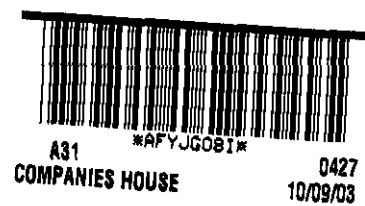


Avon Imaging Limited

Financial statements for the year ended 30 March 2003
together with directors' and independent auditors' reports

Registered number: 2902986



Directors' report

For the year ended 30 March 2003

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the year ended 30 March 2003.

Principal activities

The principal activity of the company was to undertake contract typesetting and reprographic work.

Review of business and future developments

The directors are satisfied with the company's performance for the year and expect the business to grow further.

Results and dividends

The loss for the financial year is set out on page 5.

The directors do not recommend the payment of a final dividend (2002:£nil).

Directors and their interests

The directors who served during the year were as follows:

B G Muirhead
A A Miller (Appointed 19 November 2002)
J R Harris (Resigned 19 November 2002)
M Gwyther (Resigned 19 November 2002)

The directors had no interest in the shares of the company required to be disclosed under Schedule 7 of the Companies Act 1985.

The interests of the directors in the shares of the ultimate parent company are shown in the directors' report of that company.

Auditors

During the year, Arthur Andersen resigned as the Company's auditors following the agreement it reached with Deloitte & Touche under which partners and staff from Arthur Andersen joined Deloitte & Touche. The directors used their powers under the Companies Act 1985 to appoint Deloitte & Touche as the Company's auditors to fill the vacancy created by Arthur Andersen's resignation.

6 Thatcham Business Village
Colthrop Lane
Thatcham
Berkshire
RG19 4LW

22 May 2003

By order of the Board,



B G Muirhead
Director

Statement of directors' responsibilities

30 March 2003

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company 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, subject to any material departures disclosed and explained in the financial statements; and
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the Members of Avon Imaging Limited

We have audited the financial statements of Avon Imaging Limited for the year ended 30 March 2003 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 with the company 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 opinion

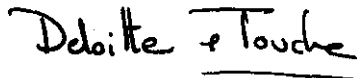
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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.

Independent auditors' report to the Members of Avon Imaging Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 March 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "Deloitte & Touche". The signature is written in a cursive, flowing style. The word "Deloitte" is followed by a small ampersand and then "Touche". A horizontal line is drawn underneath the entire signature.

Deloitte & Touche
Chartered Accountants and Registered Auditors

Reading

22 May 2003

Profit and loss account
For the year ended 30 March 2003

	Note	2003 £'000	2002 £'000
Turnover	1	1,212	1,333
Cost of sales		(914)	(1,061)
Gross profit		298	272
Administrative expenses		(408)	(442)
Operating loss being loss on ordinary activities before taxation	2	(110)	(170)
Tax on loss on ordinary activities	6	66	-
Loss on ordinary activities after taxation, being retained loss for the year	14	(44)	(170)

There were no recognised gains or losses other than those included in the results above; accordingly no statement of total recognised gains and losses is presented.

All results arise from continuing activities in both years.

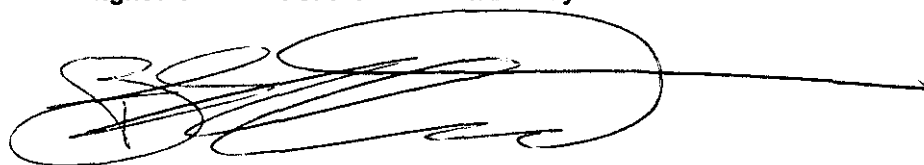
The accompanying notes are an integral part of this profit and loss account.

Balance sheet

30 March 2003

	Note	2003 £'000	2002 £'000
Fixed assets			
Tangible assets	7	97	270
Current assets			
Stocks	8	30	38
Debtors	9	952	1,391
Cash at bank and in hand		72	17
		1,054	1,446
Creditors: Amounts falling due within one year	10	(42)	(492)
Net current assets		1,012	954
Total assets		1,109	1,224
Creditors: Amounts falling due after more than one year	11	(712)	(712)
Provisions for liabilities and charges	12	(71)	-
Net assets		468	512
Capital and reserves			
Called-up share capital	13	-	-
Profit and loss account	14	468	512
Equity shareholder's funds	15	468	512

Signed on behalf of the Board on 22 May 2003



B G Muirhead
Director

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

30 March 2003

The principal accounting policies are summarised below, all of which have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Cash flow statement

The company is a wholly owned subsidiary of Trader Media Group Limited and the cash flows of the company are included in the consolidated group cash flow statement of that company. Consequently the company is exempt from publishing a cash flow statement under Financial Reporting Standard 1 (Revised).

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Pensions

The company participates in a defined contribution scheme. Contributions to the scheme are charged to the profit and loss account each year in respect of pension costs payable in the year.

Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is exempt from the requirement to disclose details of certain related party transactions as it is a wholly owned subsidiary of Trader Media Group Limited, whose consolidated financial statements are publicly available.

Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads. Provision is made for obsolete, slow-moving or defective items where appropriate.

Statement of accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. 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 on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	5 - 10 years
Motor vehicles	5 years
Plant and machinery	4 - 10 years

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statement. Deferred tax is measured on a non-discounted basis.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of value added tax, trade discounts and returns.

Notes to financial statements

30 March 2003

1 Turnover

Turnover is attributable to the principal activity of the company and is earned entirely within the United Kingdom.

2 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2003 £'000	2002 £'000
Depreciation and amounts written off tangible fixed assets		
- owned	127	188
Loss on disposal of fixed assets	12	17
Operating lease rentals		
- land and buildings	60	60
	<u>60</u>	<u>60</u>

3 Employee information

The average monthly number of employees (including directors) was as follows:

	Total headcount		Full time equivalent	
	2003	2002	2003	2002
Administration	8	9	7	8
Sales	-	1	-	1
Production	61	61	45	45
	<u>69</u>	<u>71</u>	<u>52</u>	<u>54</u>

The aggregate payroll costs of these persons were as follows:

	2003 £'000	2002 £'000
Wages and salaries	855	870
Social security costs	53	55
Other pension costs (note 17)	20	14
	<u>928</u>	<u>939</u>

Notes to financial statements (continued)

4 Directors emoluments

	2003 £'000	2002 £'000
Directors' emoluments	<u>72</u>	<u>70</u>

Of the directors who served in the year, B G Muirhead and J R Harris received remuneration for their services as directors of Trader Media Group Limited and subsidiary undertakings. Their remuneration is disclosed in the accounts of Trader Media Group Limited. A A Miller received remuneration in respect of his services as a director of Trader Publishing Limited and fellow Trader Media Group undertakings. The remuneration of A A Miller, B G Muirhead and J R Harris was paid by Trader Publishing Limited. The allocation of this remuneration in relation to their services as directors of the company was £14,000 (2002: £15,000).

5 Audit fees

The auditors' remuneration charge for audit services, in both years, has been borne by a fellow group company.

6 Tax on loss on ordinary activities

	2003 £'000	2002 £'000
Current taxation		
Adjustments in respect of prior years		
- UK corporation tax	5	-
Deferred taxation - origination and reversal of timing differences (note 12)	<u>(71)</u>	<u>-</u>
Total taxation	<u>(66)</u>	<u>-</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before taxation are as follows:

	2003 £'000	2002 £'000
Loss on ordinary activities before taxation	<u>(110)</u>	<u>(170)</u>
Taxation on loss on ordinary activities at standard UK corporation tax rate of 30%	(33)	(51)
Depreciation in excess of capital allowances	8	
Group relief	25	51
Adjustments to tax charge in respect of prior years	<u>5</u>	<u>-</u>
Current taxation charge for the year	<u>5</u>	<u>-</u>

The company earns its profits entirely in the UK, therefore the rate used for taxation is the standard rate for UK corporation tax.

Notes to financial statements (continued)

7 Tangible fixed assets

	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At beginning of year	786	33	819
Additions	19	1	20
Disposals	(240)	(34)	(274)
At end of year	<u>565</u>	<u>-</u>	<u>565</u>
Depreciation			
At beginning of year	534	15	549
Charge	120	7	127
Disposals	(186)	(22)	(208)
At end of year	<u>468</u>	<u>-</u>	<u>468</u>
Net book value			
At end of year	<u>97</u>	<u>-</u>	<u>97</u>
At beginning of year	<u>252</u>	<u>18</u>	<u>270</u>

8 Stocks

	2003 £'000	2002 £'000
Raw materials and consumables	8	7
Work in progress	<u>22</u>	<u>31</u>
	<u>30</u>	<u>38</u>

Notes to financial statements (continued)

9 Debtors: Amounts falling due within one year

	2003 £'000	2002 £'000
Trade debtors	112	77
Amounts owed by group undertakings	826	1,295
Other debtors	-	5
Prepayments	14	14
	<u>952</u>	<u>1,391</u>

10 Creditors: Amounts falling due within one year

	2003 £'000	2002 £'000
Trade creditors	14	22
Amounts owed to group undertakings	-	399
Other taxation and social security	17	15
Accruals	11	56
	<u>42</u>	<u>492</u>

11 Creditors: Amounts falling due after more than one year

	2003 £'000	2002 £'000
Amount owed to parent company	<u>712</u>	<u>712</u>

These balances are non interest bearing and have no fixed repayment date

12 Provisions for liabilities and charges

	2003 £'000	2002 £'000
<i>Deferred taxation</i>		
At beginning of year	-	-
Accelerated capital allowances charged to profit and loss account	(71)	-
At end of year	<u>(71)</u>	<u>-</u>

All deferred taxation is provided for in full.

Notes to financial statements (continued)

13 Called-up share capital

	2003 £	2002 £
Authorised, allotted, called-up and fully paid 20,000 ordinary shares of 1p each	<u>200</u>	<u>200</u>

14 Movement on reserves

	Profit and loss account	
	2003 £'000	2002 £'000
At beginning of year	512	682
Loss for the year	<u>(44)</u>	<u>(170)</u>
At end of year	<u>468</u>	<u>512</u>

15 Reconciliation of movement in equity shareholder's funds

	2003 £'000	2002 £'000
Opening equity shareholder's funds	512	682
Loss for the year	<u>(44)</u>	<u>(170)</u>
Closing equity shareholder's funds	<u>468</u>	<u>512</u>

16 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	2003 £'000	2002 £'000
Expiry date		
- within one year	60	-
- between two and five years	<u>-</u>	<u>60</u>

Notes to financial statements (continued)

17 Pension scheme

The company participates in a defined contribution pension scheme. The assets of the scheme are held separately in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,000 (2002: £14,000).

18 Ultimate parent company

The company's immediate parent company is Trader Publishing Limited which is incorporated in Great Britain and registered in England and Wales. The company's ultimate parent company is Trader Media Group Limited which is incorporated in Great Britain and registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by Trader Publishing Limited. The largest group in which the results of the company are consolidated is that headed by the ultimate parent company. The consolidated financial statements of this group are available to the public and will be filed at the registrar of companies.