

# The Cumberland News News & Star

## Times & Star

The newsy paper with a local slant



## CUMBRIAN NEWSPAPERS LIMITED

Audited Financial Statements for the year ended  
31 December 2008

Company Registration Number 2729

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Saint & Co.

Chartered Accountants & Registered Auditors

# **CUMBRIAN NEWSPAPERS LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2008**

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# CUMBRIAN NEWSPAPERS LIMITED

## COMPANY INFORMATION

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<b>The board of directors</b>	Mr R.L.F. Burgess Mr T. Hall Mr G. Beattie Mr A. J. Swanston Mr T. S. Johnston Mr C. Edgar Mr N R Hodgkinson
<b>Company secretary</b>	Mr A. J. Swanston
<b>Registered office</b>	PO Box 7 Newspaper House Dalston Road Carlisle CA2 5UA
<b>Auditor</b>	Saint & Co Chartered Accountants & Registered Auditors Sterling House Wavell Drive, Rosehill Carlisle, Cumbria CA1 2SA
<b>Bankers</b>	HSBC Bank PLC PO Box 5 29 English Street Carlisle Cumbria CA3 8JT

# **CUMBRIAN NEWSPAPERS LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2008**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is that of newspaper publishers and printers.

A full review of the years activities can be found in the annual report of the parent company.

### **RESULTS AND DIVIDENDS**

The loss for the year amounted to £885,466. Particulars of dividends paid are detailed in note 10 to the financial statements.

### **DIRECTORS**

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

Mr R.L.F. Burgess

Mr T. Hall

Mr G. Beattie

Mr A. J. Swanston

Mr T. S. Johnston

Mr C. Edgar

Mr N R Hodgkinson

Mr D. Bowden

(Resigned 5 September 2008)

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

# CUMBRIAN NEWSPAPERS LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

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In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **DISABLED EMPLOYEES**

Disabled persons are employed by the company when they appear to be suited to a particular vacancy. It is the company's policy to continue, where possible, to employ persons who become disabled during their employment.

### **EMPLOYEE INVOLVEMENT**

The company maintains a system of briefing and consultation to inform all employees of the company's performance.

### **AUDITOR**

Saint & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:  
PO Box 7  
Newspaper House  
Dalston Road  
Carlisle  
CA2 5UA

Signed by order of the directors



MR A. J. SWANSTON  
Company Secretary

Approved by the directors on 27 March 2009

**CUMBRIAN NEWSPAPERS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**CUMBRIAN NEWSPAPERS LIMITED**  
**YEAR ENDED 31 DECEMBER 2008**

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We have audited the financial statements of Cumbrian Newspapers Limited for the year ended 31 December 2008 on pages 6 to 17, which have been prepared on the basis of the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

**CUMBRIAN NEWSPAPERS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**CUMBRIAN NEWSPAPERS LIMITED** *(continued)*  
**YEAR ENDED 31 DECEMBER 2008**

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**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



SAINT & CO  
Chartered Accountants  
& Registered Auditors

Sterling House  
Wavell Drive, Rosehill  
Carlisle, Cumbria  
CA1 2SA

27 March 2009

# CUMBRIAN NEWSPAPERS LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
<b>TURNOVER</b>	<b>2</b>	<b>20,202,325</b>	<b>23,103,053</b>
<b>OPERATING COSTS:</b>			
Raw materials and consumables		(3,868,945)	(4,954,457)
Other external charges		(112,054)	(136,432)
Staff costs	3	(10,903,838)	(11,179,828)
Depreciation written off fixed assets	4	(1,108,402)	(1,196,049)
Other operating charges		(5,100,169)	(4,546,756)
<b>OPERATING (LOSS)/PROFIT</b>	<b>4</b>	<b>(891,083)</b>	<b>1,089,531</b>
Cost of restructuring the company	6	(442,864)	(367,422)
		(1,333,947)	722,109
Income from fixed asset investments	7	36,054	39,620
Interest receivable and similar income		44,059	71,715
Interest payable and similar charges	8	(2,227)	(5,737)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,256,061)</b>	<b>827,707</b>
Tax on (loss)/profit on ordinary activities	9	370,595	(187,638)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(885,466)</b>	<b>640,069</b>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 17 form part of these financial statements.



# CUMBRIAN NEWSPAPERS LIMITED

## BALANCE SHEET

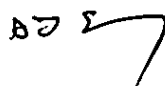
31 DECEMBER 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	11	6,972,988	7,595,303
Investments	12	5,429	5,429
		<u>6,978,417</u>	<u>7,600,732</u>
<b>CURRENT ASSETS</b>			
Stocks	13	472,120	285,930
Debtors	14	3,730,794	3,980,402
Cash at bank and in hand		412,377	130,127
		<u>4,615,291</u>	<u>4,396,459</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(4,103,319)</u>	<u>(3,234,950)</u>
<b>NET CURRENT ASSETS</b>		<u>511,972</u>	<u>1,161,509</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,490,389</u>	<u>8,762,241</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	16	(9,909)	(29,728)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	19	<u>(961,599)</u>	<u>(1,133,285)</u>
		<u>6,518,881</u>	<u>7,599,228</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	21	212,079	212,079
Profit and loss account	22	6,306,802	7,387,149
<b>SHAREHOLDERS' FUNDS</b>	23	<u>6,518,881</u>	<u>7,599,228</u>

These financial statements were approved by the directors and authorised for issue on 27 March 2009, and are signed on their behalf by:



MR R.L.F. BURGESS



MR A. J. SWANSTON

The notes on pages 8 to 17 form part of these financial statements.

# **CUMBRIAN NEWSPAPERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2008**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

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

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery            -    5-33.33% per annum on cost

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# CUMBRIAN NEWSPAPERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

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### 1. ACCOUNTING POLICIES *(continued)*

#### Pension costs

The company participates in a defined benefit multi-employer pension scheme. The assets and liabilities of which are held independently from the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme, in accordance with the exemptions provided in FRS 17 as if it were a defined contribution scheme. The annual amounts payable are charged to the profit and loss account. The defined benefit scheme is accounted for under FRS 17 in the consolidated accounts of CN Group Limited and any available information about the surplus or deficit in the scheme is shown in these accounts.

The company also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008	2007
	£	£
United Kingdom	<u>20,202,325</u>	<u>23,103,053</u>

# CUMBRIAN NEWSPAPERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2008	2007
	No	No
Number of production staff	363	323
Number of administrative staff	16	24
	<u>379</u>	<u>347</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	8,938,842	8,776,193
Social security costs	801,159	790,209
Other pension costs	1,163,837	1,613,426
	<u>10,903,838</u>	<u>11,179,828</u>

### 4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2008	2007
	£	£
Depreciation of owned fixed assets	1,080,214	1,196,049
Depreciation of assets held under hire purchase agreements	27,400	-
Loss on disposal of fixed assets	788	-
Operating lease costs:		
- Plant and equipment	11,911	2,613
- Other	758,899	760,338
Auditor's remuneration	<u>9,750</u>	<u>9,250</u>

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	358,016	480,135
Value of company pension contributions to defined contributions schemes	<u>72,975</u>	<u>49,057</u>
	<u>430,991</u>	<u>529,192</u>

# CUMBRIAN NEWSPAPERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 5. DIRECTORS' EMOLUMENTS *(continued)*

Emoluments of highest paid director:

	2008	2007
	£	£
Total emoluments (excluding pension contributions)	135,495	137,442
Value of company pension contributions to defined contributions schemes	28,500	—
	<u>163,995</u>	<u>137,442</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2008	2007
	No	No
Defined contributions schemes	5	5
Defined benefit schemes	<u>5</u>	<u>5</u>

### 6. COST OF REORGANISATION OR RESTRUCTURING

	2008	2007
	£	£
Redundancy costs	<u>442,864</u>	<u>367,422</u>

### 7. INCOME FROM FIXED ASSET INVESTMENTS

	2008	2007
	£	£
Income from unlisted investments	<u>36,054</u>	<u>39,620</u>

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	<u>2,227</u>	<u>5,737</u>

**CUMBRIAN NEWSPAPERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008**

**9. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 28% (2007 - 30%)	-	160,179
Over/under provision in prior year	<u>(182,599)</u>	<u>9,196</u>
	(182,599)	169,375
Group relief	<u>(16,310)</u>	<u>38,668</u>
Total current tax	(198,909)	208,043
Deferred tax:		
Origination and reversal of timing differences	<u>(171,686)</u>	<u>(20,405)</u>
Tax on (loss)/profit on ordinary activities	<u>(370,595)</u>	<u>187,638</u>

**(b) Factors affecting current tax charge**

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2007 - 30%).

	2008 £	2007 £
(Loss)/profit on ordinary activities before taxation	<u>(1,256,061)</u>	<u>827,707</u>
(Loss)/profit on ordinary activities by rate of tax	(351,697)	248,312
Expenses not deductible for tax purposes	6,781	19,414
Non-taxable income	(10,095)	(11,886)
Capital allowances for the period in excess of depreciation	76,046	31,884
Movements on provisions	48,225	(88,067)
Utilisation of tax losses	214,430	(810)
Adjustments to the tax charge in respect of prior periods	<u>(182,599)</u>	<u>9,196</u>
Total current tax (note 9(a))	<u>(198,909)</u>	<u>208,043</u>

**10. DIVIDENDS**

**Equity dividends**

	2008 £	2007 £
Paid		
Equity dividends on ordinary shares	<u>194,881</u>	<u>487,302</u>

# CUMBRIAN NEWSPAPERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 11. TANGIBLE FIXED ASSETS

	Plant & Machinery £
<b>COST</b>	
At 1 January 2008	19,010,086
Additions	486,316
Disposals	(1,800)
<b>At 31 December 2008</b>	<b>19,494,602</b>
<b>DEPRECIATION</b>	
At 1 January 2008	11,414,783
Charge for the year	1,107,614
On disposals	(783)
<b>At 31 December 2008</b>	<b>12,521,614</b>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2008</b>	<b>6,972,988</b>
At 31 December 2007	7,595,303

#### Hire purchase agreements

Included within the net book value of £6,972,988 is £32,176 (2007 - £59,576) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £27,400 (2007 - £Nil).

#### Capital commitments

	2008 £	2007 £
Contracted but not provided for in the financial statements	<u>144,413</u>	<u>417,000</u>

### 12. INVESTMENTS

	Unlisted Investments £
<b>COST</b>	
At 1 January 2008 and 31 December 2008	<u>5,429</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008 and 31 December 2007	<u>5,429</u>

### 13. STOCKS

	2008 £	2007 £
Raw materials	<u>472,120</u>	<u>285,930</u>

# CUMBRIAN NEWSPAPERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 14. DEBTORS

	2008	2007
	£	£
Trade debtors	2,598,519	3,224,155
Amounts owed by group undertakings	637,176	329,010
Corporation tax repayable	17,783	31,625
Other debtors	114,928	222,316
Prepayments and accrued income	362,388	173,296
	<u>3,730,794</u>	<u>3,980,402</u>

### 15. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Bank loans	7,968	10,175
Trade creditors	688,504	321,967
Amounts owed to group undertakings	2,317,032	1,940,135
Taxation and social security	472,005	484,057
Hire purchase agreements	19,819	19,819
Other creditors	65,985	22,963
Accruals and deferred income	532,006	435,834
	<u>4,103,319</u>	<u>3,234,950</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2008	2007
	£	£
Bank loans	7,968	10,175
Hire purchase agreements	19,819	19,819
	<u>27,787</u>	<u>29,994</u>

### 16. CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Hire purchase agreements	<u>9,909</u>	<u>29,728</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2008	2007
	£	£
Hire purchase agreements	<u>9,909</u>	<u>29,728</u>



# CUMBRIAN NEWSPAPERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2008 £	2007 £
Amounts payable within 1 year	19,819	19,819
Amounts payable between 2 to 5 years	9,909	29,728
	<u>29,728</u>	<u>49,547</u>

### 18. PENSIONS

The company participates in a defined benefit multi-employer pension scheme, the assets and liabilities of which are held independently from the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme, in accordance with the exemptions provided in FRS 17, as if it were a defined contribution scheme. The annual amounts payable are charged to the profit and loss account. The defined benefit scheme is accounted for under FRS 17 in the consolidated accounts of CN Group Limited and any available information about the surplus or deficit in the scheme is shown in these accounts.

During last year the defined benefit arrangements were closed to future service accrual and, following the actuarial valuation at 31 March 2007, a deficit recovery plan has been agreed with the schemes' Trustees which aims to eliminate the deficit by 2017. The pension charge for the year was £753,360 (2007 - £1,328,550).

In addition to the defined benefit schemes the company contributed £410,477 (2007 - £284,876) in the year to the defined contribution arrangement.

Particulars of the actuarial valuation of the scheme are contained in the financial statements of the holding company, CN Group Limited.

### 19. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2008 £	2007 £
Provision brought forward	1,133,285	1,153,690
Profit and loss account movement arising during the year	(171,686)	(20,405)
Provision carried forward	<u>961,599</u>	<u>1,133,285</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	1,079,671	1,260,352
Tax losses available	(33,447)	-
General provisions	(84,625)	(127,067)
	<u>961,599</u>	<u>1,133,285</u>

# CUMBRIAN NEWSPAPERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 20. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	49,375	2,666	46,208
Within 2 to 5 years	322,400	305,842	312,900	332,543
After more than 5 years	20,000	-	20,000	-
	<u>342,400</u>	<u>355,217</u>	<u>335,566</u>	<u>378,751</u>

### 21. SHARE CAPITAL

Authorised share capital:

	2008 £	2007 £
253,000 Ordinary shares of £1 each	<u>253,000</u>	<u>253,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>212,079</u>	<u>212,079</u>	<u>212,079</u>	<u>212,079</u>

### 22. PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
Balance brought forward	7,387,149	7,234,382
(Loss)/profit for the financial year	(885,466)	640,069
Equity dividends	(194,881)	(487,302)
Balance carried forward	<u>6,306,802</u>	<u>7,387,149</u>

### 23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
(Loss)/Profit for the financial year	(885,466)	640,069
Equity dividends	(194,881)	(487,302)
Net (reduction)/addition to shareholders' funds	(1,080,347)	152,767
Opening shareholders' funds	7,599,228	7,446,461
Closing shareholders' funds	<u>6,518,881</u>	<u>7,599,228</u>

# **CUMBRIAN NEWSPAPERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2008**

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### **24. ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of CN Group Limited, Newspaper House, Dalston Road, Carlisle, CA2 5UA, which is incorporated in England and Wales.

The company has taken advantage of the exemption conferred by FRS8 from disclosing related party transactions as the details of the Company are included in the consolidated financial statements of the Parent.