

THE NORTHERN TIMES LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 29TH SEPTEMBER 2000



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COMPANIES HOUSE 13/02/01

Company No. SC021959

THE NORTHERN TIMES LIMITED

COMPANY INFORMATION

Directors

P G Fowler
R H Fox CA
T J Wells

Secretary

A M Gilchrist

Company number

SC021959

Registered office

13 Henderson Road
Inverness
IV1 1SP

Auditors

Rothman Pantall & Co
Fryern House
125 Winchester Road
Chandlers Ford
Hampshire
SO53 2DR

THE NORTHERN TIMES LIMITED

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THE NORTHERN TIMES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29TH SEPTEMBER 2000

The directors present their report and the audited accounts for the company for the period ended 29th September 2000.

Principal activities

At the beginning of the period, the trade of the company, along with its trading assets and liabilities was transferred to the parent company, Scottish Provincial Press Limited, and as a result the company did not trade during the year.

Directors and their interests

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

P G Fowler (Chairman)

R H Fox CA

T J Wells

None of the directors who held office during the financial period had any disclosable interest in the shares of the company according to the register of directors' interests.

The interests of P G Fowler and T J Wells in the share capital of the ultimate holding company, Peter Press Limited, are shown in the directors' report of that company.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts 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 accounts 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 enable them to ensure that the accounts 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.

THE NORTHERN TIMES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29TH SEPTEMBER 2000

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board



A M Gilchrist, Secretary
7th December 2000

13 Henderson Road
Inverness
IV1 1SP

Rothman Pantall & Co

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT TO THE SHAREHOLDERS OF THE NORTHERN TIMES LIMITED

We have audited the accounts on pages 4 to 12 which have been prepared in accordance with the Financial Reporting Standard for *Smaller Entities* (effective March 2000), under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 29th September 2000 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Rothman Pantall & Co
Chartered Accountants and Registered Auditors

Date: 7th December 2000

Chartered Accountants: M R Wells • J A Poulter • B M Lynch • S B Ryan • J J Shaw • A W Bennet
F D Stocker • S T Elliott • M P Osborne • G J B Corlett • P J Dawson • R D L Showan • A C Field
A T Payne • B R Blake • C H Cable • S A Sullivan • S M Whiting • C S Cox • R Davis • A J Perriam • D M Smyth
Certified Accountant: N H O'Reilly • Others: G J Hindley • J A H Ayris

Aylesbury • Bournemouth • Eastleigh • Fareham • Havant • London • Park Gate • Poole • Portsmouth • Ringwood • Salisbury • Southampton • Sutton • Winchester

Registered to carry on audit work and authorised to carry on investment business
by The Institute of Chartered Accountants in England and Wales.

THE NORTHERN TIMES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 2ND OCTOBER 1999 TO 29TH SEPTEMBER 2000

	Notes	2000 £	1999 £
Turnover	2	-	1,443,201
Cost of sales		-	(1,010,092)
Gross Profit		-	433,109
Distribution costs		-	(10,369)
Administrative expenses		-	(302,591)
Operating profit	3	-	120,149
Interest payable and similar charges	4	-	(156,442)
Loss on ordinary activities before taxation		-	(36,293)
Tax on loss on ordinary activities	5	-	(14,805)
Loss for the financial period		-	(51,098)
Dividends	6	(604,094)	-
Retained loss for the period	15	(604,094)	(51,098)

The notes on pages 6 to 12 form part of these accounts.

THE NORTHERN TIMES LIMITED

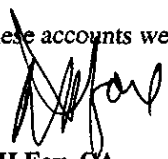
BALANCE SHEET

AS AT 29TH SEPTEMBER 2000

	Notes	£	2000 £	£	1999 £
Fixed assets					
Intangible assets	7		-		417,368
Tangible assets	8		-		2,800,160
					<u>3,217,528</u>
Current assets					
Stocks		-		35,864	
Debtors	9	64,213		409,996	
Cash at bank and in hand		-		400	
		<u>64,213</u>		<u>446,260</u>	
Creditors: amounts falling due within one year	10	-		(840,409)	
Net current assets/(liabilities)			<u>64,213</u>		<u>(394,149)</u>
Total assets less current liabilities			<u>64,213</u>		<u>2,823,379</u>
Creditors: amounts falling due after more than one year	11		-		(1,750,623)
Provisions for liabilities and charges					
Deferred taxation	13		-		(216,482)
Accruals and deferred income					
Accruals and deferred income	12		-		(187,967)
			<u>64,213</u>		<u>668,307</u>
Capital and reserves					
Share capital - equity	14		24,213		24,213
Share capital - non equity	14		40,000		40,000
Revaluation reserve	15		-		417,368
Profit and loss account	15		-		186,726
Shareholders' funds					
Equity		24,213		628,307	
Non-equity		<u>40,000</u>		<u>40,000</u>	
			<u>64,213</u>		<u>668,307</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

These accounts were approved by the board on 7th December 2000 and signed on its behalf by:


R H Fox CA
Director

The notes on pages 6 to 12 form part of these accounts.

THE NORTHERN TIMES LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 29TH SEPTEMBER 2000

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of a parent undertaking which has produced a group cash flow statement in accordance with the provisions of the standard.

As the company is a wholly owned subsidiary of Scottish Provincial Press Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Scottish Provincial Press Limited, within which this company is included, can be obtained from the Registrar of Companies.

Depreciation

Depreciation is provided by the company to write off the cost of fixed tangible assets over their useful economic lives, as follows:

Plant, equipment and office furniture	4 - 20 years straight line
Motor vehicles	25% reducing balance
Leasehold improvements	over period of lease

No depreciation is provided on freehold buildings as, in the directors' opinion, any charge would be immaterial because the buildings are not specialised for the purposes of the trade and their carrying values are maintained as a matter of policy by a programme of repair and refurbishment. There has been no effect of non-depreciation of freehold buildings in the profit and loss account for the current period (1999: £8,404).

Government Grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate. Revenue based grants are credited to the profit and loss account over the period to which they relate.

Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

THE NORTHERN TIMES LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 29TH SEPTEMBER 2000

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Newspaper title

The newspaper title is stated at valuation, being the difference between purchase price and net book value when the company was acquired, and is not written down unless there is a permanent diminution in its value and accordingly is not depreciated.

2 Turnover

Turnover represents the invoiced amount of goods sold and advertising space provided, net of commission, allowances and value added tax. All turnover is derived from activities in the United Kingdom.

3 Operating Profit

The operating profit is stated after charging or crediting:

	2000	1999
	£	£
Depreciation of tangible fixed assets:		
-owned assets	-	40,154
-assets held under finance leases and hire purchase	-	80,361
Loss on disposal of fixed assets	-	442
Auditors' remuneration	-	2,950
Amortisation of grants	-	(10,676)

4 Interest payable and similar charges

	2000	1999
	£	£
Finance leases and hire purchase contracts	-	156,190
Interest payable on other loans	-	252
	-	156,442

THE NORTHERN TIMES LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 29TH SEPTEMBER 2000

5 Taxation

	2000 £	1999 £
Based on the loss for the period:		
UK corporation tax	-	(80,114)
Deferred tax charge	-	105,521
	-	25,407
Prior periods		
UK corporation tax	-	(8,234)
Deferred taxation	-	(2,368)
	-	14,805

6 Dividends

	2000 £	1999 £
Ordinary dividends - paid	604,094	-

7 Intangible fixed assets

	Newspaper titles £	Total £
Cost		
At 2nd October 1999	417,368	417,368
Group transfer	(417,368)	(417,368)
At 29th September 2000	-	-
Net book value		
At 29th September 2000	-	-
At 1st October 1999	417,368	417,368

THE NORTHERN TIMES LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 29TH SEPTEMBER 2000

8 Tangible fixed assets

	Land and buildings	Plant, equip. and office furniture	Motor vehicles	Short leasehold improvem'ts	Total
	£	£	£	£	£
Cost or valuation					
At 2nd October 1999	420,219	2,507,863	33,073	28,870	2,990,025
Group transfers	(420,219)	(2,507,863)	(33,073)	(28,870)	(2,990,025)
At 29th September 2000	-	-	-	-	-
Depreciation					
At 2nd October 1999	-	156,847	15,409	17,609	189,865
Group transfers	-	(156,847)	(15,409)	(17,609)	(189,865)
At 29th September 2000	-	-	-	-	-
Net book value					
At 29th September 2000	-	-	-	-	-
At 1st October 1999	420,219	2,351,016	17,664	11,261	2,800,160

Included in the total net book value of plant, equipment, office furniture and motor vehicles is £nil (1999: £1,946,602) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge in the period in respect of these assets was £nil (1999: £80,361).

9 Debtors

	2000	1999
	£	£
Trade debtors	-	35,330
Amounts owed by group undertakings	64,213	332,484
Other debtors	-	42,182
	64,213	409,996

The debtors as at 29 September 2000 relate to amounts falling due after more than one year.

10 Creditors: amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	-	488,357
Trade creditors	-	142,226
Other creditors	-	34,272
Obligations under hire purchase and finance leases	-	175,554
	-	840,409

The bank overdraft is part of a group facility and is secured by a bond and floating charge over the assets of the company.

The Highlands and Islands Enterprise (HIE) loan is secured by fixed and floating charges over the assets of the company.

Obligations under hire purchase and finance leases are secured on the assets to which they relate.

THE NORTHERN TIMES LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 29TH SEPTEMBER 2000

11	Creditors: amounts falling due after more than one year	2000 £	1999 £
	Obligations under hire purchase and finance leases	-	1,750,623

12	Accruals and deferred income	2000 £	1999 £
	At 2nd October 1999	187,967	13,643
	Government grant received in the year	-	185,000
	Group transfer	(187,967)	(10,676)
	At 29th September 2000	-	187,967

13 Deferred taxation

The movements in deferred taxation during the current and previous periods are as follows:

	2000 £	1999 £
At 2nd October 1999	216,482	113,329
Group transfer	(216,482)	103,153
At 29th September 2000	-	216,482

Deferred taxation provided for in the accounts is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 30% (1999 30%).

	Amount provided	
	2000 £	1999 £
Accelerated capital allowances	-	218,613
Other timing differences	-	(2,131)
	-	216,482

THE NORTHERN TIMES LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 29TH SEPTEMBER 2000

14	Share capital	2000 £	1999 £
	Authorised		
	25,000 Ordinary shares of £1.00 each	25,000	25,000
	40,000 Redeemable Ordinary shares of £1.00 each	40,000	40,000
		65,000	65,000
	Allotted		
	24,213 Allotted, called up and fully paid ordinary shares of £1.00 each	24,213	24,213
	40,000 Redeemable Ordinary shares of £1.00 each	40,000	40,000
		64,213	64,213

The redeemable ordinary shares are repayable at the company's option between 1995 and 2005 at par. The shares are non cumulative, rank at par in the event of a liquidation and carry the same voting rights as the ordinary shares. The redeemable ordinary shareholders have waived their rights to dividends.

15	Reserves	Revaluation reserve £	Profit and loss account £
	At 2nd October 1999	417,368	186,726
	Loss for the period	-	(604,094)
	Transfer of revaluation reserve realised on group transfer	(417,368)	417,368
	At 29th September 2000	-	-

16 Pension scheme

This defined benefit pension scheme was operated until 30 September 1991. At this date the scheme was replaced by a defined contribution pension scheme. The company was advised at 12 May 1992 that there were sufficient monies in the scheme to meet the accrued benefits of members if the scheme was wound up. Delays have occurred in winding up the original scheme. The company has been informed that a deficit now exists to meet the accrued benefits to members. No provision has been included in these accounts as any deficit would be met under warranties as provided by the Sale and Purchase Agreement dated 3 October 1994.

No contributions were paid by the company to the scheme (1999: £3,433). There was no amount outstanding to the scheme at the year end (1999 : £9).

17 Operating lease commitments

At 29th September 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	2000 £	1999 £
Operating leases which expire:		
After five years	-	18,500

THE NORTHERN TIMES LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 29TH SEPTEMBER 2000

18 Contingent liabilities

The company has entered into a cross guarantee arrangement with certain other group companies in connection with bank facilities made available to these companies. The company's contingent liability as at 29 September 2000 was £4,163,177 (1999 : £3,887,924). The company has granted a bond and floating charge over the assets of the company as security for these bank facilities.

19 Ultimate holding company

The company's ultimate holding company is Peter Press Limited, a company incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Peter Press Limited. The consolidated financial statements of Peter Press Limited are available to the public and may be obtained from the Registrar of Companies.

The smallest group in which the results of the company are consolidated is that headed by Scottish Provincial Press Limited. The consolidated financial statements of Scottish Provincial Press Limited are available to the public and may be obtained from the Registrar of Companies.