

Company Registration Number 22796

THE WESTERN GAZETTE COMPANY LIMITED

Report and Financial Statements

29 September 2002

**Deloitte & Touche
Bristol**



THE WESTERN GAZETTE COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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THE WESTERN GAZETTE COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A R Goode (Chairman)
J Dean (Managing Director)
K R J Hayward
P M Greer
M J Heal
C L O'Donnell

SECRETARY

J A L Long

REGISTERED OFFICE

Temple Way
Bristol
BS99 7HD

SOLICITORS

Foot Anstey Sargent
The Foot & Bowden Building
21 Derry's Cross
Plymouth
Devon
PL1 2SW

BANKERS

National Westminster Bank plc
PO Box 34
15 Bishopsgate
London
EC2P 2AP

AUDITORS

Deloitte & Touche
Bristol

THE WESTERN GAZETTE COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 29 September 2002.

PRINCIPAL ACTIVITY

The principal activity of the company is the publishing of newspapers and has remained unchanged since last year.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS AND DIVIDENDS

The profit after taxation for the financial year of the company amounted to £1,360,000 (2001: £1,264,000). The directors recommend a dividend of £34.00 per share be paid (2001: £31.60 per share) leaving £nil to be transferred to reserves.

DIRECTORS

The names of the current directors of the company, all of whom who held office throughout the year are set out on page 1. In addition, H S Wozniak resigned on 11 February 2002.

DIRECTORS' INTERESTS

No director of the company had any interests in the shares of any group companies at any time during the year.

No director of the company has or had a discloseable interest in any contract of significance existing during or at the end of the year.

EMPLOYEES

It is the responsibility of the management to encourage the involvement and participation of the employees in the company.

Management makes every effort to ensure regular contact and exchange of information with staff. It is the company's policy to give full and fair consideration to suitable applications from disabled persons for employment. Where employees become disabled in the course of their employment, they will continue to be employed, wherever practicable, in the same job or, if this is not practicable, every effort will be made to find suitable alternative employment and to provide appropriate training.

POLICY AND PRACTICE ON THE PAYMENT OF CREDITORS

The company's policy on supplier payments is to agree to terms of payment at the time of placing an order for goods or services. Unless different terms have been negotiated at the outset, the normal payment terms of the supplier will be accepted. The company makes every effort to abide by the terms agreed with each supplier.

For the year ended 29 September 2002, the average payment period for trade creditors was 33 days (2001: 33 days).

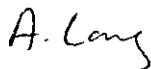
THE WESTERN GAZETTE COMPANY LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

A resolution to reappoint Deloitte & Touche as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J A L Long
Secretary

23 December 2002

THE WESTERN GAZETTE COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that year. 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; 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE WESTERN GAZETTE COMPANY LIMITED**

We have audited the financial statements of The Western Gazette Company Limited for the year ended 29 September 2002, which comprise the profit and loss account, the balance sheet, reconciliation of movements in equity shareholders' funds and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

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 United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

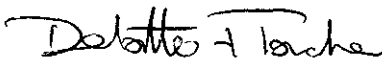
Basis of audit opinion

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 the company's affairs as at 29 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors
Bristol

9 January 2003

THE WESTERN GAZETTE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 29 September 2002

	Note	2002 £'000	2001 £'000
TURNOVER	2	<u>5,885</u>	<u>5,686</u>
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,989	1,757
Taxation on profit on ordinary activities	6	<u>(629)</u>	<u>(493)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,360	1,264
Dividends paid and proposed	7	<u>(1,360)</u>	<u>(1,264)</u>
RETAINED PROFIT FOR THE YEAR	14	<u>-</u>	<u>-</u>

All activities relate to continuing operations.

The company has no recognised gains and losses other than the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

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

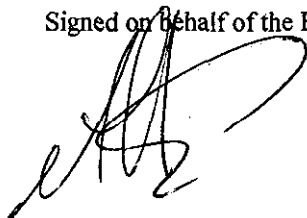
THE WESTERN GAZETTE COMPANY LIMITED

BALANCE SHEET
At 29 September 2002

	Note	2002		2001	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		492		585
CURRENT ASSETS					
Stocks	9	-		9	
Debtors	10	3,116		3,091	
Cash at bank and in hand		1		1	
		<u>3,117</u>		<u>3,101</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(3,299)</u>		<u>(3,376)</u>	
NET CURRENT LIABILITIES			<u>(182)</u>		<u>(275)</u>
NET ASSETS			<u>310</u>		<u>310</u>
CAPITAL AND RESERVES					
Called up share capital	13		200		200
Other reserves	14		47		47
Revaluation reserve	14		63		63
Profit and loss account	14		-		-
EQUITY SHAREHOLDERS' FUNDS			<u>310</u>		<u>310</u>

These financial statements were approved by the Board of Directors on 23 December 2002.

Signed on behalf of the Board of Directors



A R Goode
Chairman

THE WESTERN GAZETTE COMPANY LIMITED

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

Year ended 29 September 2002

	2002	2001
	£'000	£'000
Profit on ordinary activities after taxation	1,360	1,264
Dividend	(1,360)	(1,264)
	<hr/>	<hr/>
Increase in equity shareholders' funds	-	-
Opening equity shareholders' funds	310	310
	<hr/>	<hr/>
Closing equity shareholders' funds	310	310
	<hr/> <hr/>	<hr/> <hr/>

THE WESTERN GAZETTE COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 September 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation, adjusted for revaluation of certain properties.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated to amortise the cost of tangible assets by equal annual instalments over their estimated useful lives as follows:

Freehold buildings (excluding land)	25 to 50 years
Fixtures, plant, equipment and motor vehicles	4 to 12 years

Freehold land is not depreciated.

Depreciation on freehold buildings and leasehold properties is based on cost or valuation where properties have been revalued.

Stocks

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision has been made for obsolete, slow moving and defective stocks.

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

THE WESTERN GAZETTE COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 September 2002

1. ACCOUNTING POLICIES (continued)

Pension costs

The company has taken advantage of the transitional arrangements of FRS17, Retirement Benefits, which permit the costs, accruals and prepayments recorded in the accounts to be reported under the requirements of SSAP 24, Accounting for Pension Costs. This is consistent with the basis adopted last year.

Thus, the cost of providing pensions is calculated using actuarial valuation methods, which reflect the long-term costs of providing pensions.

The amount charged to the profit and loss account is calculated so as to produce a substantially level percentage of the current and future pensionable payroll. Variations from the regular cost so calculated are allocated to the profit and loss account over the average remaining service lives of employees.

The additional disclosures required by FRS17 are explained in note 15.

Cash flow statement

The company is ultimately a wholly owned subsidiary of Daily Mail and General Trust plc and the cash flows of the company are included in the consolidated cash flows of Daily Mail and General Trust plc.

Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

2. TURNOVER

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied and is stated after the deduction of trade discounts.

Turnover consists entirely of sales made in the United Kingdom.

3. OPERATING PROFIT	2002		2001	
	£'000	£'000	£'000	£'000
Turnover		5,885		5,686
Staff costs	(1,568)		(1,568)	
Depreciation - owned assets	(163)		(191)	
Auditors' remuneration - audit fees	(8)		(7)	
Other operating charges	(2,157)		(2,163)	
		<u>(3,896)</u>		<u>(3,929)</u>
Operating profit		<u>1,989</u>		<u>1,757</u>

THE WESTERN GAZETTE COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 September 2002

4. EMPLOYEES

	2002	2001
	No.	No.
The average number of persons employed by the company by activity:		
Editorial	50	50
Advertising	48	47
Administration	30	30
	<u>128</u>	<u>127</u>
<small>GetEnvPathname</small>		
Total staff costs comprised:	£'000	£'000
Wages and salaries	1,421	1,417
Social security costs	79	74
Pension costs	68	77
	<u>1,568</u>	<u>1,568</u>

5. DIRECTORS' EMOLUMENTS

	2002	2001
	£'000	£'000
The emoluments of the directors of the company were as follows:		
Aggregate emoluments (including benefits)	<u>228</u>	<u>199</u>

Included within the aggregate emoluments figure above are £20,500 (2001: £34,000) of performance related bonuses payable to certain directors by Northcliffe Newspapers Group Limited, the parent company.

Of the directors at 29 September 2002 who received emoluments during the year, retirement benefits are accruing to 4 directors under a defined benefit scheme (2001: 3 directors).

The emoluments of A R Goode are paid by Bristol United Press plc and are excluded from the details above. It is not practicable to split his remuneration between the services provided to Bristol United Press plc and its subsidiary companies. His remuneration is fully disclosed in the accounts of Bristol United Press plc.

The emoluments of K R J Hayward are paid by Central Independent Newspapers Limited and are excluded from the details above. It is not practicable to split his remuneration between the services provided to The Western Gazette Company Limited and Central Independent Newspapers Limited. His remuneration is fully disclosed in the accounts of Central Independent Newspapers Limited.

The emoluments of H S Wozniak, until date of resignation, were paid by Wessex Newspapers and are excluded from the details above. It is not practicable to split her remuneration between the services provided to The Western Gazette Company Limited and Wessex Newspapers. Her remuneration is fully disclosed in the accounts of Wessex Newspapers.

THE WESTERN GAZETTE COMPANY LIMITED

NOTES TO THE ACCOUNTS
Year ended 29 September 2002

	2002 £'000	2001 £'000
Highest paid director		
Aggregate emoluments	60	50
	<u>60</u>	<u>50</u>
	2002 £'000	2001 £'000
Accrued pension under a defined benefit scheme	8	5
	<u>8</u>	<u>5</u>
6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2002 £'000	2001 £'000
Corporation tax		
Total current tax charge	608	541
Deferred tax		
Timing differences, origination and reversal	21	(48)
	<u>21</u>	<u>(48)</u>
Taxation on profit on ordinary activities	629	493
	<u>629</u>	<u>493</u>

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2001: 30%). The current tax charge for the year exceeds 30% (2001: exceeds 30%) for the reasons set out in the following reconciliation:

	£'000	£'000
Profit on ordinary activities before taxation	1,989	1,757
	<u>1,989</u>	<u>1,757</u>
	£'000	£'000
Taxation on profit on ordinary activities at standard rate	597	527
Factors affecting the charge:		
Disallowable expenses	5	2
Capital allowances timing differences	6	12
	<u>11</u>	<u>14</u>
	<u>608</u>	<u>541</u>

The company is not aware of any factors that may materially affect the future tax charge.

THE WESTERN GAZETTE COMPANY LIMITED

NOTES TO THE ACCOUNTS
Year ended 29 September 2002

7.	DIVIDENDS	2002 £'000	2001 £'000
	Dividends on equity shares		
	Ordinary proposed of £34.00 (2001: £31.60) per share	1,360	1,264
		<u> </u>	<u> </u>
8.	TANGIBLE FIXED ASSETS		
		Freehold land and buildings £'000	Fixtures, plant, equipment and motor vehicles £'000
	Cost or valuation		Total £'000
	At 1 October 2001	335	2,568
	Additions	13	39
	Disposals	-	(1,287)
	Group transfers	-	12
		<u> </u>	<u> </u>
	At 29 September 2002	348	1,332
		<u> </u>	<u> </u>
	Accumulated depreciation		
	At 1 October 2001	99	2,219
	Charge for the year	29	134
	Disposals	-	(1,284)
	Group transfer	-	(9)
		<u> </u>	<u> </u>
	At 29 September 2002	128	1,060
		<u> </u>	<u> </u>
	Net book value		
	At 29 September 2002	<u>220</u>	<u>272</u>
		<u> </u>	<u> </u>
	At 30 September 2001	<u>236</u>	<u>349</u>
		<u> </u>	<u> </u>
	Cost or valuation at 29 September 2002 is represented by:		
		£'000	£'000
	Cost	13	1,332
	Valuation	335	-
		<u> </u>	<u> </u>
		<u>348</u>	<u>1,332</u>
		<u> </u>	<u> </u>

Land and buildings at Sherborne Road, Yeovil were revalued at March 1998 by the directors at open market value for existing use.

THE WESTERN GAZETTE COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 September 2002

8. TANGIBLE FIXED ASSETS (continued)

If the freehold land and buildings had not been revalued they would have been included in the following amounts:

	2002 £'000	2001 £'000
Historical cost	466	454
Depreciation based on cost	(102)	(93)
Net book value	<u>364</u>	<u>361</u>

9. STOCKS

	2002 £'000	2001 £'000
Consumables and promotional stock	-	9
	<u>-</u>	<u>9</u>

The replacement cost of stocks is not materially different from that shown above.

10. DEBTORS

	2002 £'000	2001 £'000
Amounts owed by group undertakings	2,859	2,901
Other debtors	-	51
Deferred tax asset	34	55
Prepayments and accrued income	223	84
	<u>3,116</u>	<u>3,091</u>

Prepayments and accrued income includes a pension prepayment of nil (2001: £46,000) falling due after more than one year.

The company's sales ledger is operated by Bristol Evening Post & Press Limited, a fellow subsidiary of Northcliffe Newspapers Group Limited.

THE WESTERN GAZETTE COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 September 2002

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2002	2001
	£'000	£'000
Corporation tax	1,724	1,265
Other taxation and social security costs	5	449
Other creditors	7	94
Accruals and deferred income	203	304
Dividends payable	1,360	1,264
	<u>3,299</u>	<u>3,376</u>

The company's purchase ledger is operated by Bristol Evening Post & Press Limited, a fellow subsidiary of Northcliffe Newspapers Group Limited.

12. DEFERRED TAXATION	£'000
At 1 October 2001	55
Movement in the year (note 6)	(21)
At 29 September 2002	<u>34</u>

The deferred taxation asset provided in the financial statements is analysed as follows:

	2002	2001
	£'000	£'000
Accelerated capital allowances	34	55
	<u>34</u>	<u>55</u>

No deferred tax has been provided on the gains arising from the revaluation as such tax would only become payable if the property were sold without rollover relief being obtained. The tax which would be payable in such circumstances is estimated to be £19,000.

A deferred tax asset of £34,000 has been recognised at 29 September 2002 (2001: £55,000). This asset relates to accelerated capital allowances. The directors are of the opinion, based on recent and forecast trading, that the level of profits in the current and future years make it more likely than not that the asset will be recovered.

13. CALLED UP SHARE CAPITAL	2002	2001
	£'000	£'000
Authorised		
40,000 Ordinary shares of £5 each	200	200
	<u>200</u>	<u>200</u>
	£'000	£'000
Allotted, called up and fully paid		
40,000 Ordinary shares of £5 each	200	200
	<u>200</u>	<u>200</u>

THE WESTERN GAZETTE COMPANY LIMITED

NOTES TO THE ACCOUNTS
Year ended 29 September 2002

14. RESERVES

	Profit and loss account £'000	Revaluation reserve £'000	Other reserves £'000
At 1 October 2001	-	63	47
Retained profit for the year	-	-	-
At 29 September 2002	<u>-</u>	<u>63</u>	<u>47</u>

15. PENSION ARRANGEMENTS

BUP Pension Fund

The company operates pension schemes under which contributions are paid by the employer and employees.

The schemes are defined benefit arrangements, providing service-related benefits based on final pensionable salary. The assets of the scheme are held independently from the company's finances and are administered by the trustees. Pension costs are assessed on the advice of an independent qualified actuary following triennial valuations using the projected unit method.

The most recent actuarial valuation of the defined benefit scheme as at 5 April 1999 showed that the market value of the scheme's assets was £70,400,000. Using the Projected Unit Valuation Method there was surplus at the valuation date amounting to 118% of the benefits that had accrued to members after allowing for expected future increases in earnings. This surplus is being used to enhance pension benefits. The following actuarial assumptions were made in the Projected Unit Valuation Method.

Investment returns	8.0% per annum
Salary growth	3.25% per annum
Discount rate	6.0% per annum
Price inflation	2.5% per annum

The actuarial valuation above has been updated to 29 September 2002, based upon the following assumptions:

Investment returns	7.0% per annum
Salary growth	4.1% per annum
Discount rate	5.5% per annum
Price inflation	2.3% per annum

Fair value of the fund assets and expected rate of return as of 29 September 2002, are as follows:

	Fair value BUP pension fund £'000
Managed Funds	
Equity	46,700
Bonds	10,000
Other assets	1,700
Property	1,800
Total fair value of assets at 29 September 2002	<u>60,200</u>

THE WESTERN GAZETTE COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 September 2002

15. PENSION ARRANGEMENTS (continued)

The most recent valuation took place on 5 April 2002 and is expected to be finalised in January 2003.

The pension charge for the year ended 29 September 2002 was £65,000. (2001: £77,000), which includes a reduction in respect of amortisation of experience surpluses that are being recognised over 15 years, the average remaining service lives of employees. A prepayment of £nil (2001: £46,000) is included under debtors, representing the excess of accumulated contributions paid over the equivalent pension charge.

Daily Mail and General Trust plc replaced Western Newspapers Limited, a wholly owned subsidiary of Bristol United Press plc, as the principal employer of the BUP Pension Fund with effect from 1 July 2001. Day-to-day administration of the fund will remain within Bristol United Press plc, but the Daily Mail and General Trust plc pensions office will oversee the administration.

With effect from 1 July 2001, the BUP Pension Fund was closed. All current fund members, whether employees or pensioners, will remain in the BUP Pension Fund with their pension entitlements fully protected. In addition employees under the age of 18, who are awaiting membership, may join the BUP Pension Fund when they reach the age of 18. With effect from 1 July 2001, new employees will join Daily Mail and General Trust plc's Harmsworth Pension Scheme.

Harmsworth Pension Scheme

The company operates pension schemes under which contributions are paid by the employer and employees.

The schemes are defined benefit arrangements, providing service-related benefits based on final pensionable salary. The assets of the scheme are held independently from the company's finances and are administered by trustee companies. Pension costs are assessed on the advice of an independent qualified actuary following triennial valuations using the projected unit method.

A valuation of the schemes was carried out as at 31 March 2001. The assumptions having the most significant effect on the results of the valuations are shown in the following table:

Price inflation	2.5% per annum
Salary increases	4.3% per annum
Pension increases	2.5% per annum
Investment return	6.75% per annum
Dividend growth	3.5% per annum

The contribution rate paid by employees in the principal scheme is 5% of pensionable salaries and the company's cash contribution is 12% of pensionable salaries.

The surplus identified from the last valuation of the principal scheme is amortised over a year of 11 years using the straight line method. The pension cost to the company of this scheme over the estimated average service life of employees is currently 10.4% of pensionable salaries.

The next valuation of the pension schemes will be carried out as at 31 March 2004.

The pension charge for the company for the year ended 29 September 2002 was £3,000 (2001: £nil).

The Company is unable to identify its share of the underlying assets and liabilities in the defined benefit scheme since the scheme includes members from other companies within the Daily Mail and General Trust group.

NOTES TO THE ACCOUNTS

Year ended 29 September 2002

15. PENSION ARRANGEMENTS (continued)

The ratio of assets to liabilities in the principal scheme, calculated according to the requirements of FRS 17 'Retirement Benefits', was 80% at the year end (102% - 2001). If calculated on this basis and reflecting current market conditions, it is anticipated that the pension charge by the Company would be around 24% of pensionable salaries for 2003. However, an interim valuation of this scheme as at 31 March 2002 on the normal funding basis indicated only a marginal reduction in solvency compared with a year earlier. Following this review, the actuary confirmed that there was no particular need to adjust the company cash contribution rate of 12%. However, this position will be closely monitored going forward.

As permitted by FRS 17, the costs, accruals and prepayments recorded in the financial statements continue to be reported in accordance with the requirements of SSAP 24 'Accounting for Pension Costs'.

The effect of UITF 6, 'Accounting for post-retirement benefits other than pensions', is not material.

The Company provides access to a stakeholder pension plan for relevant employees who are not eligible for other pension schemes operated by the Group.

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS8 Related Party Disclosures not to disclose related party transactions between companies which are 90% owned by the ultimate parent company.

17. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is 100% owned by Bristol United Press plc, a wholly owned subsidiary of Northcliffe Newspapers Group Limited.

The directors regard the ultimate parent company as Rothermere Continuation Limited, a company incorporated in Bermuda. The ultimate controlling party is The Viscount Rothermere, the Chairman of Daily Mail and General Trust plc.

The largest and smallest group of which the company is a member and for which group accounts are drawn up is that of Daily Mail and General Trust plc, registered in England and Wales. Copies of the report and accounts are available from:

The Company Secretary
Daily Mail and General Trust plc
Northcliffe House
2 Derry Street
Kensington
London
W8 5TT