

# Archant Holdings Limited

## Report and Financial Statements

31 December 2003

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## **Archant Holdings Limited**

Registered No. 4040110

### **DIRECTORS**

N G F Websper

J A Fry

A D Jeakings

### **SECRETARY**

J O Ellison

### **AUDITORS**

Ernst & Young LLP

Compass House

80 Newmarket Road

Cambridge

CB5 8DZ

### **SOLICITORS**

Eversheds

Holland Court

The Close

Norwich

NR1 4DX

### **REGISTERED OFFICE**

Prospect House

Rouen Road

Norwich

NR1 1RE

## **Archant Holdings Limited**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003**

The directors present their report and the audited financial statements for the year ended 31 December 2003.

#### **PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS**

The company is the holding company for the Archant group's trading operations. The company did not trade during the year.

#### **DIRECTORS AND THEIR INTERESTS**

The directors who held office during the period were as follows :

N G F Websper  
J A Fry  
A D Jeakings

None of the directors at 31 December 2003 had any interest in the shares of the company. All of the directors at 31 December 2003 were also directors of the holding company and have declared their interests in the shares of the holding company in that company's financial statements.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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 ;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the financial statements comply with the above requirements.

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

#### **AUDITORS**

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 Companies Act 1985.

By order of the board



J O Ellison  
Secretary  
19 July 2004

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCHANT HOLDINGS LIMITED**

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 9. These financial statements have been prepared on the basis of 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 legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the 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 audit opinion**

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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 affairs of the company as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Cambridge  
19 July 2004

## **Archant Holdings Limited**

### **PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 2003

	Notes	2003 £	2002 £
<b>Income from investments</b>			
Dividends receivable from subsidiary undertakings		60,000,000	5,550,408
<b>Profit on ordinary activities before and after tax</b>		<u>60,000,000</u>	<u>5,550,408</u>
<b>Dividends payable</b>	2	(60,000,000)	(5,550,408)
<b>Retained for the year</b>	6	<u>-</u>	<u>-</u>

The Notes on pages 7 to 9 form part of these financial statements.

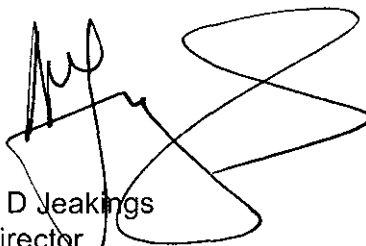
# Archant Holdings Limited

## BALANCE SHEET

at 31 December 2003

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Investment in subsidiary undertakings	4	13,420,126	13,420,126
<b>CURRENT ASSETS</b>			
Called up share capital not paid		1	1
<b>NET ASSETS</b>		13,420,127	13,420,127
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	5,320,127	5,320,127
Share premium account	6	8,100,000	8,100,000
Profit and loss account	6	-	-
<b>EQUITY SHAREHOLDERS' FUNDS</b>	6	13,420,127	13,420,127

Approved by the Board on 19 July 2004.

  
 A D Jeakings  
 Director

The Notes on pages 7 to 9 form part of these financial statements.

# Archant Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

### 1 ACCOUNTING POLICIES

#### Accounting convention

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

#### Group financial statements

The company is not required to prepare group financial statements, as at 31 December 2003 it was a wholly owned subsidiary of Archant Limited who prepared group financial statements.

The financial statements present information about the company as an individual undertaking and not about its group.

### 2 DIVIDENDS PAYABLE

	2003 £	2002 £
First interim dividend	10,000,000	550,408
Second interim dividend	50,000,000	5,000,000
	<hr/> 60,000,000	<hr/> 5,550,408

### 3 TAXATION ON ORDINARY ACTIVITIES

	2003 £	2002 £
UK corporation tax - current year	<hr/> -	<hr/> -

#### Factors affecting current year tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002 - 30%). The differences are reconciled below:

Profit on ordinary activities before tax	<hr/> 60,000,000	<hr/> 5,550,408
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002 - 30%)	18,000,000	1,665,122
Non taxable income	(18,000,000)	(1,665,122)
	<hr/> -	<hr/> -

# Archant Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

4 INVESTMENT IN SUBSIDIARY UNDERTAKINGS	2003 £	2002 £
Investment at cost		
At 1 January	13,420,126	-
Inter group acquisitions	-	13,420,126
At 31 December	<u>13,420,126</u>	<u>13,420,126</u>

The company's subsidiary undertakings, all of which are wholly owned and incorporated in England, are:

<i>Subsidiary</i>	<i>Activity</i>
Archant Regional Limited	Newspaper publishing
Archant Print Limited	Printing of newspapers
Archant Lifestyle Plc	Holding company for group's magazine interests

In the opinion of the directors the value of the investments is not less than their book value.

## 5 CALLED UP SHARE CAPITAL

	2003 No.	2002 No.
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
	2003 £	2002 £
<b>Allotted, called up and fully paid</b>		
5,320,127 ordinary shares of £1 each	<u>5,320,127</u>	<u>5,320,127</u>



## Archant Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

#### 6 MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £	Share premium £	Profit and loss account £	Shareholders' funds £
At 31 December 2001	1	-	-	1
Shares issued to acquire subsidiary undertakings	5,320,126	8,100,000	-	13,420,126
Profit for the year	-	-	5,550,408	5,550,408
Dividends payable	-	-	(5,550,408)	(5,550,408)
At 31 December 2002	5,320,127	8,100,000	-	13,420,127
Profit for the year	-	-	60,000,000	60,000,000
Dividends payable	-	-	(60,000,000)	(60,000,000)
At 31 December 2003	5,320,127	8,100,000	-	13,420,127

#### 7 HOLDING COMPANY

At 31 December 2003, the parent undertaking for which group financial statements were drawn up and of which the company was a member was Archant Limited, registered in England and Wales. Copies of that company's financial statements can be obtained from The Registrar, Companies House, Crown Way, Maindy, Cardiff.

#### 8 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption in paragraph 3 of FRS8 "Related Party Disclosures" not to disclose transactions with entities that are part of the Archant Limited group and its associates.

#### 9 STATEMENT OF CASH FLOWS

The statement of cash flows has been incorporated within the consolidated financial statements of Archant Limited.