

1207531

# **C M Publishing Limited**

## **Report and Accounts**

31 December 1999



Registered No. 1207531

**DIRECTORS**

T Stevenson (Chairman)  
R Nicholls  
G M Eagling

**SECRETARY**

R Nicholls

**AUDITORS**

Ernst & Young  
Compass House  
80 Newmarket Road  
Cambridge  
CB5 8DZ

**REGISTERED OFFICE**

8 Bevan Street  
Lowestoft  
Suffolk  
NR32 2AA

 **ERNST & YOUNG**

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1999.

### RESULTS AND DIVIDENDS

The company had no trading activities during the year. Dividends for the year on preference shares have been accrued.

### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company is a holding company, whose subsidiary publishes newspapers. The directors will continue to seek improvement and develop the Group's activities in 1999.

### DIRECTORS AND THEIR INTERESTS

The directors who have served during the year are shown on page 2, together with M J Farahar who resigned on 12 November 1999.

The directors at 31 December 1999 who were not directors of the holding company and their interests in the share capital of the holding company were as follows:

|             | <i>At 31 December 1999</i> | <i>At 1 January 1999</i>   |
|-------------|----------------------------|----------------------------|
|             | <i>20p Ordinary shares</i> | <i>20p Ordinary shares</i> |
| G M Eagling | 1,724                      | 1,652                      |
| R Nicholls  | 2,460                      | 1,658                      |

The parent undertaking operates a savings scheme by which directors have the option to buy shares in Eastern Counties Newspapers Group Limited with their savings after a period of five years. The interests of directors who were not directors of the holding company were as follows:

|             | <i>At 1.1.99</i> | <i>Granted during year</i> | <i>Exercised/<br/>Cancelled during year</i> | <i>At 31.12.99</i> |
|-------------|------------------|----------------------------|---------------------------------------------|--------------------|
| G M Eagling | 6,900            | —                          | —                                           | 6,900              |
| R Nicholls  | 2,595            | —                          | —                                           | 2,595              |

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 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; 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 records 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 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.

DIRECTORS' REPORT (Continued)

**AUDITORS**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



R Nicholls  
Secretary

10/11 2000

 ERNST & YOUNG

**REPORT OF THE AUDITORS**  
to the members of C M Publishing Limited

We have audited the accounts on pages 6 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 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.

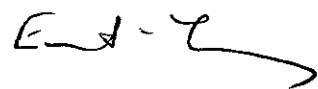
**Basis of opinion**

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 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 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
Cambridge

13 July 2000

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 1999

|                                                               | Notes | 1999<br>£   | 1998<br>£ |
|---------------------------------------------------------------|-------|-------------|-----------|
| Dividend received                                             |       | 2,000,000   | —         |
| Write back of provision against investment in subsidiary      | 2     | 501         | —         |
| Profit on ordinary activities before and after taxation       |       | 2,000,501   | —         |
| Dividends paid:                                               |       |             |           |
| Ordinary                                                      |       | (1,256,834) | —         |
| Preference                                                    |       | (743,667)   | —         |
| Arrears of dividends on preference shares - non equity shares |       | —           | (100,000) |
|                                                               |       | —           | (100,000) |

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than those included in the profit and loss account above.

**BALANCE SHEET**  
at 31 December 1999

|                                                             | Notes | 1999<br>£      | 1998<br>£      |
|-------------------------------------------------------------|-------|----------------|----------------|
| <b>INVESTMENT IN SUBSIDIARY</b>                             | 2     | 501            | —              |
| <b>DEBTOR: amounts falling due after more than one year</b> |       |                |                |
| Loan to parent undertaking                                  |       | 251,499        | 252,000        |
| <b>TOTAL ASSETS LESS LIABILITIES</b>                        |       | <u>252,000</u> | <u>252,000</u> |
| <b>CAPITAL AND RESERVES</b>                                 |       |                |                |
| Called up share capital                                     | 3     | 102,000        | 102,000        |
| Share premium account                                       | 4     | 150,000        | 150,000        |
| Unpaid preference dividends                                 | 4     | —              | 643,667        |
| Profit and loss account                                     | 4     | —              | (643,667)      |
| Shareholders' funds:                                        |       |                |                |
| Equity                                                      |       | 152,000        | (491,667)      |
| Non-equity                                                  |       | 100,000        | 743,667        |
|                                                             |       | <u>252,000</u> | <u>252,000</u> |

*R Nicholls*

R Nicholls

Director

10/7/ 2000

# NOTES TO THE ACCOUNTS

at 31 December 1999

## 1. ACCOUNTING POLICIES

### *Accounting convention*

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

## 2. INVESTMENT IN SUBSIDIARY

|                                   | 1999<br>£ | 1998<br>£ |
|-----------------------------------|-----------|-----------|
| Cost on 1 January and 31 December | 501       | 501       |
| Provision at 1 January            | 501       | 501       |
| Write back provision              | (501)     | —         |
| Provision at 31 December          | —         | 501       |
| Net book value at 31 December     | 501       | —         |

The wholly owned subsidiary undertaking, registered in England at 31 December 1999 was the Anglia Advertiser Limited engaged in publishing newspapers. In the opinion of the directors the value of the investment is not less than the amount at which it is stated in the accounts.

The company is exempt from the obligation to prepare group accounts because it is itself a wholly owned subsidiary whose results have been included with those of its ultimate parent undertaking (see note 5).

## 3. SHARE CAPITAL

|                                              | 1999<br>No. | Authorised<br>1998<br>No. | Allotted, called up<br>and fully paid<br>1999<br>£ | 1998<br>£ |
|----------------------------------------------|-------------|---------------------------|----------------------------------------------------|-----------|
| Ordinary shares of £1 each                   | 2,000       | 2,000                     | 2,000                                              | 2,000     |
| 100% cumulative preference shares of £1 each | 100,000     | 100,000                   | 100,000                                            | 100,000   |
|                                              | 102,000     | 102,000                   | 102,000                                            | 102,000   |

Arrears of cumulative preference dividends at 31 December 1999 amounted to £nil (1998 : £643,667).

The rights attached to cumulative preference shares are:

1. Fixed dividend of £1 per share.
2. No voting rights.
3. Repayment of amount subscribed, but no participation in any surplus on winding up.

# NOTES TO THE ACCOUNTS

at 31 December 1999

## 4. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

|                                   | <i>Share<br/>Capital<br/>£</i> | <i>Unpaid<br/>Preference<br/>Dividends<br/>£</i> | <i>Share<br/>Premium<br/>Account<br/>£</i> | <i>Profit<br/>&amp; Loss<br/>Account<br/>£</i> | <i>Total<br/>£</i> |
|-----------------------------------|--------------------------------|--------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------|
| <i>Equity Shareholders' funds</i> |                                |                                                  |                                            |                                                |                    |
| At 1 January 1999                 | 2,000                          | —                                                | 150,000                                    | (643,667)                                      | (491,667)          |
| Loss for the year                 | —                              | —                                                | —                                          | 643,667                                        | 643,667            |
| At 31 December 1999               | 2,000                          | —                                                | 150,000                                    | —                                              | 152,000            |

|                                       | <i>Share<br/>Capital<br/>£</i> | <i>Unpaid<br/>Preference<br/>Dividends<br/>£</i> | <i>Share<br/>Premium<br/>Account<br/>£</i> | <i>Profit<br/>&amp; Loss<br/>Account<br/>£</i> | <i>Total<br/>£</i> |
|---------------------------------------|--------------------------------|--------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------|
| <i>Non-equity Shareholders' funds</i> |                                |                                                  |                                            |                                                |                    |
| At 1 January 1999                     | 100,000                        | 643,667                                          | —                                          | —                                              | 743,667            |
| Preference dividends for year         | —                              | 100,000                                          | —                                          | —                                              | 100,000            |
| Preference dividends paid             | —                              | (743,667)                                        | —                                          | —                                              | (743,667)          |
| At 31 December 1999                   | 100,000                        | —                                                | —                                          | —                                              | 100,000            |

## 5. HOLDING COMPANY

The parent undertaking for which group accounts are drawn up and of which the company is a member is Eastern Counties Newspapers Group Limited, registered in England and Wales. Copies of that company's accounts can be obtained from the Registrar, Companies House, Crown Way, Maindy, Cardiff.

The company has taken advantage of exemptions in respect of FRS 8 on the grounds that it is a wholly owned subsidiary.