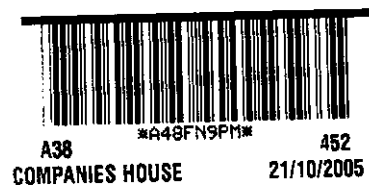


4258155

# **Archant Hertfordshire Limited**

## **Report and Financial Statements**

31 December 2004



## **Archant Hertfordshire Limited**

Registered No. 4258155

### **DIRECTORS**

J A Fry  
A D Jeakings  
J O Ellison

### **SECRETARY**

J O Ellison

### **AUDITORS**

Ernst & Young LLP  
Compass House  
80 Newmarket Road  
Cambridge  
CB5 8DZ

### **REGISTERED OFFICE**

Prospect House  
Rouen Road  
Norwich  
NR1 1RE

## **Archant Hertfordshire Limited**

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2004.

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

The principal activity of the company is to own and licence newspaper titles.

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £879,295 (2003: £4,652,738). An interim dividend of £1,099,293 (2003: £643,956) has been paid. The directors do not recommend the payment of a final dividend.

### **DIRECTORS AND THEIR INTERESTS**

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

J O Ellison  
J A Fry  
A D Jeakings

Mr J A Fry and Mr A D Jeakings were also directors of the holding company at 31 December 2004 and have declared their interests in the shares of the holding company in that company's financial statements.

Mr J O Ellison had the following interests in the shares of the holding company:

	at 31 December 2003	at 31 December 2004
Ordinary shares of 20p each	15,577	17,492

## **Archant Hertfordshire Limited**

### **DIRECTORS' REPORT**

#### **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  
25 July 2005

## **Independent auditors' report to the members of Archant Hertfordshire Limited**

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Cambridge  
25 July 2005

**Archant Hertfordshire Limited**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 £	2003 £
<b>TURNOVER</b>		-	-
Operating costs		-	-
<b>OPERATING PROFIT</b>		-	-
Non-operating exceptional item	2	-	4,399,960
Interest receivable	3	1,256,136	361,112
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,256,136	4,761,072
Tax on profit on ordinary activities	4	(376,841)	(108,334)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		879,295	4,652,738
Dividends	5	(1,099,293)	(643,956)
<b>(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR</b>	8	(219,998)	4,008,782

The profit for the financial year includes all recognised gains and losses in the year.

There is no difference between the profits calculated on an historical cost basis and those presented above.

The notes on pages 8 to 10 form part of these financial statements.

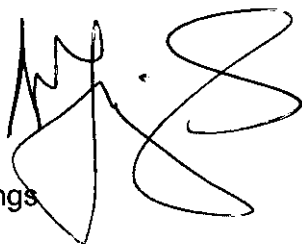
# Archant Hertfordshire Limited

## BALANCE SHEET AT 31 DECEMBER 2004

	Notes	2004 £	2003 £
<b>INTANGIBLE FIXED ASSETS</b>			
Newspaper titles	6	6,745,960	6,745,960
<b>CURRENT ASSETS</b>			
Debtors - inter company balances			
falling due in less than one year		1	1
falling due in more than one year		23,365,665	23,317,156
<b>CURRENT LIABILITIES</b>			
Corporation tax payable		(376,841)	(108,334)
<b>NET ASSETS</b>		<u>29,734,785</u>	<u>29,954,783</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	100	100
Share premium account	8	25,945,901	25,945,901
Profit and loss account	8	3,788,784	4,008,782
	8	<u>29,734,785</u>	<u>29,954,783</u>

These financial statements were approved by the Board of Directors on 25 July 2005 and are signed on their behalf by:

A D Jeakings  
Director



The notes on pages 8 to 10 form part of these financial statements.

# Archant Hertfordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2004

### 1 ACCOUNTING POLICIES

- (a) Accounting convention  
The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.
- (b) Intangible fixed assets  
The newspaper titles acquired from a fellow subsidiary on 1 March 2002 are stated at cost. Based on past transactions within the Group, supported by a comparative view of similar transaction values within the newspaper industry, the age of the acquired titles, and plans to develop these titles, the directors consider the lives of these assets to be indefinite. The carrying values of the assets are not subject to annual amortisation, but are reviewed annually for any diminution in carrying values.

2 NON-OPERATING EXCEPTIONAL ITEM	2004 £	2003 £
Profit on the grant of a trademark licence	-	4,399,960

3 INTEREST RECEIVED	2004 £	2003 £
Interest on inter company loan	1,256,136	361,112

4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2004 £	2003 £
UK corporation tax Current	376,841	108,334

### Factors affecting the tax charge

The tax assessed is equal to the profit on ordinary activities for the year multiplied by the standard rate of corporation tax in the UK of 30% (2003 - 30%). The differences in the comparative period are reconciled below:

Profit on ordinary activities before tax	1,256,136	4,761,072
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003 - 30%)	376,841	1,428,322
Non-taxable income	-	(1,319,988)
	376,841	108,334



# Archant Hertfordshire Limited

## NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2004

<b>5 DIVIDENDS</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Interim dividend paid	1,099,293	643,956
<b>6 INTANGIBLE FIXED ASSETS</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Newspaper titles at cost</b>		
At 1 January	6,745,960	25,946,000
Disposal - grant of a licence	-	(19,200,040)
At 31 December	6,745,960	6,745,960
<b>7 SHARE CAPITAL</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100

## 8 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 31 December 2002	100	25,945,901	-	25,946,001
Profit for the year	-	-	4,652,738	4,652,738
Dividends paid	-	-	(643,956)	(643,956)
At 31 December 2003	100	25,945,901	4,008,782	29,954,783
Profit for the year	-	-	879,295	879,295
Dividends paid	-	-	(1,099,293)	(1,099,293)
At 31 December 2004	100	25,945,901	3,788,784	29,734,785

## **Archant Hertfordshire Limited**

### **NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2004**

#### **9 CONTINGENT LIABILITY**

Certain of the companies in the Group have provided a cross guarantee in relation to the revolving credit facilities with The Royal Bank of Scotland plc. Details of the overdraft facility are contained in the Archant Limited group financial statements.

#### **10 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.

#### **11 STATEMENT OF CASH FLOWS**

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

#### **12 ULTIMATE PARENT UNDERTAKING**

At 31 December 2004, 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.