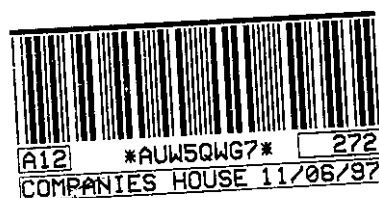


Stamford Mercury Limited
(formerly Manor Printing Limited)

Accounts 31 December 1996
together with directors' and auditors' reports

Company number: 129556



STAMFORD MERCURY LIMITED

Directors and advisers

DIRECTORS

F P M Johnston (Chairman)
T J Bowdler
M L A Chiappelli, CA

COMPANY SECRETARY

M L A Chiappelli, CA

REGISTERED OFFICE

Express House
Southgate
Wakefield
West Yorkshire WF1 1TE

AUDITORS

Arthur Andersen
18 Charlotte Square
Edinburgh EH2 4DF

SOLICITORS

MacRoberts
152 Bath Street
Glasgow G2 4TB

COMPANY NUMBER

129556

STAMFORD MERCURY LIMITED

DIRECTORS' REPORT

For the year ended 31 December 1996

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 1996.

Principal activities

The company changed its name during the year to Stamford Mercury Limited. The company has not traded during the year.

Directors and their interests

The directors who served during the year are listed on page 1.

None of the directors has a beneficial interest or holds shares in the company. Interests of the directors, who are directors of the ultimate parent company, Johnston Press plc, are shown in that company's accounts.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 year. 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;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- * 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 record which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STAMFORD MERCURY LIMITED

DIRECTORS' REPORT (continued)

Auditors

Arthur Andersen have indicated their willingness to continue in office and will be re-appointed as auditors under the relevant provisions of the Companies Act 1985.

Express House
Southgate
Wakefield
West Yorkshire WF1 1TE

2 April 1997

By order of the Board

A handwritten signature in dark ink, appearing to read 'M. Chiappelli', written over the printed name.

M.L.A. Chiappelli
Secretary

STAMFORD MERCURY LIMITED

AUDITORS' REPORT

For the year ended 31 December 1996

To the Shareholders of Stamford Mercury Limited

We have audited the accounts on pages 6 to 9 which have been prepared under the historical cost convention and the accounting policies set out in note 1.

Respective responsibilities of directors and auditors

As described in the directors' report on pages 2 to 3 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 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 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 circumstances of the company, 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 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 information in the accounts.

We draw your attention to notes 1 and 8 which contain important information regarding the basis of preparing the accounts. These explain that in preparing the accounts on the going concern basis the directors have placed reliance upon the letter of continuing financial support received from Johnston Press plc. Our opinion is not qualified in this respect.

STAMFORD MERCURY LIMITED

AUDITORS' REPORT (continued)

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1996 and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen.

Arthur Andersen
Chartered Accountants and Registered Auditors

18 Charlotte Square
Edinburgh

EH2 4DF

2 April 1997

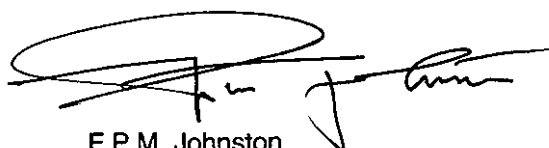
STAMFORD MERCURY LIMITED

Balance Sheet
31 December 1996

	Notes	1996 £000	1995 £000
Current assets			
Debtors: due within one year	3	7	7
Creditors: Amounts falling due within one year	4	(<u>118</u>)	(<u>118</u>)
Net current liabilities		(<u>111</u>)	(<u>111</u>)
Total assets less current liabilities		(<u>111</u>)	(<u>111</u>)
Net liabilities		(<u>111</u>)	(<u>111</u>)
Capital and reserves			
Called-up share capital	5	15	15
Reserves	6	(<u>126</u>)	(<u>126</u>)
Total capital deficit		(<u>111</u>)	(<u>111</u>)

The company did not trade during the year.

Signed on behalf of the Board



F.P.M. Johnston
Director

2 April 1997

The accompanying notes are an integral part of this balance sheet.

STAMFORD MERCURY LIMITED

NOTES TO ACCOUNTS

31 December 1996

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. In preparing the accounts on the going concern basis reliance is placed upon the letter of continuing financial support described in note 8.

2 Profit and Loss Account

The company did not trade during the year and therefore no profit and loss account is included.

3 Debtors

The following are included in the net book value of debtors:

	1996	1995
	£000	£000
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>7</u>	<u>7</u>

4 Creditors: Amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	1996	1995
	£000	£000
Amounts owed to other group undertakings	<u>118</u>	<u>118</u>

STAMFORD MERCURY LIMITED

NOTES TO ACCOUNTS (continued)

5 Called-up share capital

	1996	1995
	£000	£000
<i>Authorised:</i>		
9,500 6% Preference Shares of £1 each	9	9
1,500 "A" Ordinary Shares of £1 each	2	2
9,000 Ordinary Shares of £1 each	<u>9</u>	<u>9</u>
	<u>20</u>	<u>20</u>
<i>Allotted, called-up and fully paid:</i>		
7,000 6% Preference Shares of £1 each	7	7
1,200 "A" Ordinary Shares of £1 each	1	1
6,802 Ordinary Shares of £1 each	<u>7</u>	<u>7</u>
	<u>15</u>	<u>15</u>

6 Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

	1996	1995
	£000	£000
Distributable		
- profit and loss account	(130)	(130)
Non-distributable		
- share premium account	<u>4</u>	<u>4</u>
Total reserves	(<u>126</u>)	(<u>126</u>)

7 Guarantees and other financial commitments

Capital commitments

At the end of the year the company had no capital commitments (1995 - Nil).

8 Continuing financial support

The directors have received a letter of continuing financial support from Johnston Press plc, whereby it has undertaken to provide continuing financial support to Stamford Mercury Limited until such time as it ceases to have net liabilities or is no longer part of Johnston Press plc group.

STAMFORD MERCURY LIMITED

NOTES TO ACCOUNTS (continued)

9 Ultimate parent company

The company is a subsidiary undertaking of Johnston Press plc, which is incorporated in Scotland.

The only group in which the results of the company are consolidated is that headed by Johnston Press plc. The accounts of Johnston Press plc, are available to the public and may be obtained from Johnston Press plc, 53 Manor Place, Edinburgh, EH3 7EG.