

REPORT OF THE DIRECTORS

Directors: S. G. G. Clarke (Chairman)
M. J. Gay (resigned 30 September 1994)
A. R. Goode
K. R. J. Hayward
P. Pledger (resigned 27 April 1995)
K. J. Sadler (appointed 1 October 1994)
Mrs H.S. Wozniak (appointed 1 April 1995)

Secretary: A. P. Vickery, FCA

Registered Office: Temple Way, Bristol BS99 7HD

The directors present their report and the audited financial statements of the company for the year ended 25 March 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year were the publishing and printing of The Western Gazette, Pulmans Weekly News and local free newspapers. The company's profit for the year after taxation amounted to £641,391, which, after a deficit of £664,939 brought forward, leaves a deficit carried forward of £23,548. The directors are unable to recommend the payment of a dividend.

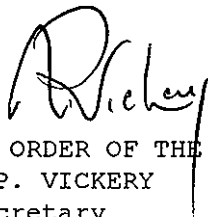
The Directors expect that the profitability of the company will be maintained in the coming year.

The movements in fixed assets during the year are set out in note 7 to the accounts.

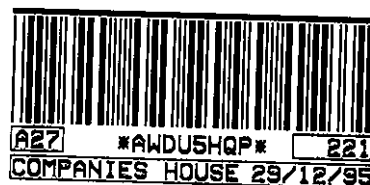
DIRECTORS' INTERESTS

In The Bristol Evening Post PLC, S.G.G. Clarke held 85,000 shares throughout the year. K.J. Sadler held 400 shares on his appointment and A.R. Goode held 400 shares from 9 January 1995. Otherwise, no director had any interest in the shares of any group company.

The company has maintained throughout the year an insurance policy covering the liability of its directors and officers whilst carrying out their duties.



BY ORDER OF THE BOARD
A.P. VICKERY
Secretary
16 May 1995



THE WESTERN GAZETTE CO. LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 a going concern basis unless it is inappropriate to presume that the company will continue its 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.

REPORT OF THE AUDITORS
TO THE MEMBERS OF THE WESTERN GAZETTE CO. LIMITED

We have audited the financial statements on pages 3 to 8.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 affairs of the company at 25 March 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Casper & Lybrand

COOPERS & LYBRAND
Chartered Accountants
& Registered Auditors

Bristol
24 May 1995

THE WESTERN GAZETTE CO. LIMITED

PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 25 MARCH 1995

	<u>Note</u>	<u>1994/95</u> £	<u>1993/94</u> £
Turnover	3	4,785,560	4,332,837
Other operating income		<u>5,200</u>	<u>5,200</u>
		<u>4,790,760</u>	<u>4,338,037</u>
Raw materials		1,083,853	905,926
Other external charges		510,055	556,612
Staff costs	5	1,538,088	1,690,628
- reduction in staffing levels		-	630,797
Depreciation	4	278,464	367,987
Other operating charges		420,750	360,258
Provision for refurbishment of premises		<u>-</u>	<u>100,000</u>
		<u>3,831,210</u>	<u>4,612,208</u>
Profit/(loss) on ordinary activities before taxation		959,550	(274,171)
Taxation	6	<u>(318,159)</u>	<u>86,206</u>
Profit/(loss) for the year after taxation		641,391	(187,965)
Deficit brought forward		<u>(664,939)</u>	<u>(476,974)</u>
Deficit carried forward		<u>(23,548)</u>	<u>(664,939)</u>

All of the company's profit and turnover have been generated from continuing activities.

There have been no recognised gains or losses, nor movements in shareholders' funds, in the period other than those shown in the profit and loss account.

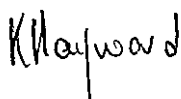
There is no significant difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

THE WESTERN GAZETTE CO. LIMITED

BALANCE SHEET AS AT 25 MARCH 1995

	<u>Note</u>	<u>£</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
FIXED ASSETS				
Tangible assets	7		2,966,743	<u>2,902,146</u>
CURRENT ASSETS				
Stocks	8	65,021		69,457
Debtors	9	810,121		843,069
Cash at bank and in hand		<u>65,417</u>		<u>98,477</u>
		940,559		1,011,003
LESS: CREDITORS				
amounts falling due within one year	10	(<u>3,042,313</u>)		(<u>3,704,376</u>)
NET CURRENT (LIABILITIES)			(<u>2,101,754</u>)	(<u>2,693,373</u>)
TOTAL ASSETS LESS CURRENT LIABILITIES			864,989	208,773
Provision for deferred taxation	11		(333,042)	(314,589)
Provision for life cover premiums			<u>(19,729)</u>	<u>(23,357)</u>
NET ASSETS			<u>512,218</u>	<u>(129,173)</u>
CAPITAL AND RESERVES				
Called-up share capital	12		200,000	200,000
Revaluation reserve			288,735	288,735
Other reserves	13		47,031	47,031
Profit and loss account (deficit)			<u>(23,548)</u>	<u>(664,939)</u>
EQUITY SHAREHOLDERS' FUNDS			<u>512,218</u>	<u>(129,173)</u>

The accounts on pages 3 to 8 were approved by the Directors on 16 May 1995.


 K.R.J. HAYWARD Director

THE WESTERN GAZETTE CO. LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 25 MARCH 1995

1. ULTIMATE PARENT COMPANY

The immediate parent is Bristol United Press Limited. The ultimate parent is The Bristol Evening Post PLC. Both of these companies are registered in England and Wales and prepare consolidated financial statements.

2. ACCOUNTING POLICIES

- (a) The 'year' refers to a period of 52 weeks ending on Saturday, 25 March 1995 (1993/94, 52 weeks to 26 March 1994).
- (b) The accounts are drawn up under the historical cost basis of accounting modified to include the revaluation of certain properties and in accordance with applicable accounting standards in the United Kingdom.
- (c) Turnover represents the invoiced value of sales excluding VAT, less discounts and allowances.
- (d) Depreciation is made on the straight-line method over the estimated life of the assets as follows:-

Freehold buildings	10 or 25 years
Plant and machinery:	
Press lines, other plant and equipment	10 to 15 years
Computers and electronic equipment	4 to 6 years
Fixtures, fittings and office equipment	15 years
Motor vehicles	4 or 5 years
- (e) Stocks and work-in-progress are valued at the lower of cost and net realisable value. Cost includes relevant direct labour costs, materials and overheads.
- (f) Deferred taxation is provided on the liability method at current rates of Corporation Tax except where there is a reasonable probability that the liability will not become payable in the foreseeable future.
- (g) The pension costs charged against profits are based on an actuarial method and actuarial assumptions designed to spread the anticipated pension costs over the service lives of the employees in the funds.

3. TURNOVER

	<u>1994/95</u>	<u>1993/94</u>
	£	£
Principal activities		
- Publishing & printing	4,785,560	4,332,837
Less: intra-group sales	<u>542,272</u>	<u>466,452</u>
	<u>4,243,288</u>	<u>3,866,385</u>

4. PROFIT/(LOSS) BEFORE TAXATION

This is stated after charging:-

Depreciation of tangible fixed assets	278,464	367,108
Loss on disposal of tangible fixed assets	-	879
	<u>278,464</u>	<u>367,987</u>

Depreciation in 1993/94 included £112,448 resulting from the revision of estimated lives of certain assets.

Auditors' remuneration	9,855	8,980
Hire of motor vehicles	85,467	129,520

THE WESTERN GAZETTE CO. LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 25 MARCH 1995 (cont'd)

5. DIRECTORS AND EMPLOYEES	<u>1994/95</u>	<u>1993/94</u>
	£	£
Staff costs		
Wages and salaries	1,216,625	1,393,731
National insurance contributions	92,498	115,489
Pension costs	65,896	70,365
Management charges	<u>163,069</u>	<u>111,043</u>
	<u>1,538,088</u>	<u>1,690,628</u>

The company is a member of the Bristol United Press Group Pension Fund which provides defined benefits based on final pensionable salary. Contributions are based on pension costs across the Group as a whole and are assessed on the advice of an independent qualified actuary. The most recent actuarial valuation was at 5 April 1993, and particulars of the actuarial assumptions and valuation are to be found in the accounts of the parent company, Bristol United Press Limited. A prepayment of £56,948 (1994 £82,195) is included under debtors, representing the excess of contributions paid over pension costs.

Average weekly number of employees	<u>Number</u>	<u>Number</u>
Production and editorial	69	77
Management, clerical & administration	<u>57</u>	<u>62</u>
	<u>126</u>	<u>139</u>

	£	£
Directors remuneration:		
Fees	-	-
Salaries (including benefits in kind)	121,436	93,898
Pension contributions	<u>14,625</u>	<u>14,289</u>
	136,061	108,187
Compensation for loss of office	-	65,671
Payments to third party for services of a director	<u>38,779</u>	<u>52,382</u>
	<u>174,840</u>	<u>226,240</u>

The number of directors who received emoluments (excluding pension contributions) was	<u>Number</u>	<u>Number</u>
not exceeding £5,000	3	2
£15,001 - £20,000	-	1
£20,001 - £25,000	-	1
£25,001 - £30,000	-	1
£30,001 - £35,000	-	2
£35,001 - £40,000	2	-
£65,001 - £70,000	1	-

The emoluments of the Chairman and highest paid director included above were £Nil (1993/94 £Nil) and £69,602 (1993/94 £33,333) respectively.

6. TAXATION

	£	£
Corporation Tax charge/(credit) at 33% (1993/94 33%) on the profit/(loss) of the year		
Current	299,540	2,432
Deferred	18,453	(88,638)
Under provision in respect of prior years	<u>166</u>	<u>-</u>
	<u>318,159</u>	<u>(86,206)</u>

THE WESTERN GAZETTE CO. LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 25 MARCH 1995 (cont'd)

7. TANGIBLE FIXED ASSETS	Freehold Land & <u>Buildings</u>	Motor <u>Vehicles</u>	Plant and <u>Machinery</u>	Office <u>Equipment</u>	<u>Total</u>
	£	£	£	£	£
COST OR VALUATION					
At 26 March 1994	1,435,000	34,821	2,646,471	138,994	4,255,286
Additions	160,897	-	142,113	113,530	416,540
Disposals	-	-	(122,692)	-	(122,692)
At 25 March 1995	<u>1,595,897</u>	<u>34,821</u>	<u>2,665,892</u>	<u>252,524</u>	<u>4,549,134</u>
Assets revalued in March 1990	1,250,000	-	-	-	1,250,000
in March 1995	345,897	-	-	-	345,897
ACCUMULATED DEPRECIATION					
At 26 March 1994	133,500	14,541	1,080,830	124,269	1,353,140
Disposals	-	-	(49,213)	-	(49,213)
Charge for the period	<u>47,150</u>	<u>6,094</u>	<u>213,493</u>	<u>11,727</u>	<u>278,464</u>
At 25 March 1995	<u>180,650</u>	<u>20,635</u>	<u>1,245,110</u>	<u>135,996</u>	<u>1,582,391</u>
NET BOOK VALUE AT 25.3.95	<u>1,415,247</u>	<u>14,186</u>	<u>1,420,782</u>	<u>116,528</u>	<u>2,966,743</u>
NET BOOK VALUE AT 26.3.94	<u>1,301,500</u>	<u>20,280</u>	<u>1,565,641</u>	<u>14,725</u>	<u>2,902,146</u>

Land and buildings at Boundary Road, Lufton, Yeovil were valued as at March 1990 by Chesterton, professional valuers, and at Sherborne Road, Yeovil were valued as at March 1995 by the directors, both at open market value for existing use.

The original cost of land and buildings was £1,385,460 (1994 £1,224,563) and the accumulated depreciation thereon would be £130,905 (1994 £107,647).

	<u>1995</u>	<u>1994</u>
	£	£
8. STOCKS		
Raw materials and consumables	<u>65,021</u>	<u>69,457</u>
9. DEBTORS		
Amounts falling due within one year:-		
Trade debtors	595,779	639,159
Other debtors	76,185	554
Prepaid pension cost	56,948	82,195
Other prepayments and accrued income	81,209	45,312
Corporation tax recoverable	-	<u>75,849</u>
	<u>810,121</u>	<u>843,069</u>

THE WESTERN GAZETTE CO. LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 25 MARCH 1995 (cont'd)

	<u>1995</u>	<u>1994</u>
	£	£
10. CREDITORS		
Amounts falling due within one year:-		
Trade creditors	66,726	113,514
Amount owed to parent company (see below)	2,489,294	3,281,928
Corporation tax	299,540	2,432
Social security and other taxes payable	91,604	114,521
Other creditors	966	3,012
Accruals and deferred income	<u>94,183</u>	<u>188,969</u>
	<u>3,042,313</u>	<u>3,704,376</u>

The amount owed to the parent company is subordinate to amounts due to other creditors.

11. DEFERRED TAXATION		
Balance at 26 March 1994	314,589	403,227
Charge for year to profit and loss account	<u>18,453</u>	<u>(88,638)</u>
Balance at 25 March 1995	<u>333,042</u>	<u>314,589</u>
Being in respect of:-		
- accelerated capital allowances	326,702	325,724
- other timing differences	6,340	(11,135)

12. CALLED-UP SHARE CAPITAL		
Authorised, allotted, called-up and fully paid		
- 40,000 Shares of £5 each	<u>200,000</u>	<u>200,000</u>

13. OTHER RESERVES

These represent the undistributed profits at the date of the company's acquisition by Bristol United Press Limited.

14. CAPITAL COMMITMENTS		
Authorised and contracted for, but not provided	35,000	36,000
Authorised, but not contracted for	<u>70,000</u>	<u>105,000</u>

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