

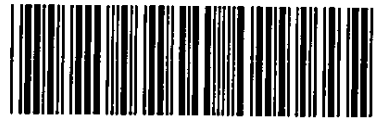
Registered No. 4040110

Archant Holdings Limited

Annual Report and Financial Statements

31 December 2013

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COMPANIES HOUSE

Archant Holdings Limited

Registered No 4040110

DIRECTORS

B G McCarthy
A D Jeakings

REGISTERED OFFICE

Prospect House
Rouen Road
Norwich
NR1 1RE

Archant Holdings Limited

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company is the holding company for the Archant group's trading operations

The company and its subsidiaries will continue to seek and to implement initiatives to improve the productivity of the operating businesses, and to make acquisitions where they can add value to the group's existing portfolios

The company's financial performance is dependent on interest received on inter company loan balances, dividends received from subsidiary undertakings, and the risk that the carrying values of the company's subsidiary undertakings may exceed their respective net asset values.

The company's key financial and other performance indicators are:

	2013 £	2012 £
Interest receivable on inter company loans	6,143,515	6,638,326
Dividends received from subsidiary undertakings	-	-
Net asset value of Archant Community Media Limited	122,308,642	114,108,890

Interest receivable on inter company loans fell by £494,811 as a result of a lower inter company loan balance following the payment by the company to its parent company of an interim dividend of £20,000,000 in 2012

The net asset value of Archant Community Media Limited (ACML), the company's principal trading subsidiary, has increased by £8,199,752 due to an improved trading performance, and an improvement in that company's defined benefit pension scheme deficit under FRS 17 ACML's net asset value comfortably exceeds the carrying value of the company's investments in subsidiary undertakings.

Archant Holdings Limited

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Treasury management, associated risks and uncertainties

The bank facilities of the Archant group are managed centrally. The main risks that the Group faces from its treasury activities are liquidity risk and interest rate risk. The Group's treasury objective is to minimise borrowing costs and maximise returns on funds subject to short-term liquidity requirements.

The Company's liquidity risk arises from timing differences between cash inflows and outflows. These risks are managed for the Group by the Board of the parent company through committed short-term and long-term credit facilities. The Group's policy is to ensure continuity of funding and flexibility and to maintain sufficient cash balances and committed facilities to meet anticipated funding requirements. The Group's resources and the expected future cash flows are regarded as more than sufficient to meet the anticipated funding requirements of the Group for at least the next 12 months.

Signed on behalf of the Board



B G McCarthy
Director
17 June 2014

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their annual report together with the financial statements for the year ended 31 December 2013

RESULTS AND DIVIDENDS

The profit for the year after taxation was £4,715,357 (2012 £4,710,086) Interim dividends of £nil have been paid (2012 £20,000,000) The directors do not recommend the payment of a final dividend

DIRECTORS

The directors who held office during the period were as follows

A D Jeakings
B G McCarthy

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

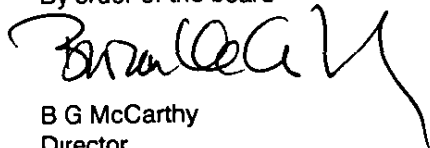
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013
QUALIFYING THIRD-PARTY INDEMNITY PROVISIONS

It has been the practice of the Company to indemnify its directors in accordance with the Company's Articles of Association and to the maximum extent permitted by law. Indemnities that constitute qualifying third-party indemnity provisions as defined by section 234 of the Companies Act 2006 have been in place throughout the year and as at the date of this report remain in force. Under those indemnities the Company has indemnified the directors, in accordance with the Company's Articles of Association, in respect of liabilities that may attach to them in their capacity as directors of the Company or of associated companies.

GOING CONCERN

The directors believe that the Company has adequate resources and will have available to it sufficient future funding to enable it to continue in operational existence for the foreseeable future. The company's debtors are all due in more than one year, and Archant Limited has given a formal undertaking that it will provide financial support to enable the company to meet its liabilities as they fall due. Accordingly the directors have continued to adopt the going concern basis in preparing the accompanying financial statements.

By order of the board



B G McCarthy
Director

17 June 2014

Archant Holdings Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Interest receivable	2	6,143,515	6,638,326
Impairment of fixed asset investments	5	-	(301,722)
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION	3	6,143,515	6,336,604
Tax on profit from ordinary activities	4	(1,428,158)	(1,626,518)
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION	9	<u>4,715,357</u>	<u>4,710,086</u>

All income and expenses included in the profit and loss account relate to continuing operations

There are no recognised gains or losses for the period other than those included in the profit and loss account above

The notes on pages 9 to 13 form part of these financial statements

Archant Holdings Limited

BALANCE SHEET AT 31 DECEMBER 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investment in subsidiary undertakings	5	109,783,933	109,783,933
CURRENT ASSETS			
Debtors - amounts falling due after one year	6	182,154,590	176,011,075
CREDITORS: Amounts falling due within one year	7	(3,054,548)	(1,626,390)
NET CURRENT ASSETS		179,100,042	174,384,685
TOTAL ASSETS LESS CURRENT LIABILITIES		288,883,975	284,168,618
NET ASSETS		288,883,975	284,168,618
CAPITAL AND RESERVES			
Called up share capital	8	55,320,129	55,320,129
Share premium account	9	102,499,998	102,499,998
Capital reserve	9	(385,553)	(385,553)
Profit and loss account	9	131,449,401	126,734,044
SHAREHOLDERS' FUNDS	9	288,883,975	284,168,618

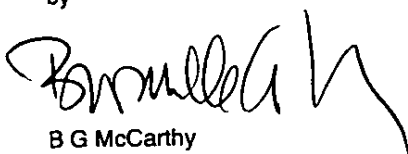
Audit Exemption Statement

For the period ended 31 December 2013, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the member has not required the company to obtain an audit of its accounts for the period in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts were approved by the Board of Directors on 17 June 2014 and are signed on their behalf by


B G McCarthy
Director

The notes on pages 9 to 13 form part of these financial statements

Archant Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and are drawn up in accordance with United Kingdom Generally Accepted Accounting Practice

Group financial statements

The company is exempt under section 408 of the Companies Act 2006 from the requirement to prepare group financial statements as it is itself a wholly owned subsidiary of a company registered in England

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

Fixed asset investments

Investments in subsidiaries are stated at cost less amounts written off

The carrying value of investments in subsidiary undertakings is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable

2 INTEREST RECEIVABLE	2013 £	2012 £
Interest receivable on intra group loan	6,143,515	6,638,326

3 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

Directors' remuneration

The directors of the company are also directors of the holding company and fellow subsidiaries. The directors received total remuneration for the year, including the value of all pension related benefits accruing during the year, of £591,687 (2012 £736,404) all of which was paid by the holding company or fellow subsidiaries. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

Archant Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

4 TAX ON PROFIT FROM ORDINARY ACTIVITIES	2013 £	2012 £
UK corporation tax		
current year	1,428,158	1,626,390
prior year	-	128
	<u>1,428,158</u>	<u>1,626,518</u>

Factors affecting current tax charge

The tax charge assessed on the profit on ordinary activities for the year is lower than the effective standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are reconciled below

Profit on ordinary activities before tax	<u>6,143,515</u>	<u>6,336,604</u>
Profit on ordinary activities multiplied by the effective standard rate of corporation tax in the UK	1,428,158	1,552,468
Non-deductible impairment of fixed asset investments	-	73,922
Tax underprovided in prior years	-	128
Total current tax above	<u>1,428,158</u>	<u>1,626,518</u>

Factors that may affect future tax charges

The Finance Act 2013 enacted on 17 July 2013 reduced the main rate of UK Corporation Tax to 21% from 1 April 2014 and to 20% from 1 April 2015

The above changes to the rates of corporation tax will impact the amount of future tax payments

Archant Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

5 INVESTMENT IN SUBSIDIARY UNDERTAKINGS	2013 £	2012 £
Investment at cost		
At 1 January	157,785,654	157,503,036
Additions	-	282,618
At 31 December	157,785,654	157,785,654
Impairment		
At 1 January	(48,001,721)	(47,699,999)
Impairment charge for the year	-	(301,722)
At 31 December	(48,001,721)	(48,001,721)
Net book value		
At 31 December	109,783,933	109,783,933

Archant BHGC Limited is a company limited by guarantee and holds the ordinary "B" shares in Archant Community Media Holdings Limited. The company has agreed that in the event of a winding up of Archant BHGC Limited to contribute to any deficiency in assets a sum not exceeding £100,000.

The British Connection Inc is incorporated in the United States of America. All of the company's other subsidiary undertakings are incorporated in England.

Other than Archant BHGC Limited, the company's subsidiary undertakings, all of which are wholly-owned, are

Subsidiary	Holding	Activity
Archant Community Media Limited *	Ordinary shares	Publishing of newspapers and magazines and printing of newspapers
Archant Community Media Holdings Limited **	Ordinary "A" shares	Holding company
Archant Properties Limited *	Ordinary shares	Property holding company
Mustard TV Limited *	Ordinary shares	Local television broadcaster
PlanningFinder Limited *	Ordinary shares	Online planning searches
The British Connection Inc *	Ordinary shares	Magazine distribution
Archant Employee Benefit Trustee Company Limited	Ordinary shares	Corporate trustee company

* equity held by a subsidiary undertaking

** the company holds the entire issued share capital of Archant Community Media Holdings Limited through direct ownership of the "A" shares and indirect ownership of the "B" shares, held by Archant BHGC Limited

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

Archant Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

6 DEBTORS	2013 £	2012 £
Balances due from parent undertaking in more than one year	182,154,590	176,011,075

7 CREDITORS: Amounts falling due within one year	2013 £	2012 £
Corporation tax	3,054,548	1,626,390

8 CALLED UP SHARE CAPITAL	2013 £	2012 £
Allotted, called up and fully paid 55,320,129 ordinary shares of £1 each (2012 55,320,129 issued)	55,320,129	55,320,129

9 MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £	Share premium £	Capital reserve £	Profit and loss account £	Shareholders' funds £
At 31 December 2011	55,320,129	102,499,998	(385,553)	142,023,958	299,458,532
Profit for the year	-	-	-	4,710,086	4,710,086
Interim dividend paid	-	-	-	(20,000,000)	(20,000,000)
At 31 December 2012	55,320,129	102,499,998	(385,553)	126,734,044	284,168,618
Profit for the year	-	-	-	4,715,357	4,715,357
At 31 December 2013	55,320,129	102,499,998	(385,553)	131,449,401	288,883,975

10 DIVIDENDS	2013 £	2012 £
Declared and paid during the year		
Interim equity dividend on ordinary shares	-	20,000,000

Archant Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

11 CONTINGENT LIABILITY

The company, together with certain other companies in the Archant Group, has provided a floating charge over the undertaking, property, assets and rights of the company, and a cross guarantee to secure sums drawn by the Archant Group under the revolving credit facilities with The Royal Bank of Scotland plc. Details of the RBS facility are contained in the Archant Limited Group financial statements.

12 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption in paragraph 3 of FRS 8 "Related Party Disclosures" not to *disclose transactions with entities that are part of the Archant Limited group and its associates*

13 STATEMENT OF CASH FLOWS

The Company has taken advantage of the dispensation under FRS 1 Section 5 (a) not to publish a cash flow statement. The cash flow statement of the Group is published in the financial statements of Archant Limited.

14 ULTIMATE PARENT UNDERTAKING

At 31 December 2013, the parent undertaking for which group financial statements are 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, Mandy, Cardiff