

CML SERVICES LIMITED

Registered number 3135194

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2001



**CML SERVICES LIMITED**

Registered number 3135194

**DIRECTORS**

J O Ellison  
C H Lawrence

**SECRETARY**

J O Ellison

**AUDITORS**

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

**SOLICITORS**

Eversheds  
Holland Court  
The Close  
Norwich  
NR1 4DX

**REGISTERED OFFICE**

Prospect house  
Rouen Road  
Norwich  
NR1 1Re

## CML SERVICES LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2001.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity was taken over by the immediate parent company, Archant (Services) Limited (formerly Community Media Limited) with effect from 1 January 2000.

#### EVENTS SINCE THE BALANCE SHEET DATE

Eastern Counties Newspapers Group Limited completed a rebranding of the group under the Archant brand on 1 March 2002. The rebranding included the introduction, on the same date, of a new holding company, Archant Limited, following approval by the shareholders of Eastern Counties Newspapers Group Limited. The establishment of Archant Limited as the holding company was achieved pursuant to a scheme of arrangement under section 425 of the Companies Act 1985, whereby the shareholders of Eastern Counties Newspapers Group Limited exchanged their shares for an equivalent number of new shares in Archant Limited.

#### DIRECTORS AND THEIR INTERESTS

The directors who have served during the year were as follows:

	Appointed	Resigned
P M Strong	March 1, 2002	May 22, 2002
C H Lawrence	March 1, 2002	
J O Ellison	May 22, 2002	
N G F Websper		March 1, 2002
A J Halsey		March 1, 2002

None of the directors at 31 December 2001 had any interests in the share capital of the company.

Mr N G F Websper is also a director of the holding company and has declared his interests in the shares of the holding company in that company's accounts.

Mr A J Halsey had the following interests in the shares of the ultimate parent undertaking:

	December 31, 2000	Exercised	December 31, 2001
Ordinary shares of 20p each			
beneficial	7,766		13,242
non-beneficial	4,456		4,456
Share options	8,070	(3,450)	4,620

**CML SERVICES LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each period 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 financial statements the directors are required to:

select suitable accounting policies and then apply them consistently;

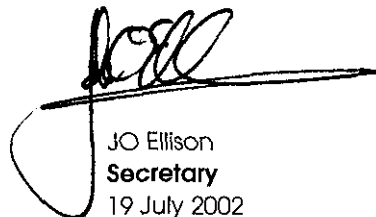
make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the financial statements 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 financial statements 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.

By order of the Board,



JO Ellison  
**Secretary**  
19 July 2002

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CML SERVICES LIMITED**

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of 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 financial statements in accordance with applicable United Kingdom law and accounting standards.

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

We report to you our opinion as to whether the financial statements 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 financial statements, 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Ernst & Young LLP**  
**Registered Auditor**  
**Cambridge**  
**19 July 2002**

**CML SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	2001 £	2000 £
<b>TURNOVER</b>	2	-	-
Operating costs	3	-	(25)
<b>OPERATING (LOSS)</b>		-	(25)
Interest payable		-	(47)
<b>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	(72)
Tax on (loss) on ordinary activities		-	-
<b>(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		-	(72)
Dividends	4	-	(13,500)
<b>(LOSS) RETAINED FOR THE FINANCIAL YEAR</b>	10	-	(13,572)

The activities of the company discontinued on 1 January 2000.

There are no recognised gains and losses attributable to the shareholders other than as disclosed above.

**CML SERVICES LIMITED****BALANCE SHEET - 31 DECEMBER 2001**

	Note	2001 £	2000 £
<b>CURRENT ASSETS</b>			
Debtors	5	1,014	1,014
<b>CREDITORS:</b>			
Amounts falling due within one year	6	(690)	(690)
<b>NET CURRENT ASSETS</b>		<u>324</u>	<u>324</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2	2
Profit and loss account	8	322	322
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>324</u>	<u>324</u>

Approved by the Board on 19 July 2002.



C H Lawrence  
Director

The notes on pages 7 to 9 form part of these financial statements.

## CML SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The accounts are prepared under the historical cost convention and are drawn up in accordance with applicable Accounting Standards.

##### Pension benefits

The company is a member of the Pension and Life Assurance Scheme, a defined pension scheme operated by the parent undertaking. The scheme requires contributions to be made to separately administered funds. Contributions to this fund are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the company.

The regular cost is attributed to individual years using the projected unit credit method. Variations in pension costs which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amount charged to the profit and loss account, are treated as either a provision or prepayment in the balance sheet.

Contributions to defined contribution pension schemes in operation are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### 2. Turnover

Turnover represents the invoiced value of sales to customers excluding sales taxes.

Turnover which is stated net of VAT, represents amounts invoiced to third parties, and is principally attributable to the publishing and printing services. Turnover arose wholly within the UK.

#### 3. OPERATING COSTS

	2001 £	2000 £
Other operating charges	-	25

The average monthly number of employees during the year was nil (2000: nil).

#### 4. DIVIDENDS

	2001 £	2000 £
Interim dividend paid 29 December 2000	-	13,500



**CML SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001**

5. <b>DEBTORS</b>	2001 £	2000 £
Balance due from parent undertaking	1,014	1,014

6. <b>CREDITORS: Amounts falling due within one year</b>	2001 £	2000 £
Corporation tax	90	90
Accruals and deferred income	600	600
	690	690

7. <b>CALLED UP SHARE CAPITAL</b>	2001 £	2000 £
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The Company's share capital at 31 December was as follows

**Authorised**

2 ordinary shares of £1 each	2	2
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**Allotted, called up and fully paid**

2 ordinary shares of £1 each	2	2
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8. <b>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	Share capital £000	Profit & loss account £000	Shareholders' funds £000
At 1 January 2000	2	13,894	13,896
Result retained for the financial year	-	(13,572)	(13,572)
At 1 January 2001	2	322	324
Result retained for the financial year	-	-	-
At 31 December 2001	2	322	324

## **CML SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001**

#### **9. POST BALANCE SHEET EVENTS**

On 1 March 2002, Archant Limited was established as the holding company of the Archant group of companies, formerly the Eastern Counties Newspapers Group. This was achieved pursuant to a scheme of arrangement under section 425 of the Companies Act 1985, whereby the shareholders in Eastern Counties Newspapers Group Limited exchanged their shares for an equivalent number of new shares in Archant Limited.

#### **10. ULTIMATE PARENT UNDERTAKING**

At 31 December 2001, the parent undertaking for which group accounts are drawn up and of which the company was a member was Archant Regional Limited (formerly 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.

As disclosed in the Directors' Report and Note 9 above, on 1 March 2002 Archant Limited was introduced as the new holding company of the group, pursuant to a scheme of arrangement under section 425 of the Companies Act 1985.

#### **11. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions in FRS 8 from disclosing transactions with related parties that are part of the Archant Regional Limited (formerly Eastern Counties Newspapers Group Limited) group.

#### **12. CASH FLOW STATEMENT**

The Company has taken advantage of the dispensation under FRS1 Section 8 (c) not to publish a cash flow statement. The cash flow statement of the Group is published in the financial statements of Archant Regional Limited (formerly Eastern Counties Newspapers Group Limited).