

# The Cumberland News News & Star

**Times & Star**



## Cumbrian Newspapers Limited

Audited Financial Statements for the year ended  
31 December 2007

Company Registration Number 2729

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**Saint & Co.**

Chartered Accountants & Registered Auditors

# **CUMBRIAN NEWSPAPERS LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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# CUMBRIAN NEWSPAPERS LIMITED

## COMPANY INFORMATION

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**The board of directors**

Mr R.L F. Burgess  
Mr D. Bowden  
Mr T Hall  
Mr G Beattie  
Mr A J Swanston  
Mr T S Johnston  
Mr C Edgar  
Mr N R Hodgkinson

**Company secretary**

Mr A J Swanston

**Registered office**

PO Box 7  
Newspaper House  
Dalston Road  
Carlisle  
CA2 5UA

**Auditor**

Saint & Co  
Chartered Accountants  
& Registered Auditors  
Sterling House  
Wavell Drive, Rosehill  
Carlisle, Cumbria  
CA1 2SA

**Bankers**

HSBC Bank PLC  
PO Box 5  
29 English Street  
Carlisle  
Cumbria  
CA3 8JT

# **CUMBRIAN NEWSPAPERS LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2007**

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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 2007

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

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

A full review of the business in 2007 is available in the annual report of the parent company

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £640,069 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 D Bowden

Mr T Hall

Mr G Beattie

Mr A J Swanston

Mr T S Johnston

Mr C Edgar

Mr N R Hodgkinson

Mr C Bisco

(Resigned 29 December 2007)

### **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

In so far as the directors are aware

# CUMBRIAN NEWSPAPERS LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2007

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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**

A resolution to re-appoint Saint & Co as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

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 28 March 2008

**CUMBRIAN NEWSPAPERS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**CUMBRIAN NEWSPAPERS LIMITED**  
**YEAR ENDED 31 DECEMBER 2007**

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We have audited the financial statements of Cumbrian Newspapers Limited for the year ended 31 December 2007 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 2007**

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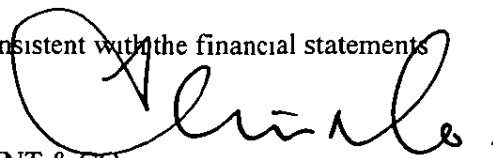
**OPINION**

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 2007 and of its profit 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

28 March 2008

# CUMBRIAN NEWSPAPERS LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
<b>TURNOVER</b>	<b>2</b>	<b>23,103,053</b>	<b>23,686,931</b>
<b>OPERATING COSTS:</b>			
Raw materials and consumables		(4,954,457)	(5,149,876)
Other external charges		(136,432)	(141,246)
Staff costs	3	(11,179,828)	(10,307,931)
Depreciation written off fixed assets	4	(1,196,049)	(1,168,710)
Other operating charges		(4,546,756)	(4,501,506)
<b>OPERATING PROFIT</b>	<b>4</b>	<b>1,089,531</b>	<b>2,417,662</b>
Redundancy costs	6	(367,422)	(124,142)
		<u>722,109</u>	<u>2,293,520</u>
Income from fixed asset investments	7	39,620	38,035
Interest receivable and similar income		71,715	36,899
Interest payable and similar charges	8	(5,737)	(32,557)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>827,707</u>	<u>2,335,897</u>
Tax on profit on ordinary activities	9	(187,638)	(678,565)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>640,069</u>	<u>1,657,332</u>

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.



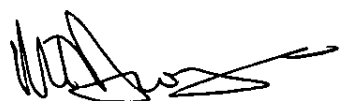
# CUMBRIAN NEWSPAPERS LIMITED

## BALANCE SHEET

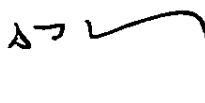
31 DECEMBER 2007

	Note	2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible assets	11	7,595,303	8,009,347
Investments	12	5,429	5,429
		<u>7,600,732</u>	<u>8,014,776</u>
<b>CURRENT ASSETS</b>			
Stocks	13	285,930	267,647
Debtors	14	3,980,402	4,166,674
Cash at bank and in hand		130,127	520,809
		<u>4,396,459</u>	<u>4,955,130</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(3,234,950)</u>	<u>(4,369,755)</u>
<b>NET CURRENT ASSETS</b>		<u>1,161,509</u>	<u>585,375</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,762,241</u>	<u>8,600,151</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	16	<u>(29,728)</u>	<u>—</u>
		<u>8,732,513</u>	<u>8,600,151</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	19	<u>(1,133,285)</u>	<u>(1,153,690)</u>
		<u>7,599,228</u>	<u>7,446,461</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	21	212,079	212,079
Profit and loss account	22	7,387,149	7,234,382
<b>SHAREHOLDERS' FUNDS</b>	23	<u>7,599,228</u>	<u>7,446,461</u>

These financial statements were approved by the directors and authorised for issue on 28 March 2008, 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 2007**

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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 2007**

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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 profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below.

	2007	2006
	£	£
United Kingdom	<u>23,103,053</u>	<u>23,686,931</u>

**CUMBRIAN NEWSPAPERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**3. PARTICULARS OF EMPLOYEES**

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

	2007	2006
	No	No
Number of production staff	323	337
Number of administrative staff	24	22
	<u>347</u>	<u>359</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	8,776,193	8,293,900
Social security costs	790,209	615,862
Other pension costs	1,613,426	1,398,169
	<u>11,179,828</u>	<u>10,307,931</u>

**4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting)

	2007	2006
	£	£
Depreciation of owned fixed assets	1,196,049	1,168,860
Profit on disposal of fixed assets	-	(150)
Operating lease costs		
Plant and equipment	2,613	1,541
Other	749,243	691,627
Auditor's remuneration	<u>9,250</u>	<u>9,100</u>
	2007	2006
	£	£
Auditor's remuneration - audit of the financial statements	<u>9,250</u>	<u>9,100</u>

**5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006
	£	£
Emoluments receivable	<u>480,072</u>	<u>505,154</u>

**Emoluments of highest paid director:**

	2007	2006
	£	£
Total emoluments (excluding pension contributions)	<u>137,442</u>	<u>120,558</u>

Benefits are accruing under a defined benefits pension scheme and, at the year end the accrued pension amounted to £Nil (2006 - £16,988)

**CUMBRIAN NEWSPAPERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

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

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

	2007	2006
	No	No
Defined benefit schemes	<u>5</u>	<u>7</u>

**6. COST OF REORGANISATION OR RESTRUCTURING**

	2007	2006
	£	£
Redundancy costs	<u>367,422</u>	<u>124,142</u>

**7. INCOME FROM FIXED ASSET INVESTMENTS**

	2007	2006
	£	£
Income from unlisted investments	<u>39,620</u>	<u>38,035</u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	2007	2006
	£	£
Interest payable on bank borrowing	5,737	31,550
Other similar charges payable	–	1,007
	<u>5,737</u>	<u>32,557</u>

**9. TAXATION ON ORDINARY ACTIVITIES**

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

	2007	2006
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	160,179	441,890
Over/under provision in prior year	9,196	(52,777)
	<u>169,375</u>	<u>389,113</u>
Group relief	38,668	360,783
Total current tax	<u>208,043</u>	<u>749,896</u>
Deferred tax		
Origination and reversal of timing differences	(20,405)	(71,331)
Tax on profit on ordinary activities	<u>187,638</u>	<u>678,565</u>

**CUMBRIAN NEWSPAPERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**9. TAXATION ON ORDINARY ACTIVITIES** *(continued)*

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

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%).

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>827,707</u>	<u>2,335,897</u>
Profit on ordinary activities by rate of tax	248,312	700,769
Expenses not deductible for tax purposes	19,414	22,331
Non-taxable income	(11,886)	(11,411)
Capital allowances for the period in excess of depreciation	31,884	(6,155)
Movements on provisions	(88,067)	91,067
Utilisation of tax losses	(810)	6,072
Adjustments to the tax charge in respect of prior periods	9,196	(52,777)
Total current tax (note 9(a))	<u>208,043</u>	<u>749,896</u>

**10. DIVIDENDS**

**Equity dividends**

	2007 £	2006 £
Paid		
Equity dividends on ordinary shares	<u>487,302</u>	<u>1,094,300</u>

**CUMBRIAN NEWSPAPERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**11. TANGIBLE FIXED ASSETS**

	Plant & Machinery £
<b>COST</b>	
At 1 January 2007	18,115,966
Additions	750,456
Transfers	143,664
<b>At 31 December 2007</b>	<u>19,010,086</u>
<b>DEPRECIATION</b>	
At 1 January 2007	10,106,619
Charge for the year	1,196,049
Transfers	112,115
<b>At 31 December 2007</b>	<u>11,414,783</u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2007</b>	<u>7,595,303</u>
At 31 December 2006	<u>8,009,347</u>

**Hire purchase agreements**

Included within the net book value of £7,595,303 is £59,576 (2006 - £Nil) 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 £Nil (2006 - £Nil).

**Capital commitments**

	2007 £	2006 £
Contracted but not provided for in the financial statements	<u>417,000</u>	<u>136,593</u>

**12. INVESTMENTS**

	Unlisted Investments £
<b>COST</b>	
At 1 January 2007 and 31 December 2007	<u>5,429</u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2007</b>	<u>5,429</u>
At 31 December 2006	<u>5,429</u>

**13. STOCKS**

	2007 £	2006 £
Raw materials	<u>285,930</u>	<u>267,647</u>



**CUMBRIAN NEWSPAPERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**14. DEBTORS**

	2007	2006
	£	£
Trade debtors	3,224,155	3,521,453
Amounts owed by group undertakings	329,010	278,370
Corporation tax repayable	31,625	–
Other debtors	222,316	174,577
Prepayments and accrued income	173,296	192,274
	<u>3,980,402</u>	<u>4,166,674</u>

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

	2007	2006
	£	£
Bank loans	10,175	190,785
Trade creditors	321,967	472,490
Amounts owed to group undertakings	1,940,135	2,363,336
Taxation and social security	484,057	623,060
Hire purchase agreements	19,819	–
Other creditors	22,963	377,406
Accruals and deferred income	435,834	342,678
	<u>3,234,950</u>	<u>4,369,755</u>

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

	2007	2006
	£	£
Bank loans	10,175	190,785
Hire purchase agreements	19,819	–
	<u>29,994</u>	<u>190,785</u>

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

	2007	2006
	£	£
Hire purchase agreements	29,728	–

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

	2007	2006
	£	£
Hire purchase agreements	29,728	–

**CUMBRIAN NEWSPAPERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

**17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows

	2007	2006
	£	£
Amounts payable within 1 year	19,819	-
Amounts payable between 2 to 5 years	29,728	-
	<u>49,547</u>	<u>-</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.

In addition to the defined benefit schemes the company contributed £284,876 (2006 - £1,459) 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:

	2007	2006
	£	£
Provision brought forward	1,153,690	1,225,021
Profit and loss account movement arising during the year	(20,405)	(71,331)
Provision carried forward	<u>1,133,285</u>	<u>1,153,690</u>

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

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	1,260,352	1,280,757
General provisions	(127,067)	(127,067)
	<u>1,133,285</u>	<u>1,153,690</u>

# CUMBRIAN NEWSPAPERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

### 20. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007		2006	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire				
Within 1 year	2,666	46,208	-	76,316
Within 2 to 5 years	312,900	332,543	312,900	218,104
After more than 5 years	20,000	-	-	-
	<u>335,566</u>	<u>378,751</u>	<u>312,900</u>	<u>294,420</u>

### 21. SHARE CAPITAL

Authorised share capital:

	2007 £	2006 £
253,000 Ordinary shares of £1 each	<u>253,000</u>	<u>253,000</u>

Allotted, called up and fully paid:

	2007		2006	
	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

	2007 £	2006 £
Balance brought forward	7,234,382	6,671,350
Profit for the financial year	640,069	1,657,332
Equity dividends	(487,302)	(1,094,300)
Balance carried forward	<u>7,387,149</u>	<u>7,234,382</u>

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

	2007 £	2006 £
Profit for the financial year	640,069	1,657,332
Equity dividends	(487,302)	(1,094,300)
Net addition to shareholders' funds	<u>152,767</u>	<u>563,032</u>
Opening shareholders' funds	<u>7,446,461</u>	<u>6,883,429</u>
Closing shareholders' funds	<u>7,599,228</u>	<u>7,446,461</u>

# **CUMBRIAN NEWSPAPERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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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. Exemption has been taken from disclosing the related party transactions as the details of the Company are included in the consolidated accounts of the Parent.