

2872831

ECNG (Thorpe) Limited

Report and Accounts

31 December 1996



ECNG (Thorpe) Limited

Registered No.2872831

DIRECTORS

R J Cortis

G H C Copeman

SECRETARY

J O Ellison

AUDITORS

Ernst & Young

Cambridge House

26 Tombland

Norwich

NR3 1RH

SOLICITORS

Eversheds

Holland Court

The Close

Norwich

NR1 4DX

REGISTERED OFFICE

Prospect House

Rouen Road

Norwich

NR1 1RE

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1996.

RESULTS AND DIVIDENDS

The profit for the year after taxation, amounted to £867,915. The directors do not recommend payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

ECNG (Thorpe) Limited is a property holding company for the Eastern Counties Newspapers Group. The company does not trade outside the group.

FIXED ASSETS

As disclosed in Note 6 the Company expended a total of £113,880 on tangible fixed assets.

The directors have revalued the company's property at 31 December 1996.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year to 31 December 1996 are shown on page 2, together with Sir Timothy Colman KG who resigned on 22 July 1996. None of the directors had any interest in the share capital of the company at any time in the year.

Mr G H C Copeman and Mr R J Cortis are also directors of the holding company and have declared their interests in the shares of the holding company in that company's accounts.

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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

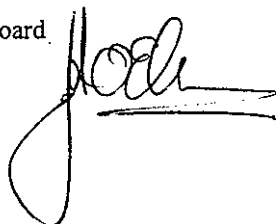
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

J O Ellison
Secretary



20.6.97

REPORT OF THE AUDITORS

to the members of ECNG (Thorpe) Limited

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention as modified by the revaluation of leasehold properties and on the basis of the accounting policies set out on page 7.

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 affairs of the company as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Norwich

24.6.97

ECNG (Thorpe) Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1996

	<i>Notes</i>	<i>1996</i> £	<i>1995</i> £
TURNOVER	2	808,600	437,815
Operating costs		273,715	191,849
		<hr/>	<hr/>
OPERATING PROFIT	3	534,885	245,966
Interest payable	4	21,742	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		513,143	245,966
Tax on ordinary activities	5	354,772	(82,132)
		<hr/>	<hr/>
PROFIT RETAINED FOR THE YEAR	12	867,915	163,834
		<hr/>	<hr/>


RECOGNISED GAINS AND LOSSES

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

ECNG (Thorpe) Limited

BALANCE SHEET at 31 December 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	6	7,530,595	7,569,145
CURRENT ASSETS			
Debtors	7	404,300	667,887
Cash at bank and in hand		130,487	-
		534,787	667,887
CREDITORS: amounts falling due within one year	8	234,000	523,917
NET CURRENT ASSETS		300,787	143,970
TOTAL ASSETS LESS CURRENT LIABILITIES		7,831,382	7,713,115
CREDITORS: amounts falling due after more than one year	9	3,200,000	7,230,498
Provisions for liabilities and charges	10	-	319,148
		4,631,382	163,469
CAPITAL AND RESERVES			
Called up share capital	11	3,600,000	2
Profit and loss account	12	1,031,382	163,467
		4,631,382	163,469

 20.6.97.

R J Cortis

Director

NOTES TO THE ACCOUNTS

at 31 December 1996

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention modified by the revaluation of leasehold property, and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings - over 50 years

Deferred taxation

Provision is made for deferred taxation, using the liability method on all timing differences to the extent that it is probable that the liability will crystallise.

2. TURNOVER

Turnover, which is stated net of VAT, represents rents receivable from fellow Group companies, all of which are registered in the UK, and arises from the continuing principal activity.

3. OPERATING PROFIT

	1996 £	1995 £
This is stated after charging:		
Depreciation of owned fixed assets	152,430	70,520
Auditors' remuneration	1,285	1,250
Rentals under operating leases	120,000	120,000
	<u> </u>	<u> </u>

4. INTEREST PAYABLE

	1996 £	1995 £
On parent company loan	21,742	-
	<u> </u>	<u> </u>

5. TAXATION

	1996 £	1995 £
Credit/(charge) based on the result for the year:		
Corporation Tax @ 33%	(18,891)	139,665
Deferred tax @ 33%	-	(221,797)
	<u>(18,891)</u>	<u>(82,132)</u>
Adjustments relating to previous years		
Corporation tax	54,515	-
Deferred tax	319,148	-
	<u>354,772</u>	<u>(82,132)</u>

ECNG (Thorpe) Limited

NOTES TO THE ACCOUNTS at 31 December 1996

6. TANGIBLE FIXED ASSETS

	<i>Leasehold land and buildings £</i>	<i>Total £</i>
Cost or valuation:		
At 31 December 1995	7,639,665	7,639,665
Additions	113,880	113,880
Revaluation	(222,950)	(222,950)
At 31 December 1996	7,530,595	7,530,595
Depreciation:		
At 31 December 1995	70,520	70,520
Provided during the year	152,430	152,430
Revaluation	(222,950)	(222,950)
At 31 December 1996	-	-
Net book value:		
At 31 December 1996	7,530,595	7,530,595
At 31 December 1995	7,569,145	7,569,145

The directors revalued the company's leasehold property at 31 December 1996.

7. DEBTORS

	<i>1996 £</i>	<i>1995 £</i>
Amounts owed by fellow subsidiaries	404,300	422,815
Taxation	-	237,197
Other debtors	-	7,875
	404,300	667,887

8. CREDITORS: amounts falling due within one year:

	<i>1996 £</i>	<i>1995 £</i>
Bank overdraft	-	64,287
Trade creditors	132,082	390,505
Amounts owed to group companies	81,742	60,000
Other creditors	1,285	9,125
Corporation tax	18,891	-
	234,000	523,917

ECNG (Thorpe) Limited

NOTES TO THE ACCOUNTS at 31 December 1996

9. CREDITORS: amounts falling due after more than one year:

	1996 £	1995 £
Loans from parent company	3,200,000	7,230,498

The loan is secured by a legal charge over the company's leasehold property, and bears interest at 2% above the base rate from time to time of Barclays Bank plc. The loan has no fixed repayment terms, and is repayable on demand subject to the parent company giving three months notice that the loan is to be repaid.

The parent company have indicated that they will not seek to recall the loan within the next twelve months.

10. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax provided in the accounts and the amounts not provided are as follows:

	Provided 1996 £	Not Provided 1996 £	Provided 1995 £	Not Provided 1995 £
Accelerated capital allowances	-	523,146	319,148	-

11. SHARE CAPITAL

	1996 No.	Authorised 1995 No.	Allotted, called up and fully paid 1996 £	1995 £
Ordinary shares of £1 each	3,750,000	100	3,600,000	2

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £	Profit and Loss account £	Total £
At 31 December 1995	2	163,467	163,469
Profit for the year	-	867,915	867,915
Ordinary shares issued	3,599,998	-	3,599,998
At 31 December 1996	3,600,000	1,031,382	4,631,382

NOTES TO THE ACCOUNTS
at 31 December 1996

13. 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 FRS8 on the grounds that it is a wholly owned subsidiary.

14. STATEMENT OF CASH FLOWS

The statement of cash flows has been incorporated within the accounts of Eastern Counties Newspapers Group Limited.

15. OPERATING LEASE COMMITMENTS

At 31 December 1996, annual commitments under non-cancellable operating leases were as follows:

	<i>Land and buildings</i>	
	<i>1996</i>	<i>1995</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
Over five years	120,000	120,000
	<u> </u>	<u> </u>