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ECNG INVESTMENT CO. LIMITED

Registered Number: 3398756

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 2001



ECNG INVESTMENT CO. LIMITED

Registered Number: 3398756

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

ECNG INVESTMENT CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2001

The directors present their report together with the audited financial statements of the company for the year ended 31st December 2001.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £11,893 (2000 : loss £91).

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company is an investment holding company for the Archant group (formerly Eastern Counties Newspapers Group).

EVENTS SINCE THE BALANCE SHEET DATE

Eastern Counties Newspapers Group Limited, the company's holding company, 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 names of the directors who served during the year were as follows:

	Resigned	Appointed
P M Strong	22-May-02	
C H Lawrence		
I A Davies	01-Mar-02	
J O Ellison	01-Mar-02	22-May-02
T Stevenson	01-Mar-02	

Mr P M Strong, Mr C H Lawrence and Mr T Stevenson are all directors of the holding company and have declared their interests in the shares of the holding company in that company's accounts.

The other directors had the following interests in the shares of the holding company:

		31.12.2000	Exercised	31.12.2001
J O Ellison	Ordinary shares of 20p each	7,009		10,581
	Share options	1,725	(1,725)	-
I A Davies	Ordinary shares of 20p each	17,486		27,987
	Share options	8,625	(8,625)	-

ECNG INVESTMENT CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial 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.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board,



JO Ellison
Secretary

19 July 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECNG INVESTMENT CO. 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 11. 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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Cambridge
19 July 2002

ECNG INVESTMENT CO. LIMITED

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

	Note	2001 £	2000 £
Interest received		156	227
Operating costs	2	-	(357)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>156</u>	<u>(130)</u>
Tax credit on profit/(loss) on ordinary activities	3	11,737	39
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION, RETAINED FOR THE YEAR	7	<u>11,893</u>	<u>(91)</u>

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

The notes on pages 7 and 8 form part of these financial statements.

ECNG INVESTMENT CO. LIMITED

BALANCE SHEET - 31ST DECEMBER 2001

	Note	2001 £	2000 £
CURRENT ASSETS			
Debtors	4	4,592,520	4,580,736
Cash at bank and in hand		10,640	10,484
		<u>4,603,160</u>	<u>4,591,220</u>
CREDITORS:			
Amounts falling due within one year	5	(47)	-
NET CURRENT ASSETS		<u>4,603,113</u>	<u>4,591,220</u>
CAPITAL AND RESERVES			
Called up share capital	6	2	2
Profit and loss account	7	4,603,111	4,591,218
EQUITY SHAREHOLDERS' FUNDS	7	<u>4,603,113</u>	<u>4,591,220</u>

Approved by the Board on 19 July 2002.



C H Lawrence

The notes on pages 7 and 8 form part of these financial statements.

ECNG INVESTMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST 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.

2. OPERATING COSTS	2001	2000
	£	£
Operating costs include:		
Auditors remuneration	-	328
	<u>-</u>	<u>328</u>
3. TAX ON ORDINARY ACTIVITIES	2001	2000
	£	£
UK corporation tax charge/(credit)		
current year	47	(39)
Adjustment relating to previous years	(11,784)	-
	<u>(11,737)</u>	<u>(39)</u>
4. DEBTORS	2001	2000
	£	£
Amounts owed by parent company	4,580,693	4,580,669
Other debtors	11,827	67
	<u>4,592,520</u>	<u>4,580,736</u>
5. CREDITORS: Amounts falling due within one year	2001	2000
	£	£
Corporation tax	47	-
	<u>47</u>	<u>-</u>
6. CALLED UP SHARE CAPITAL	2001	2000
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

ECNG INVESTMENT CO. LIMITED

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

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit & loss account £	Shareholders' funds £
At 31 December 1999	2	4,591,309	4,591,311
Loss for the year	-	(91)	(91)
At 31 December 2000	<u>2</u>	<u>4,591,218</u>	<u>4,591,220</u>
Profit for the year	-	11,893	11,893
At 31 December 2001	<u>2</u>	<u>4,603,111</u>	<u>4,603,113</u>

8. 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.

9. 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.

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 8 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. STATEMENT OF CASH FLOWS

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).