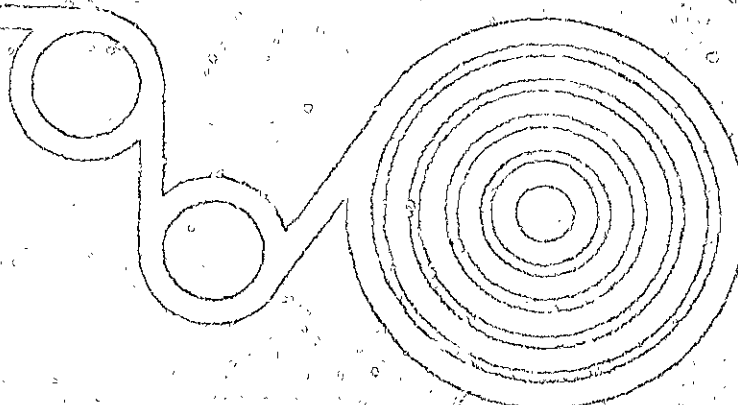
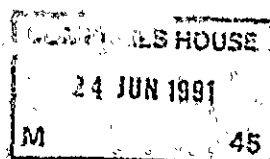


# Eastern Counties Newspapers Group Limited

REPORT & ACCOUNTS 1990



# **Eastern Counties Newspapers Group Limited**

**Registered number: 19300**

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## Notice of Meeting

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Notice is hereby given that the Annual General Meeting of the Company will be held at the registered office, Prospect House, Rouen Road, Norwich, on Monday, 20th May, 1991 at 12.30 p.m. for the following purposes:

To consider and if thought fit to pass the Resolutions numbered 1 to 4 (inclusive) set out below as Ordinary Resolutions, and Resolutions numbered 5 and 6 as Special Resolutions.

### RESOLUTIONS

1. THAT the Reports of the Directors and Auditors be and are hereby received and approved and that the audited accounts for the year ended 31st December 1990 be and are hereby adopted.
2. THAT Mr T. J. A. Colman, Mr D. L. Bird and Mr R. J. Cortis, retiring as Directors at this Meeting by rotation, be re-elected.
3. THAT Ernst & Young be reappointed Auditors of the Company at a fee to be fixed by the Directors.
4. THAT the Directors be and they are hereby generally and unconditionally authorised to allot such number of unissued Ordinary Shares of 20p each in the capital of the Company as Members elect to take up in accordance with the Resolution numbered 5 below at any time or times during the period of twelve months from the date hereof provided that this authority shall immediately lapse and be of no effect in the event that the aforesaid Resolution 5 shall not be duly passed as a Special Resolution.
5. THAT a further dividend in respect of the year ended 31st December 1989 of 4.2p per share ('the Dividend') on the issued Ordinary Shares of 20p each ('Ordinary Shares') in the capital of the Company as at 24th May 1991 recommended by the Directors be and is hereby approved and shall:
  - (a) be paid in cash to the registered holders of such Ordinary Shares on 28th June 1991 or
  - (b) subject to Resolution 4 above having been duly passed and upon the election of the Member entitled to receive the Dividend be satisfied in whole or in part by the allotment to such Member of such whole number of Ordinary Shares credited as fully paid as the Auditors of the Company shall determine equate in value to the net cash amount of the Dividend otherwise receivable by such Member with any fractional entitlement being ignored.
6. THAT the regulations contained in the printed document marked 'A' laid before the Meeting and signed for identification by the Chairman thereof be approved and adopted as the Articles of Association of the Company in place and to the exclusion of all existing Articles of Association of the Company.

By order of the Board,  
G. D. Macleod  
Secretary

Prospect House  
Rouen Road  
Norwich NR1 1RE

26th April, 1991

Note – A member entitled to attend and vote at the meeting is entitled to appoint a proxy for that purpose who need not be a member of the Company.

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## Directors and Appointments

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### Directors

T. J. A. Colman, D.C.L.

G. H. C. Copeman, D.L.

Sir James Cleminson, K.B.E., M.C., D.L.

R. C. Copeman

R. W. Jewson

D. L. Bird, J.P.

R. J. Cortis

S. M. Garner

Chairman

Chief Executive

*Non Executive*

*Non Executive*

*Non Executive*

*resigned 15th February, 1991*

### Secretary and Registered Office

G. D. Macleod

Prospect House

Rouen Road

Norwich NR1 1RE

### Auditors

Ernst & Young

Chartered Accountants

## Principal Subsidiaries – Directors and Appointments

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**Eastern Counties Newspapers Limited** Newspaper Publishing

G. H. C. Copeman, D.L.	Chairman
D. L. Bird, J.P.	Managing Director
R. C. Copeman	<i>Non Executive</i>
I. R. Lockett	<i>Non Executive</i>
D. Richardson	<i>Non Executive</i>
M. E. Bennett	
R. J. Cortis	
P. R. Keel	
L. H. Sear	
T. Stevenson	

**East Anglian Daily Times Company Limited** Newspaper Publishing

G. H. C. Copeman, D.L.	Chairman
A. B. Brooker	<i>Non Executive</i>
R. L. Dodsworth	<i>Non Executive</i>
I. R. Lockett	<i>Non Executive</i>
R. J. Cortis	
M. J. Farahar	
J. A. Hustler	
T. J. White	

**Paper Chain (East Anglia) Limited** Neighbourhood Retailing

R. J. Cortis	Chairman
C. D. W. Broadhead	Managing Director
G. R. H. Clemons	<i>Non Executive</i>
G. W. Marshall	<i>Non Executive</i>
J. O. Ellison	
G. D. Macleod	

**Stade Packaging Limited** Carton Manufacturing

P. Gourmand	Chairman
S. R. Goode	Managing Director
W. S. Bennett	
R. J. Cortis	
D. J. Clark	
J. M. Eaton	

**Community Media Limited** Newspaper Publishing

G. H. C. Copeman, D.L.	Chairman
C. Houghton	Managing Director
J. P. Lyes	<i>Non Executive</i>
P. Troughton	<i>Non Executive</i>
R. J. Cortis	
A. J. Halsey	
N. G. F. Websper	

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## Report of the Directors

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The directors have pleasure in presenting their report and the audited accounts of the company for the year ended 31st December, 1990.

### Accounts

The profit for the year before taxation was £8,192,000. The consolidated profit for the year attributable to members was £5,152,000.

Dividends have been paid or proposed as follows:

	£'000	£'000
5.95% cumulative preference shares		18
15% cumulative second preference shares		306
Ordinary shares		
Interim of 2.4p paid 1st October, 1990	375	
Proposed further dividend in respect of the year to 31st December 1989 of 4.2p	656	
		<hr/> 1031
		<hr/> 1355

After payment of the above dividends there is an amount of £3,797,000 retained in the business.

### Activities and Review of Business Developments

The principal activity of the Group is the printing and publishing of newspapers. Other trading activities undertaken include neighbourhood retailing and the printing of cartons.

### Fixed Assets

As disclosed in Notes 13 and 16 the Group expended a total of £7,848,000 on additions to intangible and tangible fixed assets.

### Disabled Persons

It is the company's policy to give full consideration to suitable applications for employment by disabled persons. The need to develop the careers of disabled persons is accepted by the company, and the necessary steps are taken to train and promote disabled employees where this is in their own and the company's best interests.

### Employee Involvement

During 1990 the Group continued its practice of encouraging staff involvement. In addition to regular briefing meetings and the publication of in-house staff newspapers for Norwich and Ipswich, working parties drawn from the staff have contributed to the planning processes.

Consultation procedures also take place covering such matters as health and safety and pensions. In addition certain Trustees of the Pension Schemes are employees of the Group.

## Report of the Directors (Continued)

### Donations

Charitable donations made by the company and its subsidiaries totalled £24,000.

### Directors

The members of the board who held office throughout the year are listed on page 4. The directors retiring by rotation in accordance with the articles of association are Mr T. J. A. Colman, Mr D. L. Bird and Mr R. J. Cortis who, being eligible, offer themselves for re-election.

According to the register kept for the purpose, the directors' interests in the shares of the company were as follows:

	At 1st January 1990			At 31st December 1990		
	£1 Preference Shares	£1 Second Preference Shares	20p Ordinary Shares	£1 Preference Shares	£1 Second Preference Shares	20p Ordinary Shares
T. J. A. Colman	—	—	319,945	—	—	328,440
G. H. C. Copeman	35,448*	—	3,338,304*	35,448*	—	3,477,669*
	4,960	38,904	294,280	4,960	38,904	203,435
	1,296*	10,368*	77,760*	1,296*	10,368*	102,822*
Sir James Cleminson	—	—	5,000	—	—	5,297
R. C. Copeman	1,905	18,688	245,031	1,905	18,688	257,237
	4,938*	7,490*	51,840*	4,938*	6,290*	44,099*
R. W. Jewson	—	—	5,000	—	—	5,297
D. L. Bird	—	122	7,745	—	122	8,204
R. J. Cortis	—	—	8,657	—	—	9,170
	1,296*	10,368*	77,760*	1,296*	10,368*	77,760*
S. M. Garner	—	—	5,000	—	—	5,297

\* Held as Trustee

### Auditors

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the Board

G. D. Macleod  
Secretary

25th March, 1991

*G. D. Macleod*

# Consolidated Profit and Loss Account

For the year ended 31st December, 1990

		1990	1989
	Note	£'000	£'000
Turnover	3	104,594	96,562
Other operating income		794	575
		<u>105,388</u>	<u>97,137</u>
Operating Costs	4	98,913	91,587
Group Operating Profit	3, 5	6,475	5,550
Other income	8	1,806	11,129
		<u>8,281</u>	<u>16,679</u>
Interest payable	9	89	157
		<u>8,192</u>	<u>16,522</u>
Profit on Ordinary Activities Before Taxation			
Taxation	10	3,040	4,294
		<u>5,152</u>	<u>12,228</u>
Profit on Ordinary Activities After Taxation			
Dividends	11	1,355	2,019
		<u>3,797</u>	<u>10,209</u>
Retained Profit for the Year			
Statement of Retained Profits			
Balance at 31st December, 1989			
As previously reported		27,068	17,783
Prior year adjustment		—	1,023
		<u>27,068</u>	<u>16,760</u>
As restated			
Retained profit for the year		3,797	10,209
Transfer from revaluation reserve		149	99
		<u>31,014</u>	<u>27,068</u>
Balance at 31st December, 1990			
Retained by:			
The company		22,166	20,544
Subsidiaries		8,848	6,524
		<u>31,014</u>	<u>27,068</u>



# Balance Sheets

31st December, 1990

	Note	Consolidated		E.C.N.G.	
		1990	1989	1990	1989
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Intangible assets	13	10,279	8,864	—	—
Tangible assets	16	27,059	26,273	11,248	12,121
Investments	17	767	801	8,545	4,765
		<u>38,105</u>	<u>35,938</u>	<u>19,793</u>	<u>16,886</u>
<b>Current Assets</b>					
Stocks	14	4,344	4,095	469	334
Debtors	15	12,342	12,252	15,794	19,144
Short term investments		798	163	798	163
Cash and deposits at bank		8,241	5,261	3,540	3,602
		<u>25,725</u>	<u>21,771</u>	<u>20,601</u>	<u>23,243</u>
<b>Creditors — amounts falling due within one year:</b>					
Bank overdraft		2,256	880	10	—
Trade and other creditors	12	12,994	12,121	4,013	4,566
Taxation		4,805	3,992	2,478	2,531
Proposed dividend		656	1,386	656	1,386
		<u>20,711</u>	<u>18,379</u>	<u>7,157</u>	<u>8,483</u>
<b>Net Current Assets</b>		<u>5,014</u>	<u>3,392</u>	<u>13,444</u>	<u>14,760</u>
<b>Total Assets less Current Liabilities</b>		<u>43,119</u>	<u>39,330</u>	<u>33,237</u>	<u>31,646</u>
<b>Creditors — amounts falling due after more than one year:</b>					
	19	1,675	1,691	2,643	2,719
<b>Provisions for Liabilities and Charges</b>	18	2,574	2,933	1,480	1,752
		<u>38,870</u>	<u>34,706</u>	<u>29,114</u>	<u>27,175</u>
<b>Capital and Reserves</b>					
Called up share capital	20	5,474	5,431	5,474	5,431
Share premium account		385	61	385	61
Revaluation reserve	21	1,997	2,146	1,089	1,139
Profit and loss account	21	31,014	27,068	22,166	20,544
		<u>38,870</u>	<u>34,706</u>	<u>29,114</u>	<u>27,175</u>

T. J. A. Colman, Director  
G. H. C. Copeman, Director

25th March, 1991

# Source and Application of Funds

For the year ended 31st December, 1990

	1990	1989
	£'000	£'000
<b>Source of Funds</b>		
<b>From Operations</b>		
Profit on ordinary activities before taxation	8,192	16,522
Items not involving the movement of funds:		
Depreciation	4,113	3,176
Amortisation of Goodwill	496	249
Profit on sale of fixed assets:		
Intangibles	(23)	(157)
Tangibles	(196)	(163)
Investments	(732)	(1,223)
<b>Total generated from operations</b>	<b>11,850</b>	<b>18,404</b>
<b>Other Sources</b>		
Proceeds from sale of fixed assets:		
Intangibles	221	534
Tangibles	934	1,229
Investments	818	2,796
<b>Total sources of funds</b>	<b>13,823</b>	<b>22,963</b>
<b>Funds Applied</b>		
Dividends paid	1,719	1,095
Taxation paid	2,395	4,331
Loan and provision repayments	257	324
Purchase of fixed assets:		
Intangibles	944	4,996
Tangibles	5,660	5,934
Investments	52	171
Purchase of W B Frampton & Sons Limited	—	1750
Purchase of Cherrywood Limited (see below)	1,172	—
	<b>12,199</b>	<b>18,601</b>
<b>Increase in Working Capital</b>	<b>1,624</b>	<b>4,362</b>
<b>Arising from movements in:</b>		
Stocks and work in progress	248	766
Debtors excluding taxation	1,607	1,184
Short term investment	(15)	(37)
Creditors excluding obligation under hire purchase contracts and taxation	(1,820)	(1,240)
Liquid funds	1,604	3,689
	<b>1,624</b>	<b>4,362</b>
<b>Analysis of the acquisition of Cherrywood Limited</b>		
	990	
	£ 00	
<b>Net assets acquired:</b>		
Tangible fixed assets	79	
Stocks	1	
Debtors	192	
Creditors	(265)	
	<b>7</b>	
<b>Goodwill</b>	<b>1,165</b>	
<b>Cash paid</b>	<b>1,172</b>	

# Notes on the Accounts

31st December, 1990

## 1. Accounting Policies

### (a) Accounting Convention

The accounts have been prepared under the historical cost convention modified by the revaluation of freehold and leasehold properties and in accordance with applicable accounting standards.

### (b) Basis of Consolidation

The consolidated profit and loss account and consolidated balance sheet comprise the audited accounts of Eastern Counties Newspapers Group Limited (E.C.N.G.) and all of its subsidiaries for the year ended 31st December, 1990. The company has taken advantage of the exemption allowed by Section 230(1) of the Companies Act 1985 from presenting its own profit and loss account.

### (c) Intangible Fixed Assets

#### (i) Retail Outlets

This value arises from the excess of the purchase consideration over the fair value ascribed to the net tangible assets on the acquisition of retail shops. In the opinion of the directors these assets, with proper care and maintenance, will retain their value. They are examined annually on an individual branch basis and if performance no longer justifies carrying the asset at its original cost then an appropriate provision is made.

#### (ii) Newspaper Titles

Costs of newspaper titles represented by the excess of the amount paid over net tangible assets acquired are treated as goodwill. Goodwill in the titles is written off evenly over an expected useful economic life of ten years and is reviewed annually by the directors to ensure that the carrying values are appropriate.

#### (iii) Goodwill Arising on Consolidation

Goodwill arising on consolidation, representing the excess of the purchase consideration for subsidiary undertakings over the fair value ascribed to their net tangible assets at the respective dates of acquisition, is written off evenly over its expected useful economic life of ten years.

### (d) Tangible Fixed Assets

Freehold land is not depreciated. Depreciation and amortisation is provided on all other assets in use at the end of each year by equal annual instalments estimated to write off those assets over their useful lives at the following rates:

Freehold buildings	2% or 4%
Leasehold buildings – long	2%
– short	Period of lease
Plant, equipment and vehicles	Between 10% and 25%

Film projects are shown at the lower of cost less revenue received to date and estimated net realisable value. Accordingly no profit is taken on projects until the cost is fully written off.

### (e) Leases

Hire purchase obligations are accounted for using the actuarial method. Rentals under operating leases are charged on a straight line basis over the period of each lease.

### (f) Stocks and Work in Progress

Newsprint, other raw materials and retail stocks have been valued at the lower of unit cost and net realisable value. Finished cartons and work in progress are valued at prime cost plus an appropriate portion of production overheads.

### (g) Other Income – Investment Income and Surpluses

Investment income represents interest receivable and dividends received in respect of the year. Realised profits and losses on disposal of investments, other than associated undertaking investments which are not held with a view to realisation, are included in profit before taxation. Investments are included at cost, no provision being made for temporary diminution in market values in relation to cost at any balance sheet date.

### (h) Deferred Taxation

Provision is made for deferred taxation, using the liability method on all timing differences to the extent that it is probable that the liability will crystallise.

### (i) Pensions

The group operates a number of pension schemes. The two major schemes are of the defined benefit type, both of which require contributions to be made to separately administered funds. Contributions to these funds are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the group. The pension cost is assessed in accordance with the advice of qualified actuaries.

### (j) Translation of Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies, held at the year end, are translated at the rate of exchange ruling at the balance sheet date or the rate at which the transaction is contracted to be settled.

# Notes on the Accounts (continued)

## 2. Turnover

Turnover represents the value, excluding VAT, in respect of:

- (a) Sales of newspapers and publishing of advertisements;
- (b) Retail sales;
- (c) Manufacture and printing of cartons;
- (d) Other activities including film distribution.

## 3. Analysis of Turnover and Group Operating Profit

	1990		1989	
	Turnover £'000	Group operating profit £'000	Turnover £'000	Group operating profit £'000
Printing and publishing of newspapers	61,776	5,500	59,752	4,550
Retailing	33,440	1,153	28,694	760
Manufacture and printing of cartons	9,359	456	8,103	426
Other activities	19	(634)	13	(186)
	<u>104,594</u>	<u>6,475</u>	<u>96,562</u>	<u>5,550</u>

All sales were made in the United Kingdom.

## 4. Operating Costs

	1990	1989
	£'000	£'000
Increase in stocks of finished goods and work in progress	(135)	(856)
Raw materials and consumables	40,363	35,840
Other external charges	4,459	6,042
Staff costs – wages and salaries	27,636	26,184
– Social Security costs	2,220	2,110
– other pension costs	1,765	2,479
Depreciation and amortisation	4,609	3,425
Other operating charges	17,996	16,363
	<u>98,913</u>	<u>91,587</u>

## 5. Group Operating Profit is stated after charging:

	1990	1989
	£'000	£'000
Directors' remuneration (note 6)	480	443
Auditors' remuneration	98	85
Rentals under operating leases	1,140	896
Exceptional payment to pension fund	—	750
	<u>—</u>	<u>—</u>

# Notes on the Accounts (continued)

## 6. Directors' Remuneration

	1990	1989
	£'000	£'000
Fees	32	23
Other remuneration (including pension contributions)	448	420
	<u>480</u>	<u>443</u>

The remuneration of the chairman and of the highest paid director, excluding pension contributions, was respectively £56,715 (1989: £54,047) and £101,345 (1989: £84,241).

The following table shows the number of directors whose emoluments during the year, excluding pension contributions, were within the bands stated:

Gross emoluments	Number of directors	
	1990	1989
£5,001 to £10,000	2	3
£10,001 to £15,000	1	—
£15,001 to £20,000	—	1
£20,001 to £25,000	1	—
£25,001 to £30,000	—	1
£30,001 to £35,000	—	2
£35,001 to £40,000	2	—
£40,001 to £45,000	1	1
£45,001 to £50,000	1	—

## 7. Employees

The average number of persons employed by the Group, including directors, during the year was as follows:

	1990	1989
Printing and publishing	1,775	1,673
Retailing	124	275
Carton manufacturing	123	128
	<u>2,022</u>	<u>2,076</u>

## 8. Other Income

	1990	1989
	£'000	£'000
Interest and dividends receivable, including tax credit:		
Listed investments	153	156
Unlisted investments	88	9,118
Short term interest	622	505
	<u>863</u>	<u>9,779</u>
Surplus on disposal of investments	732	1,223
Surplus on disposal of tangible fixed assets	211	127
	<u>1,806</u>	<u>11,129</u>

Included within the dividends from unlisted investments in 1989 is a dividend from The Press Association Limited for £8,999,000.

## 9. Interest Payable

	1990	1989
	£'000	£'000
Overdraft and loans – repayable within five years	<u>89</u>	<u>157</u>

# Notes on the Accounts (continued)

## 10. Taxation

	1990	1989
	£'000	£'000
Corporation Tax on profit for year		
Current at 34.25% (1989: 35%)	3,154	2,344
Deferred at 33% (1989: 35%)	(193)	325
Tax credit on investment income	71	2,329
	3,032	4,998
Adjustments relating to previous years	8	(704)
	<u>3,040</u>	<u>4,294</u>

## 11. Dividends

	1990	1989
	£'000	£'000
5.95% Cumulative Preference Shares	18	18
15% Cumulative Second Preference Shares	306	306
	<u>324</u>	<u>324</u>
Ordinary Shares:		
Interim of 2.4p paid on 1st October, 1990 (1989: 2.0p)	375	308
Final (1989: 4.0p)	—	616
Special (1989: 5.0p)	—	771
Proposed further dividend of 4.2p in respect of 1989	656	—
	<u>1,031</u>	<u>1,695</u>
	<u>1,355</u>	<u>2,019</u>

## 12. Trade and Other Creditors

	Consolidated		E.C.N.G.	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Trade creditors	7,625	6,636	1,915	2,065
Social Security	622	640	160	167
Other creditors	2,275	2,107	807	842
Obligations under hire purchase contracts	77	64	—	—
Amounts owed to subsidiaries	—	—	233	233
Accruals and deferred income	2,395	2,614	898	1,259
	<u>12,994</u>	<u>12,121</u>	<u>4,013</u>	<u>4,566</u>

# Notes on the Accounts (continued)

## 13. Intangible Fixed Assets

	1990	1989
	£'000	£'000
Retail outlets		
Cost:		
At 31st December, 1989	7,039	2,909
Additions during year	860	4,507
Disposals during year	(198)	(377)
At 31st December, 1990	7,701	7,039
Provision for permanent diminution in value	60	50
Net book amount	7,641	6,989
Goodwill and newspaper titles		
Cost:		
At 31 December 1989	2,124	—
Additions during year	1,249	2,124
At 31 December 1990	3,373	2,124
Amortisation:		
At 31 December 1989	249	—
Charge for the year	486	249
At 31 December 1990	735	249
Net book amount	2,638	1,875
	10,279	8,864

The consideration for the acquisition of Cherrywood Limited, which holds 100% of the shares in London and Mid Anglia Newspapers (Holdings) Limited, was £1,172,000 paid in cash. The fair value ascribed to the assets acquired was £7,000, giving rise to goodwill of £1,165,000.

## 14. Stocks

	Consolidated		E.C.N.G.	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Raw materials	1,199	1,085	469	334
Work in progress	550	365	—	—
Finished goods and goods for resale	2,595	2,645	—	—
	4,344	4,095	469	334

## 15. Debtors

	Consolidated		E.C.N.G.	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Trade debtors	11,171	11,280	4,514	4,669
Prepayments and accrued income	877	734	258	216
Amounts owed by subsidiaries	—	—	10,962	14,115
Other debtors	294	238	60	144
	12,342	12,252	15,794	19,144

Amounts owed by subsidiaries are due after more than one year

# Notes on the Accounts (continued)

## 16. Tangible Fixed Assets

Movements on tangible fixed asset accounts have been:

	Freehold land and buildings	Leasehold buildings	Plant, equipment, & vehicles	Films	Total
	£'000	£'000	£'000	£'000	£'000
<b>CONSOLIDATED</b>					
Cost or valuation					
At 31st December, 1989	6,927	3,630	24,806	4,100	39,463
Additions during year	969	279	4,412	—	5,660
On acquisition of subsidiary	—	—	79	—	79
Disposals	(182)	(11)	(1,564)	—	(1,757)
At 31st December, 1990	7,714	3,898	27,733	4,100	43,445
Depreciation					
At 31st December, 1989	322	343	10,597	1,928	13,190
Charge for year	213	109	3,279	512	4,113
Relating to disposals	(13)	—	(904)	—	(917)
At 31st December, 1990	522	452	12,972	2,440	16,386
Net book amounts					
At 31st December, 1990	7,192	3,446	14,761	1,660	27,059
At 31st December, 1989	6,605	3,287	14,209	2,172	26,273
<b>E.C.N.G.</b>					
Cost or valuation					
At 31st December, 1989	1,933	3,096	10,318	4,100	19,447
Additions during year	—	—	1,222	—	1,222
Disposals	—	—	(560)	—	(560)
At 31st December, 1990	1,933	3,096	10,980	4,100	20,109
Depreciation					
At 31st December, 1989	88	258	5,052	1,928	7,326
Charge for year	32	60	1,226	512	1,830
Relating to disposals	—	—	(295)	—	(295)
At 31st December, 1990	120	318	5,983	2,440	8,861
Net book amounts					
At 31st December, 1990	1,813	2,778	4,997	1,660	11,248
At 31st December, 1989	1,845	2,838	5,266	2,172	12,121



# Notes on the Accounts (continued)

## 16. Tangible Fixed Assets (continued)

	Freehold		Leasehold			
	Consolidated	E.C.N.G.	Long Consolidated	Short	Long E.C.N.G.	Short
	£'000	£'000	£'000	£'000	£'000	£'000
At valuation in 1985	3,012	1,073	3,009	—	2,847	—
At valuation in 1979	—	—	—	11	—	2
At cost	4,702	860	305	573	184	63
	<u>7,714</u>	<u>1,933</u>	<u>3,314</u>	<u>584</u>	<u>3,031</u>	<u>65</u>

Depreciation on freehold and leasehold properties for the year has been based on the revalued amount. Based on cost the consolidated charge would have been lower by £69,000.

If freehold and leasehold land and buildings had not been revalued they would have been included at the following amounts:

	Freehold		Leasehold	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
CONSOLIDATED Cost	6,160	5,373	1,891	1,623
Aggregate depreciation	698	590	752	668
E.C.N.G. Cost	1,168	1,168	1,280	1,280
Aggregate depreciation	206	174	653	593

## 17. Fixed Asset Investments

	Associated undertakings	Other investments	Total
	£'000	£'000	£'000
CONSOLIDATED Cost			
At 31st December, 1989	1	825	826
Additions during year	—	52	52
Disposals	—	(86)	(86)
At 31st December, 1990	1	791	792
Amounts written off			
At 31st December, 1989 and 1990	—	25	25
Net book amounts			
At 31st December, 1990	1	766	767
At 31st December, 1989	1	800	801

# Notes on the Accounts (continued)

## 17. Fixed Asset Investments (continued)

	Subsidiaries	Associated undertakings	Other investments	Total
	£'000	£'000	£'000	£'000
<b>E.C.N.G.</b>				
<b>Cost</b>				
At 31st December, 1989	3,975	1	814	4,790
Additions during year	2,336	—	52	2,388
Disposals	(15)	—	(78)	(93)
Transfer from group company	660	—	—	660
Capitalisation of loans	1,485	—	—	1,485
At 31st December, 1990	8,441	1	788	9,230
<b>Amounts written off</b>				
At 31st December, 1989	—	—	25	25
Transfer from group company	660	—	—	660
At 31st December, 1990	660	—	25	685
<b>Net book amounts</b>				
At 31st December, 1990	7,781	1	763	8,545
At 31st December, 1989	3,975	1	789	4,765

Other investments at net book value include:

	Consolidated		E.C.N.G.	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
<b>Listed</b>				
Equity and authorised unit trusts	600	548	600	548
<b>Unlisted</b>				
Equity	166	252	163	241
	766	800	763	789
<b>Aggregate market value of listed investments</b>	3,172	3,976	3,172	3,976

The unlisted investments, consisting of equity share capital, are valued by the directors at £566,000 (1989: £1,392,000).

In arriving at market or directors' valuation no provision has been made for taxation which would be payable amounting to a maximum of £450,000 (1989: £700,000) in the event of disposals at these values.

At 31st December, 1990 the Group held shares amounting to more than one tenth in nominal value of certain classes of share capital issued by the following:

Mediaserve Limited (registered in England)

6.0% of total issued ordinary shares (includes A and B) of £1 each

18.75% of issued redeemable cumulative preference shares of £1 each

The associated undertakings at 31st December, 1990 were Swift 1273 Limited and Swift 1293 Limited. The results of these companies have not been incorporated in the accounts due to the immateriality of the amounts involved.

# Notes on the Accounts (continued)

## 17. Fixed Asset Investments (continued)

Subsidiary undertakings

At 31st December, 1990 the company's trading subsidiary undertakings were:

	Proportion of shares held by E.C.N.G.	Nature of business
East Anglian Daily Times Company Limited	100%	Newspaper publishing
Paper Chain (East Anglia) Limited	100%	Retailing
Slade Packaging Limited	100%	Carton manufacturing
Community Media Limited	100%	Newspaper publishing
ECNG (Jersey) Limited	100%	Investment Company
CM Publishing Limited		
Ordinary shares	100%	Newspaper publishing
100% cumulative preference shares	100%	
<i>Subsidiary of CM Publishing Limited</i>		
The Anglia Advertiser Limited	100%	Newspaper publishing
<i>Subsidiary of East Anglian Daily Times Company Limited</i>		
Cherrywood Limited	100%	Newspaper publishing
<i>Subsidiaries of Cherrywood Limited</i>		
London and Mid Anglia Newspapers (Holdings) Limited	100%	Newspaper publishing
Mid Anglia Newspapers Limited	100%	Newspaper publishing

ECNG (Jersey) Limited is registered in Jersey. All other subsidiary undertakings are registered in England.

## 18. Provisions for Liabilities and Charges

	Consolidated		E.C.N.G.	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Deferred taxation	1,695	1,934	693	933
Other provisions	879	999	787	819
	<u>2,574</u>	<u>2,933</u>	<u>1,480</u>	<u>1,752</u>

Deferred taxation:

The major components of the provision for deferred taxation and the amounts not provided are as follows:

	Provided		Not provided	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
<b>CONSOLIDATED</b>				
Accelerated capital allowances	2,015	2,298	266	270
Other timing differences	(320)	(364)	188	213
Valuation of land and buildings	—	—	79	127
	<u>1,695</u>	<u>1,934</u>	<u>533</u>	<u>610</u>
<b>E.C.N.G.</b>				
Accelerated capital allowances	943	1,210	154	160
Other timing differences	(250)	(277)	45	150
Valuation of land and buildings	—	—	48	140
	<u>693</u>	<u>933</u>	<u>247</u>	<u>450</u>

# Notes on the Accounts (continued)

## 19. Creditors

	Consolidated		E.C.N.G.	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Obligations under leases and hire purchase contracts	15	16	—	—
Loans – film finance	1,660	1,675	1,660	1,675
Amounts owed to subsidiaries	—	—	983	1,044
	<u>1,675</u>	<u>1,691</u>	<u>2,643</u>	<u>2,719</u>

The loans relating to film finance are interest free and repayable out of film receipts prior to 1993. They are secured by charges on the copyright and physical material relating to two films owned by the company and shown under that heading in tangible fixed assets.

## 20. Called Up Share Capital

	Authorised		Allotted, called up and fully paid	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
5.95% cumulative preference shares of £1 each	308	308	308	308
15% cumulative second preference shares of £1 each	2,042	2,042	2,042	2,042
Ordinary shares of 20p each 15,620,065 issued	3,650	3,650	3,124	3,081
	<u>6,000</u>	<u>6,000</u>	<u>5,474</u>	<u>5,431</u>

During the year 215,815 ordinary shares were taken up as an alternative to a special dividend of 5.0p per share.

## 21. Reserves

	Share Premium account	Revaluation surplus	Profit and loss account	Total
	£'000	£'000	£'000	£'000
<b>CONSOLIDATED</b>				
At 31st December, 1989	61	2,146	27,068	29,275
Retained profit for the year	—	—	3,797	3,797
Distributable element of depreciation charge	—	(69)	69	—
Transfer on disposal	—	(80)	80	—
Arising on share issues	324	—	—	324
	<u>385</u>	<u>1,997</u>	<u>31,014</u>	<u>33,396</u>
<b>E.C.N.G.</b>				
At 31st December, 1989	61	1,139	20,544	21,744
Retained profit for the year (after dividends of £1,355,000)	—	—	1,572	1,572
Distributable element of depreciation charge	—	(50)	50	—
Arising on share issues	324	—	—	324
	<u>385</u>	<u>1,089</u>	<u>22,166</u>	<u>23,640</u>

# Notes on the Accounts (continued)

## 22. Capital Commitments

Approved future capital expenditure at 31st December, 1990 for which no provision has been made in these accounts, amounted to:

	Consolidated		E.C.N.G.	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Contracts placed	312	1,105	143	69
Approved by the Board but no contracts placed	3,943	3,610	2,283	2,207
	<u>4,255</u>	<u>4,715</u>	<u>2,426</u>	<u>2,276</u>

## 23. Pension Schemes

The group operates a number of pension schemes. The total pension cost for the group charged in the profit and loss account was £1,765,000 (1989: £2,479,000). The two major schemes are of the defined benefit type, the assets of which are held separately from those of the group.

The contributions to these schemes are determined with the advice of an independent qualified actuary, using the projected unit method. The pension costs were based on the most recent actuarial valuations of the schemes, the effective dates of which were 1st January, 1990 for the Pension and Life Assurance Scheme and 1st July, 1989 for the Senior Management Pension Scheme, using the following main assumptions:

Rate of return on investments	9½% per annum
Rate of salary increases	7% per annum
Pension increases	5% per annum
Equity dividend increases	5% per annum

For the Pension and Life Assurance Scheme, the actuarial valuation at 1st January, 1990 showed that the market value of the Scheme's assets was £28,383,000 and the actuarial value of the assets represented 93% of the liability for benefits that had accrued to members for service to valuation date, based on salaries projected to retirement. Further contributions, in addition to the current employers' regular contribution of 7.4%, are being made in order to eliminate this deficiency over a period of 12 years, the average remaining service lives of the members.

For the Senior Management Pension Scheme, the actuarial valuation at 1st July, 1989 showed that the market value of the Scheme's assets was £3,650,000. The actuarial value of the assets represented 81% of the liability for benefits that had accrued to members for service to valuation date, based on salaries projected to retirement. Further contributions, in addition to the current employers' regular contribution rate of 18.5%, are being made in order to eliminate this deficiency over a period of 12 years, the average remaining service lives of the members.

## 24. Commitments Under Operating Leases

At 31st December, 1990 annual commitments under non-cancellable operating leases for land and buildings were:

	Consolidated	
	1990	1989
	£'000	£'000
Operating leases which expire:		
Within one year	67	57
Within two to five years	194	167
Over five years	871	711
	<u>1,132</u>	<u>935</u>

The company had no annual commitments under non-cancellable operating leases.

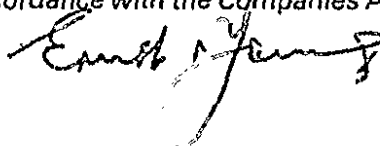
## Report of the Auditors to the Members of Eastern Counties Newspapers Group Limited

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We have audited the accounts set out on pages 8 to 21 in accordance with Auditing Standards.

*In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 31st December, 1990, and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.*

Ernst & Young  
Chartered Accountants



Norwich

25th March, 1991

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