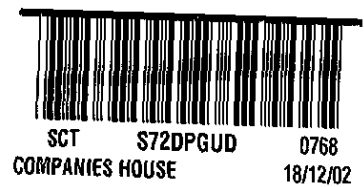


John Leng & Company Limited

**Directors' report and accounts
for the year ended 31 March 2002**

Registered number 44341



John Leng & Company Limited

Contents

	Page
Directors' report	1
Directors' responsibilities	2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6 - 9

John Leng & Company Limited

Directors' report

The directors submit their annual report and accounts of the company for the year ended 31 March 2002.

Activities

The company carried on business as an investment company during the year to 31 March 2002.

Financial

The results for the year are set out in the profit and loss account on page 4.

Employees

The company has no directly employed persons.

Directors

It is with great regret the directors report that Mr DB Thomson died on 17 January 2002.

Information relating to directors is given in note 3 to the accounts.

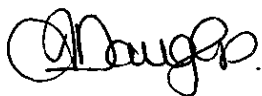
The directors have no interests in the issued share capital of the company. The directors are also directors of DC Thomson & Company Limited and their interests in the share capital of that company are disclosed in its directors' report.

In terms of the Articles of Association, Messrs BH Thomson and AF Thomson retire by rotation and, being eligible, offer themselves for re-election.

Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution for the re-appointment of Henderson Loggie as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



I Douglas
Secretary
Dundee

21 October 2002

John Leng & Company Limited

Directors' responsibilities for the preparation of accounts

The directors are required by law to prepare accounts 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 of the company for the year. The accounts must be prepared in compliance with required formats and disclosures. The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

In preparing the accounts to 31 March 2002, the directors confirm that suitable accounting policies have been used, applied consistently and supported by reasonable and prudent judgements and estimates, and that applicable accounting standards have been followed.

John Leng & Company Limited

Independent auditors' report to the shareholders of John Leng & Company Limited

We have audited the accounts of John Leng & Company Limited for the year ended 31 March 2002 on pages 4 to 9. These accounts have been prepared under the historical cost convention and 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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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 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 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 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 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.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Henderson Loggie

Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

21 October 2002

John Leng & Company Limited

Profit and loss account for the year ended 31 March 2002

	Note	2002 £	2001 £
Income from listed investments			
Dividends		2,599,808	2,494,983
Other income		14,399	25,623
		<u>2,614,207</u>	<u>2,520,606</u>
Untaxed interest		433,189	409,443
		<u>3,047,396</u>	<u>2,930,049</u>
Administration expenses			
Management expenses	2	51,090	50,032
		<u>2,996,306</u>	<u>2,880,017</u>
Revenue before exceptional item			
Exceptional item	4	3,685,446	335,059
		<u>6,681,752</u>	<u>3,215,076</u>
Revenue before taxation			
Taxation	5	946,870	111,608
		<u>5,734,882</u>	<u>3,103,468</u>
Revenue after taxation			
Proposed dividend		2,000,000	2,000,000
		<u>3,734,882</u>	<u>1,103,468</u>
Revenue retained			
Revenue reserve brought forward		13,492,595	12,389,127
		<u>17,227,477</u>	<u>13,492,595</u>
Revenue reserve carried forward			

There are no recognised gains or losses other than the revenue for the year of £5,734,882 (2001 - £3,103,468). Revenue retained of £3,734,882 (2001 - £1,103,468) represents the only movement on shareholders' funds.

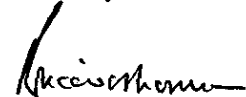
A statement of movement on reserves is given in note 11.

John Leng & Company Limited

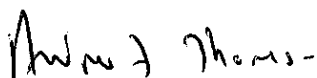
Balance sheet at 31 March 2002

	Note	2002 £	2001 £
Fixed assets			
Investments at cost	6	10,334,524	11,005,414
Current assets			
Debtors	7	-	36,750
Short term deposits		13,493,721	8,158,842
		<u>13,493,721</u>	<u>8,195,592</u>
Creditors			
Amounts falling due within one year	8	3,178,375	2,286,018
		<u>3,178,375</u>	<u>2,286,018</u>
Net current assets		10,315,346	5,909,574
Total assets less current liabilities		20,649,870	16,914,988
Creditors			
Amounts falling due after more than one year	9	(2,000,000)	(2,000,000)
		<u>(2,000,000)</u>	<u>(2,000,000)</u>
Net assets		18,649,870	14,914,988
Capital and reserves			
Called up share capital	10	800,000	800,000
Reserves	11	17,849,870	14,114,988
		<u>17,849,870</u>	<u>14,114,988</u>
Shareholders' funds		18,649,870	14,914,988
		<u><u>18,649,870</u></u>	<u><u>14,914,988</u></u>

These accounts were approved by the board of directors on 21 October 2002 and were signed on its behalf by:



BH Thomson
Director



AF Thomson
Director

John Leng & Company Limited

Notes to the accounts

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

Cash flow statement

The company has taken advantage of the provisions of Financial Reporting Standard 1 which exempts it from preparing a cash flow statement on the grounds that its parent company produces one which deals with the cash flows of the group.

Investment and interest income

Investment and interest income receivable on or before the year end are treated as revenue for the year. Franked investment income is stated on the basis of cash receipts. Unfranked investment income is stated on the basis of gross receipts before deduction of income tax.

Management expenses

Management expenses are stated on the basis of amounts applicable to the financial years concerned.

2 Revenue before taxation

	2002	2001
	£	£
Revenue before taxation is stated after charging:		
Auditors' remuneration - audit	2,200	2,100
- non audit	900	920
	<u> </u>	<u> </u>

3 Directors

The directors of the company at 31 March 2002 were as follows:-

BH Thomson
AF Thomson
AG Thomson
LM Thomson
CHW Thomson

The directors received no remuneration for their services during the year to 31 March 2002 (2001- £Nil).

John Leng & Company Limited

Notes to the accounts (continued)

4	Exceptional item	2002 £	2001 £
	Gain on sale of investments	<u>3,685,446</u>	<u>335,059</u>

5	Taxation		
	Current year		
	Corporation tax	946,865	116,628
	Prior year adjustment:		
	Corporation tax	5	(5,020)
		<u>946,870</u>	<u>111,608</u>

The tax charge for the year includes £827,527 (2001 - £428) relating to the exceptional item.

Factors affecting tax charge for year

	2002 £	2001 £
Profit per accounts	<u>6,681,752</u>	<u>3,215,076</u>
Tax @ 30% (2001 - 30%)	2,004,526	964,523
Effects of:		
Franked investment income	(779,942)	(746,424)
Excess book gain over capital gain on investments	(278,107)	(100,084)
Margin	388	(1,387)
Adjustment in respect of prior period	5	(5,020)
	<u>946,870</u>	<u>111,608</u>

John Leng & Company Limited

Notes to the accounts (continued)

6	Fixed asset investments	Listed on recognised Stock Exchange £	
	At 31 March 2001		11,005,414
	Additions		4,516
	Disposals		(675,406)
	At 31 March 2002		10,334,524
		2002 £	2001 £
	Market value of listed investments	121,530,001	129,420,426
	Potential tax liability if sold at this value	25,500,000	27,500,000
7	Debtors		
	Other debtors	-	36,750
8	Creditors		
	Amounts falling due within one year:		
	Dividend for previous year	2,000,000	2,000,000
	Group relief	117,415	117,415
	Due to holding company	454,710	54,618
	Corporation tax	603,665	111,504
	Other creditors	2,585	2,481
		3,178,375	2,286,018
9	Creditors		
	Amounts falling due after more than one year:		
	Proposed dividend for current year	2,000,000	2,000,000

John Leng & Company Limited

Notes to the accounts (continued)

10 Share capital

	2002 £	2001 £
Authorised, allotted, called up and fully paid		
800,000 Ordinary shares of £1 each	800,000	800,000
	=====	=====

11 Reserves

	Profit and loss account £	Other reserves £	Total £
At 31 March 2001	13,492,595	622,393	14,114,988
Profit and loss account - retained in year	3,734,882	-	3,734,882
At 31 March 2002	17,227,477	622,393	17,849,870
	=====	=====	=====

The above reserves are distributable.

12 Ultimate holding company

The company is a wholly owned subsidiary of DC Thomson & Company Limited, a company incorporated in Great Britain and registered in Scotland.