquest Media (Southern) Limited	7,750,969 ordinary shares of 5p each (100%)	Dormant
Newsquest Media (Midlands) Limited	12,775,000 ordinary shares of £1 each (100%)	Dormant
London and Kent Newspapers Limited	7,000 ordinary and 70,000 deferred shares of £1 each (100%)	Dormant

In addition the company is the beneficial owner of Newsquest (Kendal), a publishing company.

15. STOCK

	2000 £'000	1999 £'000
Raw materials	1,430	-

NOTES TO THE ACCOUNTS
53 weeks ended 31 December 2000

16. DEBTORS

	2000 £'000	1999 £'000
Due within one year		
Trade debtors	2,723	1,904
Amounts owed by subsidiary undertakings	18,217	117,120
Corporation tax	1,639	2,496
Other taxation and social security	4,676	-
Other debtors	2,554	7,153
Prepayments and accrued income	116	1,105
	<u>29,925</u>	<u>129,778</u>

Included in other debtors is a deferred taxation asset which is recoverable in more than one year (see note 19).

17. CREDITORS

	2000 £'000	1999 £'000
Amounts falling due within one year		
Other loans	261	220
Trade creditors	1,281	3,197
Amounts owed to immediate parent undertaking	356,233	259,334
Amounts owed to subsidiary undertakings	58,569	181,684
Other taxation and social security	-	93
Other creditors	6,431	6,826
Accruals and deferred income	558	1,273
	<u>423,333</u>	<u>452,627</u>

18. COMMITMENTS

The company has annual commitments for non-cancellable operating leases as follows:

	Land and buildings		Plant and machinery	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Expiry of operating leases falling due				
Within one year	-	-	15	-
In two to five years	33	22	26	-
In over 5 years	100	30	16	-
	<u>133</u>	<u>52</u>	<u>57</u>	<u>-</u>

At 31 December 2000 the company had no capital commitments (1999 - £nil).

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2000

19. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax asset £'000	Vacant property provision £'000
At 27 December 1999	2,710	615
(Credit)/Charge for the period	(230)	51
Utilisation	-	(95)
	<u>2,480</u>	<u>571</u>
At 31 December 2000	<u>2,480</u>	<u>571</u>

The vacant property provision is expected to be utilised over the terms of the relevant leases.

The deferred tax asset is included in other debtors. The amounts of provided and unprovided deferred taxation can be analysed as follows:

	Provided	
	2000 £'000	1999 £'000
Capital allowances in excess of depreciation	171	203
Other timing differences	2,309	2,507
	<u>2,480</u>	<u>2,710</u>

No provision is made for tax which would become payable on the sale of intangible assets at the stated amounts as there is no present intention to sell these intangible assets.

20. CALLED UP SHARE CAPITAL

	2000		1999	
	Number	£'000	Number	£'000
Authorised				
Ordinary shares of \$1 each	1,270	1	1,270	1
Deferred Ordinary shares of £1 each	200	-	200	-
1% First Cumulative Redeemable Preference shares of £1 each	325,000	325	325,000	325
1% Second Cumulative Redeemable Preference shares of £1 each	99,900	100	99,900	100
	<u>426,370</u>	<u>426</u>	<u>426,370</u>	<u>426</u>
Called up, allotted and fully paid				
Ordinary shares of \$1 each	1,270	1	1,270	1
Deferred Ordinary shares of £1 each	127	-	127	-
1% First Cumulative Redeemable Preference shares of £1 each	325,000	325	325,000	325
1% Second Cumulative Redeemable Preference shares of £1 each	99,900	100	99,900	100
	<u>426,297</u>	<u>426</u>	<u>426,297</u>	<u>426</u>

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2000

20. CALLED UP SHARE CAPITAL (continued)

The deferred ordinary shares can be repurchased at the option of the company at any time for an aggregate consideration of £1 which shall be applied for the benefit of the company. The deferred ordinary shares are not entitled to any participation in the profits or the assets of the company, other than as indicated below. The deferred ordinary shareholder has no right to receive notice of or attend and vote at any general meeting and shall only be entitled to participate in the assets of the company after the holders of every other class of shares in the capital of the company shall have received the sum of £10,000,000 in respect of each share held by them.

The Cumulative Redeemable Preference shares can be redeemed at the option of the company or the shareholder at any time on giving appropriate notice. A premium of 38.46p per share is payable on the redemption of the 1% First Cumulative Redeemable Preference shares. No premium is payable on the redemption of the 1% Second Cumulative Redeemable Preference shares. The 1% Second Cumulative Redeemable Preference shares cannot be redeemed while any 1% First Cumulative Redeemable Preference shares remain in issue. The Cumulative Redeemable Preference shareholders have no rights at any general meeting other than in special circumstances and on a winding up are entitled to receive their nominal value and premium prior to ordinary shareholders.

21. RESERVES

	Share premium account £'000	Merger reserve £'000	Profit and loss account £'000
At 27 December 1999	50,418	1,907	119,750
Loss for the period	-	-	(15,683)
At 31 December 2000	50,418	1,907	104,067

Included in the profit and loss account is £11,907,000 (1999 - £11,907,000) of goodwill written off as a matter of accounting policy. This goodwill would be charged to the profit and loss account on the subsequent disposal of the business to which it relates

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £'000	1999 £'000
Profit for the financial period	34,317	23,987
Ordinary dividend	(49,996)	-
Non-equity dividend	(4)	(4)
Net (reduction in)/ addition to shareholders' funds	(15,683)	23,983
Opening shareholders' funds	172,501	148,518
Closing shareholders' funds	156,818	172,501

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2000

23. PENSION SCHEMES

The company is a member of the Newsquest Pension Plan, which is primarily a funded defined benefit scheme, details of which, including particulars of the latest actuarial valuation, can be found in the financial statements of Gannett U.K. Limited for the period ended 31 December 2000. The pension costs relating to the group plan are assessed in accordance with the advice of a qualified independent actuary.

The total pension cost for the period was £319,000 (1999 - £136,000).

24. RELATED PARTIES

The company is a wholly owned subsidiary included in the consolidated financial statements of its ultimate parent company. These financial statements are publicly available, therefore, the company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosure of transactions with entities that are part of the group or investees of the group qualifying as related parties.

25. ULTIMATE PARENT COMPANY

The company's ultimate parent and controlling company is Gannett Co., Inc., a company incorporated in the United States of America. The controlling company of the Newsquest group of companies in the United Kingdom is Gannett U.K. Limited, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of Gannett Co., Inc. and Gannett U.K. Limited comprise respectively the largest and smallest groups of which the company is a member that prepare consolidated financial statements. The annual report and consolidated financial statements of Gannett Co., Inc. can be obtained from the Secretary, Gannett Co., Inc., 1100 Wilson Boulevard, Arlington, Virginia 22234. The annual report and consolidated financial statements of Gannett U.K. Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.