

Trader Media (TNT) Holdings Limited

Directors' report and financial statements for the year ended 3 April 2005

Registered number: 3943514



Directors' report

For the year ended 3 April 2005

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 3 April 2005.

Principal activity and business review

The principal activity of the company is that of an intermediate holding company.

On 24 March 2005, the company disposed of its interest in TNT Magazine PTY Limited and TNT Magazine Limited through the disposal of its 100% shareholding for a consideration of £1, the resulting loss on disposal was £975,999.

Results and dividends

The company's loss for the financial year was £965,000 (2004: profit £5,991,000), which will be transferred to reserves.

The directors do not recommend the payment of a final dividend (2004:77.18p) per ordinary share.

Directors and their interests

The directors who served during the year and up to the date of the signing of the financial statements were as follows:

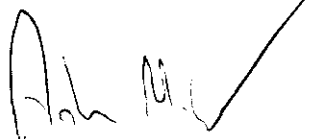
A A	Miller	
R	Perriss	(Appointed 1/4/04)
B G	Muirhead	(Resigned 31/3/04)
K F	Howard	(Resigned 1/9/04)
M	Goddard	(Appointed 18/3/05, Resigned 3/4/05)

The directors held no interest in the shares of the company or any other group company required to be disclosed under Schedule 7 of the Companies Act 1985.

6, Thatcham Business Village
Colthrop Lane
Thatcham
Berkshire
RG19 4LW

28 June 2005

By order of the Board,



A A Miller
Director

Statement of directors' responsibilities

3 April 2005

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. The directors confirm that:

- suitable accounting policies have been used and applied consistently;
- reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 3 April 2005; and that
- applicable accounting standards have been followed.

The directors are required to 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 that 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 Trader Media (TNT) Holdings Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the related notes 1 to 13 and the accounting policies set out in the statement of accounting policies.

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 into 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 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 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 as at 3 April 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Reading
28 June 2005

Profit and loss account

For the year ended 3 April 2005

	Note	2005 £'000	2004 £'000
Turnover		-	-
Income from shares in fixed asset investments		-	6,001
Administrative expenses		(49)	(10)
Operating (loss)/profit		(49)	5,991
Other income		59	-
Loss on sale of subsidiary undertakings		(975)	-
(Loss)/profit on ordinary activities before taxation		(965)	5,991
Tax on (loss)/profit on ordinary activities	4	(11)	-
(Loss)/profit on ordinary activities after taxation, being (loss)/profit for the financial year	12	(976)	5,991
Dividends	5	-	(3,355)
Retained (loss)/profit for the financial year	11	(976)	2,636

There are no material differences between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the financial year stated above and their historical cost equivalents.

All results arise from continuing activities in both years.

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

Statement of total recognised gains and losses

For the year ended 3 April 2005

	2005 £'000	2004 £'000
(Loss)/profit for the financial year	<u>(976)</u>	<u>2,636</u>
Total recognised gains and losses relating to the year	<u>(976)</u>	<u>2,636</u>
Fundamental accounting error	<u>-</u>	<u>(3,290)</u>
Total recognised gains and losses since last financial statements	<u>(976)</u>	<u>(654)</u>

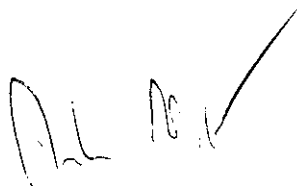
The accompanying notes are an integral part of this statement of total recognised gains and losses.

Balance sheet

3 April 2005

	Note	2005 £'000	2004 £'000
Fixed assets			
Investments	7	34,333	35,309
Creditors: Amounts falling due within one year	8	(11,109)	(11,109)
Net current liabilities		(11,109)	(11,109)
Creditors: Amounts falling due after more than one year	9	(19,854)	(19,854)
Net assets		3,370	4,346
Capital and reserves			
Called-up share capital	10	4,346	4,346
Profit and loss account	11	(976)	-
Equity shareholder's funds	12	3,370	4,346

The financial statements on pages 4 to 12 were approved by the board of directors on 28 June 2005 and were signed on its behalf by:



A A Miller
Director

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

Statement of accounting policies

3 April 2005

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.

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

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group financial statements and has taken advantage of this exemption. Consequently no consolidated group financial statements have been prepared and these financial statements present the results of the company only. Group financial statements are prepared by Trader Media (TNT) Group Limited, an intermediate holding company, which are publicly available.

Cash flow statement

The company is a wholly owned subsidiary of Trader Media (TNT) Group Limited, a company incorporated in England and Wales, and the cash flows of the company are included in the consolidated accounts of that company, which are publicly available. Consequently the company has taken advantage of the exemption available under paragraph 5 of Financial Reporting Standard 1 *Cash Flow Statements (revised 1996)* from preparing a cash flow statement.

Investments

Fixed asset investments are shown at cost less provision for impairment.

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 Guardian Media Group plc, whose consolidated financial statements are publicly available.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) 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 statements. Deferred tax is measured on a non-discounted basis.

Notes to the financial statements

3 April 2005

1 Audit fees

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

2 Employee information

The average number of persons (including directors) employed during the year is nil (2004: nil). As such, no staff costs arose during either year.

3 Directors' emoluments

Of the directors who served in the year, A A Miller received remuneration for his services as a director of Trader Media Group Limited and subsidiary undertakings. His remuneration is disclosed in the accounts of Trader Media Group Limited. K F Howard and R Perriss received remuneration in respect of their services as directors of Trader Media Investments Limited and fellow group undertakings. Their remuneration is disclosed in the accounts of Trader Media Investments Limited. B G Muirhead received no remuneration for his services as a director of Trader Media Group Limited and subsidiary undertakings. The remuneration of these directors was paid by Trader Publishing Limited, a fellow subsidiary of Guardian Media Group plc. The allocation of this remuneration in relation to their services as directors of the company was £14,514 (2004:£12,931).

M Goddard received remuneration for his period of service as a director of the company and its subsidiary undertakings as disclosed below.

	2005 £'000	2004 £'000
Directors' emoluments	5	-
Pension contributions	-	-
	<hr/>	<hr/>
	5	-
	<hr/>	<hr/>

The remuneration of M Goddard was paid by Trader Media (TNT) Limited.

Notes to the financial statements (continued)

4 Tax on (loss)/profit on ordinary activities

	2005 £	2004 £
Current taxation		
UK corporation tax	11	-

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

	2005 £'000	2004 £'000
(Loss)/profit on ordinary activities before taxation	(965)	5,991
Tax on (loss)/profit on ordinary activities at standard UK corporation taxation rate of 30% (2004: 30%)	(290)	1,797
Income not subject to taxation	-	(1,800)
Expenses not subject to taxation	301	3
Current taxation charge for the year	11	-

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

5 Dividends

	2005 £'000	2004 £'000
Equity shares		
- Interim paid of £nil (2004:77.18p) per ordinary share	-	3,355

Notes to the financial statements (continued)

6 Disposal of shares

On 24 March 2005, the company sold its 100% interest in the ordinary share capital of TNT Magazine PTY Limited and TNT Magazine Limited.

The original cost of shares disposed of and the related sale proceeds were as follows:

	2005 £
Investment	976,000
Loss on sale	(975,999)
Sale proceeds (AUS\$2)	<u>1</u>
Satisfied by:	
Cash from management	<u>1</u>

7 Investments

	2005 £'000	2004 £'000
At beginning of year	35,309	35,309
Disposal (note 6)	(976)	-
At end of year	<u>34,333</u>	<u>35,309</u>

The company holds the following principal subsidiary:

Subsidiary undertakings	Country of registration or incorporation	Principal activity	Class of shares held	Percentage owned
Trader Media (TNT) Limited	England and Wales	Publishing	Ordinary	100%

8 Creditors: Amounts falling due within one year

	2005 £'000	2004 £'000
Amounts owed to group undertakings	11,098	11,109
Corporation tax	<u>11</u>	<u>-</u>
	<u>11,109</u>	<u>11,109</u>

Notes to the financial statements (continued)

9 Creditors: Amounts falling due after more than one year

	2005 £'000	2004 £'000
Amount owed to parent undertaking	<u>19,854</u>	<u>19,854</u>

These balances are non-interest bearing, unsecured and have no fixed repayment date.

10 Called-up share capital

	2005 £	2004 £
<i>Authorised, allotted, called-up and fully paid</i>		
4,346,600 ordinary shares of £1 each	<u>4,346,600</u>	<u>4,346,600</u>

11 Movement on reserves

	Profit and loss account	
	2005 £'000	2004 £'000
At beginning of year	-	(2,636)
Retained (loss)/profit for the financial year	<u>(976)</u>	<u>2,636</u>
At end of year	<u>(976)</u>	<u>-</u>

12 Reconciliation of movements on equity shareholder's funds

	2005 £'000	2004 £'000
Opening equity shareholder's funds	4,346	1,710
(Loss)/profit for the financial year	(976)	5,991
Dividends paid	<u>-</u>	<u>(3,355)</u>
Closing equity shareholder's funds	<u>3,370</u>	<u>4,346</u>

Notes to the financial statements (continued)

13 Ultimate parent company

The company's immediate parent company is Trader Media (TNT) Group Limited, which is incorporated in Great Britain and registered in England and Wales. The company's ultimate parent company is Guardian Media Group plc, which is incorporated in Great Britain and registered in England and Wales. All the ordinary shares of Guardian Media Group plc are owned by the Scott Trust.

The smallest group in which the results of this company are consolidated is that headed by Trader Media (TNT) Group 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 both groups are available to the public and will be filed with the registrar of companies.