

ECNG (Thorpe) Limited

Report and Accounts

31 December 1998



ECNG (Thorpe) Limited

Registered No.2872831

DIRECTORS

P M Strong
J O Ellison

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

ECNG (Thorpe) Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1998.

RESULTS AND DIVIDENDS

The profit for the year after taxation, amounted to £505 (1997 - loss £4,538,581). 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.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year to 31 December 1998 are shown on page 2. None of the directors had any interest in the share capital of the company at any time in the year.

Mr P M Strong is also a director of the holding company and has declared his interest in the shares of the holding company in that company's accounts.

Mr J O Ellison had the following interests in the shares of the holding company:

	31.12.1997	31.12.98
Ordinary shares of 20p	2,242	3,408
Share options	4,180	4,180

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.

YEAR 2000

The company is a wholly owned subsidiary of Eastern Counties Newspapers Group Limited (ECNG), and its transactions are recorded using ECNG computing facilities. Accordingly, the directors have obtained assurance from ECNG that they have undertaken a complete review of their operations, have in place programmes of work to ensure that all business critical systems are compliant, and that contingency plans will be in place to cover unexpected failures.

ECNG (Thorpe) Limited

DIRECTORS' REPORT

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

27-9-99

REPORT OF THE AUDITORS
to the members of ECNG (Thorpe) Limited

We have audited the accounts on pages 6 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 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.

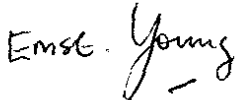
Basis of opinion

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 affairs of the company as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Ernst & Young' with a stylized flourish at the end.

Ernst & Young
Registered Auditor
Norwich

13th October 1999

ECNG (Thorpe) Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1998

	<i>Notes</i>	<i>1998</i> £	<i>1997</i> £
TURNOVER		—	729,955
Operating costs		25	246,874
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT	2	(25)	483,081
Investment income	3	947	101
Loss on disposal of leasehold property		—	(6,100,160)
Interest payable	4	—	(225,616)
		<hr/>	<hr/>
PROFIT /(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		922	(5,842,594)
Tax on ordinary activities	5	417	(1,304,013)
		<hr/>	<hr/>
PROFIT /(LOSS) RETAINED FOR THE YEAR	11	505	(4,538,581)
		<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 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Investments	6	9,975	9,975
CURRENT ASSETS			
Debtors	7	89,393	1,634,810
Cash at bank and in hand		24,579	13,015
		113,972	1,647,825
CREDITORS: amounts falling due within one year	8	30,641	179,999
NET CURRENT ASSETS		83,331	1,467,826
TOTAL ASSETS LESS CURRENT LIABILITIES		93,306	1,477,801
CREDITORS: amounts falling due after more than one year	9	-	1,385,000
		93,306	92,801
CAPITAL AND RESERVES			
Called up share capital	10	3,600,000	3,600,000
Profit and loss account	11	(3,506,694)	(3,507,199)
EQUITY SHAREHOLDERS' FUNDS		93,306	92,801


P.M. Strong J.O.E.C.O.N. Director

27-9-99.

ECNG (Thorpe) Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

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.

Investments

Fixed asset investments are included at cost. Provision is only made where diminution in value is considered permanent.

Turnover

Turnover, which is stated net of VAT, represents rent receivable from fellow group companies and arises from the continuing principal activity.

2. OPERATING PROFIT

	1998 £	1997 £
This is stated after charging:		
Depreciation of owned fixed assets	—	137,344
Auditors' remuneration	—	1,200
Rentals under operating leases	—	108,329
Directors' emoluments	—	—
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	1998 £	1997 £
Income on listed investments	695	101
Bank interest received	252	—
	<u> </u>	<u> </u>
	947	101
	<u> </u>	<u> </u>

4. INTEREST PAYABLE

	1998 £	1997 £
On parent company loan	—	225,616
	<u> </u>	<u> </u>

ECNG (Thorpe) Limited

NOTES TO THE ACCOUNTS at 31 December 1998

5. TAXATION

	1998 £	1997 £
Charge/(credit) based on the result for the year:		
Corporation Tax	286	(1,300,366)
Adjustments relating to previous years:		
Corporation tax	131	(3,647)
	<u>417</u>	<u>(1,304,013)</u>

6. INVESTMENTS

	<i>Listed Investments</i> £
Cost:	
At 1 January 1998 and 31 December 1998	<u>9,975</u>
Market value at 31 December 1998	<u>10,640</u>

7. DEBTORS

	1998 £	1997 £
Amounts owed by group companies	72,826	325,655
Taxation	—	1,300,366
Other debtors	16,567	8,789
	<u>89,393</u>	<u>1,634,810</u>

8. CREDITORS: amounts falling due within one year:

	1998 £	1997 £
Trade creditors	30,355	126,707
Amounts owed to group companies	—	52,092
Other creditors	—	1,200
Corporation tax	286	—
	<u>30,641</u>	<u>179,999</u>

ECNG (Thorpe) Limited

NOTES TO THE ACCOUNTS at 31 December 1998

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

	1998 £	1997 £
Loans from parent company	—	1,385,000

10. SHARE CAPITAL

	1998 No.	Authorised 1997 No.	1998 £	Allotted, called up and fully paid 1997 £
Ordinary shares of £1 each	3,750,000	3,750,000	3,600,000	3,600,000

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £	Profit and Loss account £	Total £
At 1 January 1997	3,600,000	1,031,382	4,631,382
Loss for the year	—	(4,538,581)	(4,538,581)
At 31 December 1997	3,600,000	(3,507,199)	92,801
Profit for the year	—	505	505
At 31 December 1998	3,600,000	(3,506,694)	93,306

12. 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.

13. STATEMENT OF CASH FLOWS

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