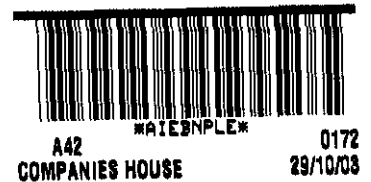


NEWSQUEST MEDIA GROUP LIMITED

**Directors' Report and Financial Statements
for the 52 weeks ended 29 December 2002**



NEWSQUEST MEDIA GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

CONTENTS	Page
Directors' report	1
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

NEWSQUEST MEDIA GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 29 December 2002.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Newsquest Media Group Limited is the parent operating company of a group of companies operating within the publishing and printing industry. The company provides management services to group companies including a sales service in respect of leaflet distribution and national advertising.

On 4 April 2003 the company acquired Lettercatch Limited, whose principal activity is the studio production and publishing of newspapers.

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 £66,059,000 (2001 - £69,328,000).

Interim dividends of £91,295,731 were paid on ordinary shares (2001 - £126,783,443) and £4,269 on preference shares during the period (2001 - £4,269). No final dividends are proposed (2001 - £nil).

DIRECTORS

The directors who served throughout the period are listed below.

J T Brown	(resigned 31 July 2003)
I W Aiken	(resigned 7 April 2002)
P Davidson	
P Hunter	
P A Radburn	
E M Robinson	
R Mills	
T Blott	

POLITICAL AND CHARITABLE DONATIONS

Contributions made by the company during the period for charitable purposes totalled £nil (2001 - £nil). In the period there were no political donations made (2001 - £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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 13 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

This report was approved by the Board on 15 October 2003 and signed on its behalf.



N Carpenter
Company secretary

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 17 which comprise the profit and loss account, the balance sheet and related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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. The other information comprises only the directors' report.

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 29 December 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH
15 October 2003

NEWSQUEST MEDIA GROUP LIMITED

PROFIT AND LOSS ACCOUNT

52 weeks ended 29 December 2002 (note 1)

	Note	2002 £'000	2001 £'000
TURNOVER	2	2,194	2,158
Cost of sales		(1,344)	(1,442)
GROSS PROFIT		850	716
Administrative expenses		(8,469)	(9,750)
Amounts written off investments		(2,090)	(16,921)
Other operating income	4	20,681	16,845
OPERATING PROFIT/(LOSS)	5	10,972	(9,110)
Income from fixed asset investments	6	61,000	77,039
Interest receivable and similar income	7	942	2,375
Interest payable and similar charges	8	(228)	(389)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		72,686	69,915
Tax charge on profit on ordinary activities	10	(6,627)	(587)
PROFIT FOR THE FINANCIAL PERIOD		66,059	69,328
Non-equity preference dividends	11	(4)	(4)
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		66,055	69,324
Equity ordinary dividends	11	(91,296)	(126,783)
RETAINED LOSS TRANSFERRED TO RESERVES	20	(25,241)	(57,459)

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 21.

There is no difference between profit on ordinary activities before taxation and the retained loss for the period stated above and their historical cost equivalents.

NEWSQUEST MEDIA GROUP LIMITED

BALANCE SHEET

29 December 2002 (note 1)

	Note	£'000	2002 £'000	2001 £'000
FIXED ASSETS				
Tangible assets	12		554	544
Investments	13		488,842	488,842
			<u>489,396</u>	<u>489,386</u>
CURRENT ASSETS				
Debtors	14	119,909	75,269	
Cash at bank and in hand		25,184	27,546	
		<u>145,093</u>	<u>102,815</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(559,857)	(491,155)	
NET CURRENT LIABILITIES			<u>(414,764)</u>	<u>(388,340)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			74,632	101,046
PROVISIONS FOR LIABILITIES AND CHARGES	18		(514)	(1,687)
NET ASSETS			<u>74,118</u>	<u>99,359</u>
CAPITAL AND RESERVES				
Called up share capital – equity	19		1	1
Called up share capital - non-equity	19		425	425
Share premium account	20		50,418	50,418
Merger reserve	20		1,907	1,907
Profit and loss account	20		21,367	46,608
TOTAL SHAREHOLDERS' FUNDS	21		<u>74,118</u>	<u>99,359</u>
Shareholders' funds are attributable to:				
Equity shareholders' funds			73,693	98,934
Non-equity shareholders' funds			425	425
			<u>74,118</u>	<u>99,359</u>

The financial statements on pages 5 to 17 were approved by the Board of directors on 15 October 2003 and were signed on its behalf.



P Hunter
Director

NOTES TO THE ACCOUNTS

52 weeks ended 29 December 2002

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 of the United Kingdom.

Accounting period

The profit and loss accounts cover the 52 weeks from 31 December 2001 to 29 December 2002 and the 52 weeks from 1 January 2001 to 30 December 2001. The balance sheets for 2002 and 2001 have been drawn up at 29 December 2002 and 30 December 2001 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 publication.

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:

Freehold buildings	-	2% straight line basis
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 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 impairment in value.

The carrying values of fixed asset 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.

Leasehold property

A provision is made at the balance sheet date for property dilapidations and for the net present value of net future costs on surplus vacant leasehold property.

Pensions

The company is the principal employer of a defined benefit pension scheme, the Newsquest Pension Scheme ("the Scheme"). Pension costs are assessed in accordance with the advice of qualified independent actuaries. Charges to the profit and loss account for group subsidiaries that participate in the scheme are allocated to the Company by the principal employer of the scheme, Newsquest Media Group Limited, based upon contributions by the principal employer and the pensionable salaries of the company's employees.

NEWSQUEST MEDIA GROUP LIMITED

NOTES TO THE ACCOUNTS 52 weeks ended 29 December 2002

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.

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

	2002 £'000	2001 £'000
Staff costs		
Wages and salaries	4,240	4,492
Social security costs	464	440
Other pension costs	683	265
Total	<u>5,387</u>	<u>5,197</u>

The average monthly number of employees, including directors, during the period was as follows:

	No.	No.
Marketing and sales	56	57
Distribution	18	16
Finance and management	64	56
	<u>138</u>	<u>129</u>

4. OTHER OPERATING INCOME

	2002 £'000	2001 £'000
Charges to subsidiaries	<u>20,681</u>	<u>16,845</u>

NEWSQUEST MEDIA GROUP LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 29 December 2002

5. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2002 £'000	2001 £'000
Operating lease rentals:		
- Land and buildings	282	154
- Hire of plant and machinery	33	27
Depreciation - owned assets	229	223
Auditors' remuneration - audit fees	146	144
- non audit fees	222	398
Loss/(profit) on disposal of fixed assets	3	(3)
Amounts written off investments (note 13)	2,090	16,921

6. INCOME FROM FIXED ASSET INVESTMENTS

	2002 £'000	2001 £'000
Dividends from group undertakings	61,000	77,039

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £'000	2001 £'000
Bank interest receivable	942	2,375

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £'000	2001 £'000
Bank overdraft facilities	30	91
Other loans	103	295
Other	95	3
	228	389

NOTES TO THE ACCOUNTS
52 weeks ended 29 December 2002

9. DIRECTORS' EMOLUMENTS

The emoluments of the directors were as follows:

	2002 £'000	2001 £'000
Executive directors' salaries	948	1,122
Taxable benefits	77	76
Performance related payments	264	699
Pension scheme contributions	50	127
	<u>1,339</u>	<u>2,024</u>

The aggregate emoluments of the highest paid director were £374,766 (2001 - £517,555). The accrued pension for the highest paid director in 2002 was £77,791 per annum (2001 - £nil per annum). Payments to a pension scheme of £15,368 (2001 - £nil) were made on behalf of the highest paid director. The highest paid director exercised share options during the year and was granted share options under a long-term incentive scheme.

Retirement benefits accrued to 7 directors under a defined benefit scheme during this year.

At 29 December 2002 the number of directors in respect of whose qualifying services shares in the company's ultimate parent company Gannett Co. Inc. were received or receivable under long-term incentive schemes is 6 (2001 - 7). The number of directors who exercised share options in the company's ultimate parent undertaking Gannett Co. Inc. during the year was 4 (2001 - 2).

10. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2002 £'000	2001 £'000
Analysis of charge in the period:		
Current tax:		
UK Corporation tax at 30% (2001 - 30 %)	3,002	1,373
Adjustment in respect of prior periods	2,431	(297)
Total current tax (see below)	<u>5,433</u>	<u>1,076</u>
Deferred taxation		
Origination and reversal of timing differences	1,156	(525)
Adjustment in respect of prior periods	38	36
	<u>6,627</u>	<u>587</u>

NOTES TO THE ACCOUNTS
52 weeks ended 29 December 2002

10. 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:

	2002 £'000	2001 £'000
Analysis of charge in the period:		
Profit on ordinary activities before taxation	72,686	69,915
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (20001- 30%)	21,806	20,975
Dividends from group undertaking that are not subject to tax	(18,300)	(23,112)
Expenses that may not qualify as deductible for tax purposes	1	5,384
Timing differences relating to pensions	(443)	304
Depreciation for period in excess of capital allowances	(43)	(47)
Utilisation of tax losses	(19)	(2,131)
Adjustments to tax charge in respect of previous periods	2,431	(297)
	<u>5,433</u>	<u>1,076</u>

Tax losses arising within the Gannett 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.

11. DIVIDENDS

	2002 £'000	2001 £'000
Interim ordinary dividend paid	91,296	126,783
Preference dividend paid	<u>4</u>	<u>4</u>

NEWSQUEST MEDIA GROUP LIMITED

NOTES TO THE ACCOUNTS 52 weeks ended 29 December 2002

12. TANGIBLE FIXED ASSETS

	Plant and equipment £'000
Cost	
At 31 December 2001	3,809
Additions	273
Disposals	(160)
Transfers to group companies	(17)
	<hr/>
At 29 December 2002	3,905
Accumulated depreciation	
At 31 December 2001	3,265
Charge for the period	229
Disposals	(129)
Transfers to group companies	(14)
	<hr/>
At 29 December 2002	3,351
Net book value	
At 29 December 2002	<hr/> 554 <hr/>
At 31 December 2001	<hr/> 544 <hr/>

13. INVESTMENTS

	Other investments £'000	Investments in subsidiary undertakings £'000	Total £'000
Cost			
At 31 December 2001	12,805	501,655	514,460
Additions	2,090	-	2,090
	<hr/>	<hr/>	<hr/>
At 29 December 2002	14,895	501,655	516,550
	<hr/>	<hr/>	<hr/>
Provisions			
At 31 December 2001	12,805	12,813	25,618
Charge for the period	2,090	-	2,090
	<hr/>	<hr/>	<hr/>
At 29 December 2002	14,895	12,813	27,708
	<hr/>	<hr/>	<hr/>
Net book value			
At 29 December 2002	-	488,842	488,842
	<hr/>	<hr/>	<hr/>
At 30 December 2001	-	488,842	488,842
	<hr/>	<hr/>	<hr/>

NEWSQUEST MEDIA GROUP LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 29 December 2002

13. INVESTMENTS (continued)

Other investments are unquoted. The additions during the period represent investments in Fish 4 Limited.

The major subsidiary companies of Newsquest Media Group Limited (all of which are incorporated in Great Britain and registered in England and Wales and were wholly owned) at 29 December 2002 were:

Name of Company	Nature of business
Newsquest (Investments) Limited	Holding company
Newsquest (Bradford) Limited	Printing and publishing
Newsquest (Cheshire/Merseyside) Limited	Publishing
Newsquest (Essex) Limited	Printing and publishing
Newsquest (Kendal)	Publishing
Newsquest (Lancashire) Limited	Printing and publishing
Newsquest (London) Limited	Publishing
Newsquest (Midlands South) Limited	Printing and publishing
Newsquest (North East) Limited	Publishing
Newsquest (Oxfordshire) Limited	Printing and publishing
Newsquest (Sussex) Limited	Printing and publishing
Newsquest (Wiltshire) Limited	Printing and publishing
Newsquest (York) Limited	Printing and publishing

In addition the company has a 22.19% interest in the ordinary £1 shares of Fish 4 Limited whose principal activity during the period were the provision of electronic classified advertising services.

14. DEBTORS

	2002 £'000	2001 £'000
Due within one year		
Trade debtors	3,282	3,726
Amounts owed by group undertakings	80,069	39,182
Corporation tax	30,195	24,980
Other taxation and social security	4,087	4,038
Other debtors	2,044	3,081
Prepayments and accrued income	232	262
	<u>119,909</u>	<u>75,269</u>

Included in other debtors is a deferred taxation asset which is recoverable in more than one year (see note 17).

NEWSQUEST MEDIA GROUP LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 29 December 2002

15. CREDITORS

	2002 £'000	2001 £'000
Amounts falling due within one year		
Other loans	-	12,783
Trade creditors	4,413	5,524
Amounts owed to group undertakings	551,229	463,250
Other creditors	1,414	7,357
Accruals and deferred income	2,801	2,241
	<u>559,857</u>	<u>491,155</u>

16. COMMITMENTS

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

	Land and buildings		Plant and machinery	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Expiry of operating leases falling due				
Within one year	6	6	2	10
In two to five years	16	26	13	17
In over 5 years	268	267	-	-
	<u>268</u>	<u>267</u>	<u>-</u>	<u>-</u>

At 29 December 2002 the company had no capital commitments (2001 - £nil).

17. DEFERRED TAX ASSET

	£'000
At 31 December 2001	2,969
Movement on deferred tax for the period	(1,194)
Utilisation	-
At 29 December 2002	<u>1,775</u>

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

	Provided	
	2002 £'000	2001 £'000
Capital allowances in excess of depreciation	200	193
Other timing differences	1,575	2,776
	<u>1,775</u>	<u>2,969</u>

NEWSQUEST MEDIA GROUP LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 29 December 2002

18. PROVISIONS FOR LIABILITIES AND CHARGES

	Leasehold property provision £'000
At 31 December 2001	1,687
Release for the period	(1,067)
Utilisation	(106)
At 29 December 2002	514

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

19. CALLED UP SHARE CAPITAL

	2002		2001	
	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>

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.

NOTES TO THE ACCOUNTS
52 weeks ended 29 December 2002

20. RESERVES

	Share premium account £'000	Merger reserve £'000	Profit and loss account £'000
At 31 December 2001	50,418	1,907	46,608
Loss for the period	-	-	(25,241)
At 29 December 2002	<u>50,418</u>	<u>1,907</u>	<u>21,367</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £'000	2001 £'000
Profit for the financial period	66,059	69,328
Ordinary dividend	(91,296)	(126,783)
Non-equity dividend	(4)	(4)
Net reduction in shareholders' funds	(25,241)	(57,459)
Opening shareholders' funds	99,359	156,818
Closing shareholders' funds	<u>74,118</u>	<u>99,359</u>

22. PENSION SCHEMES

SSAP24

The company is the principal employer of the Newsquest Pension Scheme and a member of the Newsquest Media (Southern) Pension Scheme, 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 29 December 2002.

The contributions made by the group into the scheme, which have increased in 2002, are assessed in accordance with the advice of a qualified independent actuary. The pension costs in these accounts of £683,000 (2001 - £265,000) are to fund the contributions to the scheme by the principal employer of the Newsquest Pension Scheme. The allocation of this cost to this company is based on pensionable salaries.

FRS17

The company and its immediate parent company have adopted the transitional rules of FRS17, "Retirement Benefits".

The company has taken advantage of the exemption permitted by paragraph 9 (b) of FRS17 and will account for the Scheme as if it were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities of the Scheme.

Further information about the assets and liabilities of the Scheme and the major assumptions used by the actuary can be found in the financial statements of Gannett U.K. Limited for the period ended 29 December 2002.

NOTES TO THE ACCOUNTS

52 weeks ended 29 December 2002

23. 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.

24. 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.