

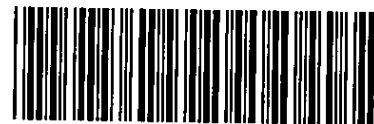
Registered No. 4258155

Archant Hertfordshire Limited

Report and Financial Statements

31 December 2008

WEDNESDAY



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COMPANIES HOUSE

Archant Hertfordshire Limited

Registered No. 4258155

DIRECTORS

B G McCarthy
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 2008.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company is a wholly-owned subsidiary of Archant Limited.

The company's principal activity is to own a portfolio of newspaper titles (and their associated magazines). The company has licensed Archant Regional Limited, the company's immediate parent company, to publish those titles for periods not exceeding twenty years.

There have not been any significant changes in the company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activity in the next year.

An impairment review of the carrying values of the company's newspaper titles was undertaken in accordance with FRS 10. The review indicated that an impairment charge of £4,576,523 was required, reducing the carrying value of the company's titles to the net present value of future cash flows to be derived from these assets discounted at 8.0%.

Subject to the foregoing, the balance sheet on page 7 of the financial statements shows that the company's financial position at the year end is, subject to the company's dividend policy, in both net assets and cash terms, consistent with the preceding year. Details of amounts owed by the ultimate parent company are shown on the face of the Balance Sheet.

There are no significant events since the balance sheet date requiring disclosure in these financial statements.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £4,002,357 (2007: profit £726,822). An interim dividend of £nil (2007: £1,640,000) has been paid. The directors do not recommend the payment of a final dividend.

DIRECTORS

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

	Appointed	Resigned
J O Ellison		
J A Fry		1 November 2008
A D Jeakings		
B G McCarthy	1 November 2008	

Archant Hertfordshire Limited

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing this report and the financial statements in accordance with applicable law and Generally Accepted Accounting Practice.

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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving this report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditors are unaware; and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Ernst & Young LLP are deemed re-appointed as the company's auditor in accordance with section 487(2) Companies Act 2006.

By order of the board




J O Ellison
Secretary

28 September 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCHANT HERTFORDSHIRE LIMITED

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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

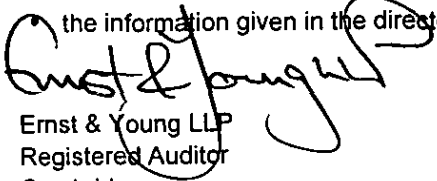
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
 - the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
Cambridge
29 September 2009

Archant Hertfordshire Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
TURNOVER			
Royalties receivable under trademark licences		27,869	47,307
Operating costs		(4,973,071)	(391,611)
OPERATING LOSS	2	(4,945,202)	(344,304)
Interest receivable	3	1,329,721	1,550,453
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,615,481)	1,206,149
Tax on (loss)/profit on ordinary activities	4	(386,876)	(479,327)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	(4,002,357)	726,822

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

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.

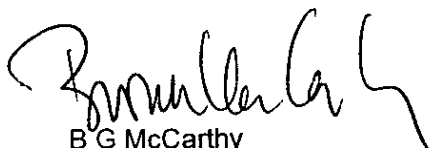
The notes on pages 8 to 10 form part of these financial statements.

Archant Hertfordshire Limited

BALANCE SHEET AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
INTANGIBLE FIXED ASSETS			
Newspaper and magazine titles	6	<u>2,228,980</u>	<u>7,202,051</u>
CURRENT ASSETS			
Debtors - inter company balances			
falling due in less than one year		-	1
falling due in more than one year		24,396,806	23,518,543
CURRENT LIABILITIES			
Corporation tax payable		(386,876)	(479,328)
NET CURRENT ASSETS		<u>24,009,930</u>	<u>23,039,216</u>
NET ASSETS		<u>26,238,910</u>	<u>30,241,267</u>
CAPITAL AND RESERVES			
Called up share capital	7	1,000	1,000
Share premium account	8	27,130,001	27,130,001
Profit and loss account	8	(892,091)	3,110,266
SHAREHOLDERS' FUNDS	8	<u>26,238,910</u>	<u>30,241,267</u>

These financial statements were approved by the Board of Directors on 28 September 2009 and are signed on their behalf by:


B G McCarthy
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 2008

1 ACCOUNTING POLICIES

(a) 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.

(b) Intangible fixed assets

The company's newspaper titles, and their associated magazine titles, have been acquired from fellow subsidiary companies and are stated at cost less accumulated amortisation.

Newspaper titles and their associated magazine titles are amortised on a straight line basis over their estimated useful lives, subject to a maximum of 20 years.

The carrying value of newspaper titles and their associated magazine titles 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 that the carrying value may not be recoverable.

2 OPERATING LOSS

	2008 £	2007 £
Operating loss is stated after charging:		
Amortisation of intangible fixed assets	396,548	391,611
Impairment of intangible fixed assets	4,576,523	-

3 INTEREST RECEIVABLE

	2008 £	2007 £
Interest on inter company loan	1,329,721	1,550,453

4 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
UK corporation tax		
Current	386,876	479,328
Prior year	-	(1)
	<u>386,876</u>	<u>479,327</u>

Factors affecting the tax charge

The tax assessed is higher than the (loss)/profit on ordinary activities for the year multiplied by the effective standard rate of corporation tax in the UK of 28.5% (2007 - 30%). The differences are reconciled below:

(Loss)/profit on ordinary activities before tax	(3,615,481)	1,206,149
(Loss)/profit on ordinary activities multiplied by effective standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	(1,030,313)	361,845
Amortisation and impairment of intangible fixed assets	1,417,189	117,483
Current tax	<u>386,876</u>	<u>479,328</u>

5 DIVIDENDS

	2008 £	2007 £
Interim dividend paid	-	1,640,000

Archant Hertfordshire Limited

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2008

6 INTANGIBLE FIXED ASSETS	2008 £	2007 £
Newspaper and magazine titles at cost		
At 1 January	7,930,960	6,745,960
Titles acquired from fellow subsidiary	-	1,185,000
At 31 December	7,930,960	7,930,960
Amortisation		
At 1 January	728,909	337,298
Amortisation in the year	396,548	391,611
Impairment in the year	4,576,523	-
At 31 December	5,701,980	728,909
Net book values		
At 31 December	2,228,980	7,202,051

An impairment review of the carrying values of the company's newspaper and magazine titles was undertaken in accordance with FRS 10. The review indicated that an impairment charge of £4,576,523 was required, reducing the carrying value of the company's titles to the net present value of future cash flows to be derived from these assets discounted at 8.0%.

7 SHARE CAPITAL	2008 £	2007 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

8 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 31 December 2006	100	25,945,901	4,023,444	29,969,445
Share capital issued	900	1,184,100	-	1,185,000
Profit for the year	-	-	726,822	726,822
Dividends paid	-	-	(1,640,000)	(1,640,000)
At 31 December 2007	1,000	27,130,001	3,110,266	30,241,267
Loss for the year	-	-	(4,002,357)	(4,002,357)
At 31 December 2008	1,000	27,130,001	(892,091)	26,238,910

Archant Hertfordshire Limited

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2008

9 CONTINGENT LIABILITY

Certain of the companies in the Archant 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 FRS 8 "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 Company has taken advantage of the dispensation under FRS 1 Section 8 (c) not to publish a cash flow statement. The cash flow statement of the Group is published in the financial statements of Archant Limited.

12 ULTIMATE PARENT UNDERTAKING

At 31 December 2008, 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, Maindy, Cardiff.