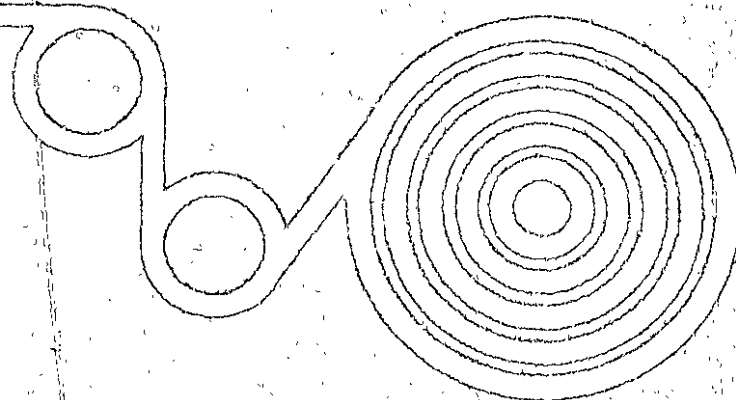


19300

# Eastern Counties Newspapers Group Limited

## REPORT & ACCOUNTS 1991



# **Eastern Counties Newspapers Group Limited**

**Registered number: 19300**

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## **Notice of Meeting of the 5.95% Cumulative Preference Shareholders**

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NOTICE IS HEREBY GIVEN that a separate General Meeting of the holders of 5.95% Cumulative Preference Shares of £1 each in the above-named Company will be held at Prospect House, Rouen Road, Norwich on 18th May 1992 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution:

### **EXTRAORDINARY RESOLUTION**

THAT this separate General Meeting of holders of the 5.95% Cumulative Preference Shares of £1 each in the capital of the Company hereby approves and sanctions:

- (a) the increases in the dividend entitlement of the 5.95% Cumulative Preference Shares and the 15% Cumulative Second Preference Shares, and
- (b) the adoption of a new Article to be numbered 48A empowering the Company to purchase its own shares

effected by the Special Resolution 5 set out in the Notice of Annual General Meeting dated 18th May 1992, and generally approves and sanctions every variation and modification of special rights and privileges attached to the 5.95% Cumulative Preference Shares to be effected by such Special Resolution or involved therein or resulting from giving effect thereto.

By Order of the Board,  
G. D. Macleod  
*Secretary*

Eastern Counties Newspapers Group Limited  
Prospect House  
Rouen Road  
Norwich NR1 1RE

24th April 1992

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.

## Notice of Meeting of the 15% Cumulative Second Preference Shareholders

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NOTICE IS HEREBY GIVEN that a separate General Meeting of the holders of 15% Cumulative Second Preference Shares of £1 each in the above-named Company will be held at Prospect House, Rouen Road, Norwich on 18th May 1992 at 12.15 p.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution:

### EXTRAORDINARY RESOLUTION

THAT this separate General Meeting of holders of the 15% Cumulative Second Preference Shares of £1 each in the capital of the Company hereby approves and sanctions the following:

- (a) the increases in the dividend entitlement of the 5.95% Cumulative Preference Shares and the 15% Cumulative Second Preference Shares, and
- (b) the adoption of a new Article to be numbered 48A empowering the Company to purchase its own shares

effected by the Special Resolution 5 set out in the Notice of Annual General Meeting dated 18th May 1992, and generally approves and sanctions every variation and modification of special rights and privileges attached to the 15% Cumulative Second Preference Shares to be effected by such Special Resolution or involved therein or resulting from giving effect thereto.

By Order of the Board,  
G. D. Macleod  
*Secretary*

Eastern Counties Newspapers Group Limited  
Prospect House  
Rouen Road  
Norwich NR1 1RE

24th April 1992

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.

# Notice of Annual General 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 18th May 1992, at 12.30 p.m. for the following purposes: To consider and if thought fit to pass the Resolutions numbered 1 to 3 (inclusive) set out below as Ordinary Resolutions, and Resolutions numbered 4 to 6 (inclusive) 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 1991 be and are hereby adopted.
2. THAT Mr G. H. C. Copeman, Mr R. C. Copeman, Mr R. W. Jewson, Mr I. R. Lockett and Mr P. J. C. Troughton, retiring as Directors at this Meeting, be re-elected.
3. THAT Ernst & Young be re-appointed Auditors of the Company at a fee to be fixed by the Directors.
4. THAT pursuant to Section 80 of the Companies Act 1985 ('the Act') the Directors be and they are hereby generally and unconditionally authorised to allot up to 100,000 unissued ordinary shares of 20p each in the capital of the Company to directors and/or other senior employees of the Company upon such terms as the Directors shall at their complete discretion determine subject to no individual being allotted in excess of 5,000 shares such authority to continue for a period of five years from the date of the passing of this resolution and further that pursuant to and in accordance with Section 95(1) of the Act Section 89(1) of the Act shall not apply to any such allotment.
5. THAT:
  - (a) pursuant to the provisions of Article 49 of the Company's Articles of Association the rights attaching respectively to the 5.95% Cumulative Preference Shares and the 15% Cumulative Second Preference Shares be varied so that with effect from 1st January 1992 the holders of the 5.95% Cumulative Preference Shares shall be entitled to receive a fixed cumulative preferential dividend at the increased rate of 6.45% and the holders of the 15% Cumulative Second Preference Shares shall be entitled to receive a fixed cumulative preferential dividend at an increased rate of 15.5% such varied rights to be in substitution for and to the exclusion of each classes previous entitlement to receive fixed cumulative preferential dividends and that hereafter the 5.95% Cumulative Preference Shares shall be called the '6.45% Preference Shares' and the 15% Cumulative Second Preference Shares shall be called the '15.5% Preference Shares' and the provisions of the Company's Articles of Association shall be amended to reflect such descriptions; and
  - (b) the Articles of Association of the Company be altered by inserting after Regulation 48 the following new Regulation 48A:

'48A Subject to the provisions of the Act the Company may purchase its own shares (including any redeemable shares) and if it is a private company make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares provided that:

    - (a) At the time of any such redemption or purchase the audited consolidated profit and loss account and balance sheet of the Company then most recently approved and adopted by the members in general meeting show that:
      - (i) the profit on ordinary activities after taxation is at least five times the aggregate dividend payable in respect of both the 6.45% Preference Shares and the 15.5% Preference Shares for the same financial period; and
      - (ii) the aggregate of capital and reserves including called up share capital share premium account revaluation reserve and retained profits is at least five times the aggregate redemption value (as determined by the Company's Articles of Association) of the 6.45% Preference Shares and the 15.5% Preference Shares at the end of the same financial period.
    - (b) Such redemption or purchase will not reduce the issued ordinary share capital below £2,655,400.'

## Notice of Annual General Meeting (continued)

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6. THAT:

- (a) the Articles of Association of the Company be altered by inserting in the place of Regulations 122(A), 122(B) and 122(C) the following new Regulations 122(A), 122(B) and 122(C):

122(A) The directors may, at their absolute discretion, offer the holders of Ordinary Shares in the capital of the Company the right to elect to receive in respect of all or part of their holding of such Ordinary Shares, additional Ordinary Shares in the Company, credited as fully paid, instead of cash in respect of all or part of such dividend or dividends (whether interim or final) and (subject to the following provisions of this Article) upon such terms and conditions and in such manner as the directors may determine.

122(B) When any such right of election is to be offered to the holders of Ordinary Shares pursuant to this Article, the directors shall make such offer to such holders in writing and shall make available to or provide such holders with forms of election (in such form as the directors may approve) whereby such holders may exercise such right and shall notify such holders of the procedure to be followed and of the place at which, and the last date and time by which duly completed forms of election may be lodged in order to be effective.

122(C) Each holder of Ordinary Shares who elects to receive additional Ordinary Shares in the Company under a right offered to him pursuant to this Article shall be entitled to receive such whole number of additional Ordinary Shares as is as nearly as possible equal in value (calculated on the basis of the Market Value of an additional Ordinary Share in the Company at the Relevant Date) to (but not in excess of) the cash amount that such holder would otherwise have received by way of dividend. For the purposes of this Article "Market Value" shall mean either the value as determined by the directors in their absolute discretion having taken such professional advice as they shall consider appropriate or the nominal value of an Ordinary Share in the Company whichever shall be the higher and "Relevant Date" shall mean in the case of a final dividend the date on which the shareholders in General Meeting shall pass a resolution declaring the payment of a dividend and in the case of an interim dividend that date on which the directors resolve to pay such dividend; and

- (b) for the purposes only of an allotment of Ordinary Shares in the capital of the Company pursuant to an election made by the holders of such Ordinary Shares to receive additional Ordinary Shares in accordance with Regulation 122 of the Articles of Association of the Company (as varied by this Resolution), the Directors be and they are hereby generally and unconditionally authorised, pursuant to Section 80 of the Act, to allot Ordinary Shares in the capital of the Company up to a maximum nominal amount equal to £512,180, such authority to continue for a period of five years from the date of the passing of this Resolution, and further that pursuant to and in accordance with Section 95(1) of the Act, Section 89(1) of the Act shall not apply to any allotment pursuant to that authority.

By Order of the Board,

G. D. Macleod

Secretary

Eastern Counties Newspapers Group Limited  
Prospect House  
Rouen Road  
Norwich NR1 1RE

24th April 1992

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.

## **Directors and Appointments**

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**Directors**

T. J. A. Colman, DCL  
G. H. C. Copeman, DL  
Sir James Cleminson, KBE, MC, DL  
R. C. Copeman  
R. W. Jewson  
I. R. Lockett  
P. J. C. Troughton  
D. L. Bird, JP  
R. J. Cortis

**Chairman**

**Chief Executive**

*Non Executive*

*Non Executive*

*Non Executive*

*Non Executive*

*Appointed 1st October 1991*

*Non Executive*

*Appointed 1st October 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, DL	Chairman
D. L. Bird, JP	Managing Director
R. C. Copeman	<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, DL	Chairman
S. A. Edwards	Managing Director
A. B. Brooker	<i>Non Executive</i>
R. L. Dodsworth	<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. H. R. Clemons	<i>Non Executive</i>
G. W. Marshall	<i>Non Executive</i>
J. O. Ellison	
G. D. Macleod	

**Slade 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, DL	Chairman
W. Brown	Managing Director
J. P. Lyes	<i>Non Executive</i>
R. J. Cortis	
A. J. Halsey	
N. G. F. Websper	

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## Report of the Directors

The directors have pleasure in presenting their report and the audited accounts of the group for the year ended 31st December 1991.

### Accounts

The profit for the year before taxation was £7,439,000. The consolidated profit for the year attributable to members was £4,950,000.

Dividends have been paid or proposed as follows:

	£'000	£'000
5.95% cumulative preference shares		18
15% cumulative second preference shares		306
Ordinary shares		
Further dividend of 3.2p in respect of the year to 31st December 1989	502	1,161
Interim of 4.2p payable 3rd April 1992	659	1,485
		<u>1,485</u>

After payment of the above dividends there is an amount of £3,465,000 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 12 and 15 the Group expended a total of £5,191,000 on additions to intangible and tangible fixed assets. Certain of the Group's properties were revalued on 31st October 1991, creating a surplus of £6,442,000 which has been credited to reserves.

### Disabled Persons

It is the Group'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 Group, and the necessary steps are taken to train and promote disabled employees where this is in their own and the Group's best interests.

### Employee Involvement

During 1991 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.

### Donations

Charitable donations made by the company and its subsidiaries totalled £39,000.

## Report of the Directors (continued)

### Directors

The members of the board who held office during the year are listed on page 7. In addition Mr S. M. Garner resigned from the board on 15th February 1991.

The directors retiring by rotation in accordance with the articles of association are Mr G. H. C. Copeman, Mr R. C. Copeman and Mr R. W. Jewson who, being eligible, offer themselves for re-election.

Mr I. R. Lockett and Mr P. J. C. Troughton also retire and offer themselves for election.

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

	As at 1st January 1991 or as at date of appointment			As at 31st December 1991		
	£1 Preference Shares	£1 Second Preference Shares	20p Ordinary Shares	£1 Preference Shares	£1 Second Preference Shares	20p Ordinary Shares
T. J. A. Colman	—	—	328,440	—	—	328,604
	35,448*	—	3,477,669*	35,448*	—	3,427,669*
G. H. C. Copeman	4,960	36,904	203,435	4,960	38,904	215,778
	1,296*	10,368*	102,822*	1,296*	10,368*	104,194*
Sir James Clennison	—	—	5,297	—	—	13,950
R. C. Copeman	1,905	18,688	257,237	1,905	18,688	260,000
	4,938*	6,290*	44,099*	4,938*	6,290*	44,099*
I. R. Lockett	—	4,044	153,300	—	4,044	153,300
R. W. Jewson	—	—	5,297	—	—	7,698
P. J. C. Troughton	—	3,333	79,784	—	3,333	79,784
D. L. Bird	—	122	8,204	—	122	15,315
R. J. Cortis	—	—	9,170	—	—	12,348
	1,296*	10,368*	77,760*	1,296*	10,368*	77,760*

\* Held as Trustee

### Auditors

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board,

G. D. Macleod  
Secretary

30th March 1992

*G. D. Macleod*

# Consolidated Profit and Loss Account

For the year ended 31st December, 1991

		1991	1990
	Note	£'000	£'000
Turnover	3	106,181	104,594
Other operating income		1,097	794
		<u>107,278</u>	<u>105,388</u>
Operating Costs	4	100,624	98,913
Group Operating Profit	3, 5	6,654	6,475
Other income	8	811	1,806
		<u>7,465</u>	<u>8,281</u>
Interest payable	9	26	89
Profit on Ordinary Activities Before Taxation		7,439	8,192
Taxation	10	2,489	3,040
Profit on Ordinary Activities After Taxation		<u>4,950</u>	<u>5,152</u>
Dividends	11	1,485	1,355
Retained Profit for the Year		<u>3,465</u>	<u>3,797</u>
Statement of Retained Profits			
Balance at 31st December 1990		31,014	27,068
Retained profit for the year		3,465	3,797
Transfer from revaluation reserve		69	149
Balance at 31st December 1991		<u>34,548</u>	<u>31,014</u>

# Eastern Counties Newspapers Group Limited and Subsidiaries

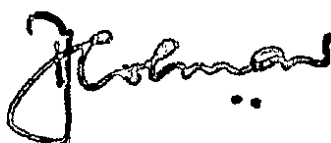
## Balance Sheets

31st December 1991

	Note	Consolidated		ECNG	
		1991	1990	1991	1990
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Intangible assets	12	10,962	10,279	—	—
Tangible assets	15	33,343	27,059	6,388	11,248
Investments	16	925	767	25,147	8,545
		<u>45,230</u>	<u>38,105</u>	<u>31,535</u>	<u>19,793</u>
<b>Current Assets</b>					
Stocks	13	4,697	4,344	552	469
Debtors	14	12,195	12,342	11,561	15,794
Short term investments		922	798	922	798
Cash and deposits at bank		9,589	8,241	5,680	3,540
		<u>27,403</u>	<u>25,725</u>	<u>18,715</u>	<u>20,601</u>
<b>Creditors — amounts falling due within one year:</b>					
Bank overdraft		2,475	2,256	—	10
Trade and other creditors	18	12,336	12,994	4,490	4,013
Taxation		4,165	4,805	2,643	2,478
Proposed dividend		659	656	659	656
		<u>19,635</u>	<u>20,711</u>	<u>7,792</u>	<u>7,157</u>
<b>Net Current Assets</b>		<u>7,768</u>	<u>5,014</u>	<u>10,923</u>	<u>13,444</u>
<b>Total Assets Less Current Liabilities</b>		<u>52,998</u>	<u>43,119</u>	<u>42,458</u>	<u>33,237</u>
<b>Creditors — amounts falling due after more than one year</b>	19	1,662	1,675	3,387	2,643
<b>Provisions for Liabilities and Charges</b>	17	2,439	2,574	1,247	1,480
		<u>48,897</u>	<u>38,870</u>	<u>37,824</u>	<u>29,114</u>
<b>Capital and Reserves</b>					
Called up share capital	20	5,488	5,474	5,488	5,474
Share premium account		491	385	491	385
Revaluation reserve	21	8,370	1,997	87	1,089
Profit and loss account	21	34,548	31,014	31,758	22,166
		<u>48,897</u>	<u>38,870</u>	<u>37,824</u>	<u>29,114</u>

T. J. A. Colman, Director

30th March 1992



# Consolidated Statement of Cash Flows

For the year ended 31st December, 1991

	Note	1991 £'000	1990 £'000
<b>Operating Activities</b>			
Cash received from customers		106,657	103,919
Cash payments to suppliers		(81,256)	(57,115)
Cash paid to and on behalf of employees		(31,687)	(31,621)
Other cash payments		(5,468)	(4,719)
Other cash received		1,056	767
Net cash inflow from operating activities	25	9,302	11,231
<b>Returns on Investments and Servicing of Finance</b>			
Interest received		557	604
Interest paid		(35)	(88)
Dividends received		168	182
Dividends paid		(1,361)	(1,719)
Net cash outflow from returns on investments and servicing of finance		(671)	(1,021)
<b>Taxation</b>			
UK corporation tax paid		(3,244)	(3,047)
<b>Investing Activities</b>			
Purchase of fixed assets:			
Intangible		(1,076)	(937)
Tangible		(3,983)	(5,536)
Investments		(168)	(52)
Sale of fixed assets:			
Intangible		77	221
Tangible		806	1,035
Investments		8	840
Purchase of subsidiary		—	(1,172)
Sale of short term investment		150	198
Net cash outflow from investing activities		(4,186)	(5,403)
<b>Net Cash Inflow Before Financing</b>		1,201	1,760
<b>Financing</b>			
New unsecured loan		(22)	(22)
Hire purchase repayments		94	129
Net cash outflow from financing		72	107
Increase in cash and cash equivalents	26	1,129	1,653
		1,201	1,760

31st December, 1991

### (a) Basis of Preparation

### (b) Basis of Consolidation

(c) Intangible Fixed Assets

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.

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 their expected useful economic life of ten years and are reviewed annually by the directors to ensure that their carrying value is appropriate.

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.

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 7% and 25%

#### (e) Leases

**(f) Stocks and Work in Progress**

**(g) Other Income — Investment Income and Surpluses**

Investment income represents interest receivable and dividends received in respect of the year.

#### (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 major schemes are of the defined benefit type, 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.

## 3. Segmental Analysis

	1991			1990		
	Turnover	Profit	Net Assets	Turnover	Profit	Net Assets
	£'000	£'000	£'000	£'000	£'000	£'000
Printing and publishing of newspapers	60,066	4,331	15,441	61,795	4,866	15,268
Retailing	37,598	1,647	8,165	33,440	1,153	7,141
Manufacture and printing of cartons	8,517	352	2,974	9,359	456	2,878
Properties	—	324	13,163	—	—	6,871
	<u>106,181</u>	<u>6,654</u>	<u>39,743</u>	<u>104,594</u>	<u>6,475</u>	<u>32,158</u>
Other income less interest payable		785			1,717	
Unallocated net assets			9,154			6,712
		<u>7,439</u>	<u>48,897</u>		<u>8,192</u>	<u>38,870</u>

All sales were made in the United Kingdom.

## 4. Operating Costs

	1991	1990
	£'000	£'000
Increase in stocks of finished goods and work in progress	(317)	(135)
Raw materials and consumables	41,354	40,363
Other external charges	5,607	4,459
Staff costs — wages and salaries	27,687	27,636
Social Security costs	2,199	2,220
other pension costs	1,801	1,765
Depreciation and amortisation	3,905	4,609
Other operating charges	18,388	17,996
	<u>100,624</u>	<u>98,913</u>

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

	1991	1990
	£'000	£'000
Directors' remuneration (note 6)	422	480
Auditors' remuneration	104	98
Rentals under operating leases	<u>1,277</u>	<u>1,140</u>

# Notes on the Accounts (continued)

## 6. Directors' Remuneration

	1991	1990
	£'000	£'000
Fees	37	32
Other remuneration (including pension contributions)	385	448
	<u>422</u>	<u>480</u>

The remuneration of the chairman and of the highest paid director, excluding pension contributions, was respectively £59,736 (1990: £56,715) and £97,495 (1990: £101,345).

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	
	1991	1990
£5,001 to £10,000	5	2
£10,001 to £15,000	1	1
£15,001 to £20,000	1	1
£20,001 to £25,000	2	2
£25,001 to £30,000	-	1
£30,001 to £35,000	1	-
£35,001 to £40,000	-	1

## 7. Employees

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

	1991	1990
Printing and publishing	1,668	1,775
Retailing	115	124
Carton manufacturing	126	123
	<u>1,909</u>	<u>2,022</u>

## 8. Other Income

	1991	1990
	£'000	£'000
Interest and dividends receivable, including tax credit:		
Listed investments	159	153
Unlisted investments	65	88
Short term interest	545	622
	<u>769</u>	<u>863</u>
Surplus on disposal of investments	-	732
Surplus on disposal of tangible fixed assets	42	211
	<u>811</u>	<u>1,806</u>

## 9. Interest Payable

	1991	1990
	£'000	£'000
Overdraft and loans — repayable within five years	26	89



# Notes on the Accounts (continued)

## 10. Taxation

	1991	1990
	£'000	£'000
Corporation Tax on profit for year		
Current at 33.25% (1990: 34.25%)	2,377	3,154
Deferred at 33% (1990: 33%)	101	(193)
Tax credit on investment income	65	71
	2,543	3,032
Adjustments relating to previous years	(54)	8
	2,489	3,040

## 11. Dividends

	1991	1990
	£'000	£'000
5.95% Cumulative Preference Shares	18	18
15% Cumulative Second Preference Shares	306	306
	324	324
Ordinary Shares:		
Interim of 2.4p paid on 1st October 1990	—	375
Further dividend of 3.2p in respect of the year to 31st December 1989 (1990: 4.2p)	502	656
Interim of 4.2p payable 3rd April 1992	659	—
	1,161	1,031
	1,485	1,355

## 12. Intangible Fixed Assets

	1991	1990
	£'000	£'000
Retail outlets		
Cost:		
At 31st December 1990	7,701	7,039
Additions during year	577	860
Disposals during year	(40)	(198)
At 31st December 1991	8,238	7,701
Provision for permanent diminution in value	100	60
Net book amount	8,138	7,641
Goodwill and newspaper titles		
Cost:		
At 31st December 1990	3,373	2,124
Additions during year	498	1,249
At 31st December 1991	3,871	3,373
Amortisation:		
At 31st December 1990	735	249
Charge for the year	312	486
At 31st December 1991	1,047	735
Net book amount	2,824	2,638
	10,962	10,279

# Notes on the Accounts (continued)

## 13. Stocks

	Consolidated		E.C.N.G.	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
Raw materials	1,238	1,199	552	469
Work in progress	507	550	—	—
Finished goods and goods for resale	2,952	2,595	—	—
	<u>4,697</u>	<u>4,344</u>	<u>552</u>	<u>469</u>

## 14. Debtors

	Consolidated		E.C.N.G.	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
Trade debtors	10,474	11,171	4,319	4,514
Prepayments and accrued income	1,258	877	226	258
Amounts owed by subsidiaries	—	—	6,831	10,962
Other debtors	463	294	185	60
	<u>12,195</u>	<u>12,342</u>	<u>11,561</u>	<u>15,794</u>

Amounts owed by subsidiaries are due after more than one year.

## 15. Tangible Fixed Assets

Movements on tangible fixed asset accounts have been:

	Freehold land and buildings £'000	Leasehold buildings £'000	Plant, equipment, & vehicles £'000	Films £'000	Total £'000
<b>CONSOLIDATED</b>					
Cost or valuation					
At 31st December 1990	7,714	3,838	27,733	4,100	43,445
Additions during year	768	112	3,236	—	4,116
Reclassification	2,941	(2,941)	—	—	—
Disposals	(338)	(9)	(2,108)	—	(2,455)
Surplus on revaluation	5,706	36	—	—	5,742
At 31st December 1991	<u>16,791</u>	<u>1,096</u>	<u>28,861</u>	<u>4,100</u>	<u>50,848</u>
Depreciation					
At 31st December 1990	522	452	12,972	2,440	16,386
Charge for year	124	114	3,295	20	3,553
Reclassification	344	(344)	—	—	—
Relating to disposals	(41)	(1)	(1,692)	—	(1,734)
Release on revaluation	(690)	(10)	—	—	(700)
At 31st December 1991	<u>259</u>	<u>211</u>	<u>14,575</u>	<u>2,460</u>	<u>17,505</u>
Net book amounts					
At 31st December 1991	<u>16,532</u>	<u>885</u>	<u>14,286</u>	<u>1,640</u>	<u>33,343</u>
At 31st December 1990	<u>7,192</u>	<u>3,446</u>	<u>14,761</u>	<u>1,660</u>	<u>27,059</u>

# Notes on the Accounts (continued)

## 15. Tangible Fixed Assets (continued)

	Freehold land and buildings	Leasehold buildings	Plant, equipment, & vehicles	Films	Total
	£'000	£'000	£'000	£'000	£'000
E.C.N.G.					
Cost or valuation					
At 31st December 1990	1,988	3,041	10,980	4,100	20,109
Additions during year	750	—	1,032	—	1,782
Reclassification	2,941	(2,941)	—	—	—
Disposals	(5,679)	—	(1,220)	—	(6,899)
Surplus on revaluation	—	36	—	—	36
At 31st December 1991	—	136	10,792	4,100	15,028
Depreciation					
At 31st December 1990	123	315	5,983	2,440	8,861
Charge for year	—	46	1,212	20	1,278
Reclassification	346	(346)	—	—	—
Relating to disposals	(469)	—	(1,021)	—	(1,490)
Release on revaluation	—	(9)	—	—	(9)
At 31st December 1991	—	6	6,174	2,460	8,640
Net book amounts					
At 31st December 1991	—	130	4,618	1,640	6,388
At 31st December 1990	1,865	2,726	4,997	1,660	11,248

Certain of the Group's freehold and leasehold properties were revalued on an open market value for existing use basis on 31st October 1991 by Ernest Webster, Chartered Surveyor, and Dunning Burston Associates, Chartered Surveyors.

Included in freehold land and buildings is land valued at £2,722,000.

	Freehold		Leasehold			
	Consolidated	E.C.N.G.	Long Consolidated	Short	Long E.C.N.G.	Short
	£'000	£'000	£'000	£'000	£'000	£'000
At valuation						
1991	13,521	—	125	—	125	—
1985	—	—	119	—	—	—
1979	—	—	—	4	—	2
At cost	3,270	—	241	607	—	9
	16,791	—	485	611	125	11

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	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
CONSOLIDATED				
Cost	7,834	6,160	850	1,891
Aggregate depreciation	854	698	767	752
E.C.N.G.				
Cost	—	1,168	36	1,280
Aggregate depreciation	—	206	30	653

# Notes on the Accounts (continued)

## 16. Fixed Asset Investments

	Associated undertakings	Other investments	Total
	£'000	£'000	£'000
<b>CONSOLIDATED</b>			
Cost			
At 31st December 1990	1	791	792
Additions during year	—	168	168
Disposals	—	(9)	(9)
Transfer to subsidiaries	(1)	—	(1)
At 31st December 1991	—	950	950
Amounts written off			
At 31st December 1990 and 1991	—	25	25
Net book amounts			
At 31st December 1991	—	925	925
At 31st December 1990	1	766	767

	Subsidiaries	Associated undertakings	Other investments	Total
	£'000	£'000	£'000	£'000
<b>E.C.N.G.</b>				
Cost				
At 31st December 1990	8,441	1	788	9,230
Additions during year	12,167	—	168	12,335
Disposals	—	—	(7)	(7)
Capitalisation of loans	4,597	—	—	4,597
Transfer to subsidiaries	1	(1)	—	—
At 31st December 1991	25,206	—	949	26,155
Amounts written off				
At 31st December 1990	660	—	25	685
Charge for year	323	—	—	323
At 31st December 1991	983	—	25	1008
Net book amounts				
At 31st December 1991	24,223	—	924	25,147
At 31st December 1990	7,781	1	763	8,545

Other investments at net book value include:

	Consolidated		E.C.N.G.	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Equity:				
Listed	768	600	768	600
Unlisted	157	166	156	163
	925	766	924	763
Aggregate market value of listed investments	3,308	3,172	3,308	3,172

The unlisted investments, consisting of equity share capital, are valued by the directors at £436,000 (1990: £566,000).

In arriving at market or directors' valuation no provision has been made for taxation which would be payable amounting to a maximum of £670,000 (1990: £650,000) in the event of disposals at these values.

At 31st December 1991 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.

# Notes on the Accounts (continued)

## 16. Fixed Asset Investments (continued)

### Subsidiary undertakings

At 31st December 1991 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
E.C.N.G. (Jersey) Limited	100%	Investment company
E.C.N.G. Properties Limited	100%	Property
The Anglia Advertiser Limited	100%	Newspaper publishing
Mid Anglia Newspapers Limited	100%	Newspaper publishing

E.C.N.G. (Jersey) Limited is registered in Jersey. All other subsidiary undertakings are registered in England.

## 17. Provisions for Liabilities and Charges

	Consolidated		E.C.N.G.	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
Deferred taxation	1,765	1,695	653	693
Other provisions	674	879	594	787
	<u>2,439</u>	<u>2,574</u>	<u>1,247</u>	<u>1,480</u>

### Deferred taxation:

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

	Provided		Not provided	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
<b>CONSOLIDATED</b>				
Accelerated capital allowances	1,907	2,015	271	266
Other timing differences	(142)	(320)	254	188
Valuation of land and buildings	—	—	1,815	79
	<u>1,765</u>	<u>1,695</u>	<u>2,340</u>	<u>533</u>
<b>E.C.N.G.</b>				
Accelerated capital allowances	860	943	—	154
Other timing differences	(207)	(250)	16	45
Valuation of land and buildings	—	—	19	48
	<u>653</u>	<u>693</u>	<u>35</u>	<u>247</u>

# Notes on the Accounts (continued)

## 18. Trade and Other Creditors

	Consolidated		E.C.N.G.	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Trade creditors	6,843	7,289	1,390	1,579
Social Security	513	768	290	306
Other creditors	2,997	2,465	1,166	997
Obligations under hire purchase contracts	13	77	—	—
Amounts owed to subsidiaries	—	—	936	233
Accruals and deferred income	1,970	2,395	708	898
	<u>12,336</u>	<u>12,994</u>	<u>4,490</u>	<u>4,013</u>

## 19. Creditors

	Consolidated		E.C.N.G.	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Obligations under leases and hire purchase contracts	22	15	—	—
Loans — film finance	1,640	1,660	1,640	1,660
Amounts owed to subsidiaries	—	—	1,747	983
	<u>1,662</u>	<u>1,675</u>	<u>3,387</u>	<u>2,643</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	
	1991	1990	1991	1990
	£'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	3,650	3,650	3,138	3,124
15,689,101 issued	<u>6,000</u>	<u>6,000</u>	<u>5,488</u>	<u>5,474</u>

During the year 69,036 ordinary shares were taken up as an alternative to a dividend.

# Notes on the Accounts (continued)

## 21. Reserves

	Share Premium account	Revaluation surplus	Profit and loss account
	£'000	£'000	£'000
CONSOLIDATED			
At 31st December 1990	385	1,997	31,014
Retained profit for the year	—	—	3,465
Distributable element of depreciation charge	—	(69)	69
Arising on share issues	106	—	—
Surplus on revaluation of properties	—	6,442	—
	<u>491</u>	<u>8,370</u>	<u>34,548</u>

The cumulative amount of goodwill written off at 31st December 1991 is £4,215,000.

E.C.N.G.			
At 31st December 1990	385	1,089	22,166
Retained profit for the year (after dividends of £1,485,000)	—	—	8,543
Arising on share issues	106	—	—
Revaluation in year	—	47	—
Realisation of revaluation reserves	—	(1,049)	1,049
	<u>491</u>	<u>87</u>	<u>31,758</u>

## 22. Capital Commitments

Approved future capital expenditure at 31st December 1991, for which no provision has been made in these accounts, amounted to:

	Consolidated		E.C.N.G.	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Contracts placed	103	312	17	143
Approved by the Board but no contracts placed	1,243	3,943	2	2,283
	<u>1,346</u>	<u>4,255</u>	<u>19</u>	<u>2,426</u>

## 23. Commitments Under Operating Leases

At 31st December 1991 annual commitments under non-cancellable operating leases for land and buildings were:

	Consolidated	
	1991	1990
	£'000	£'000
Operating leases which expire:		
Within one year	85	67
Within two to five years	202	194
Over five years	1,153	871
	<u>1,440</u>	<u>1,132</u>

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

# Notes on the Accounts (continued)

## 24. Pension Schemes

The group operates a number of pension schemes. The total pension cost for the group charged in the profit and loss accounts was £1,801,000 (1990: £1,765,000). The 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 review date, based on salaries projected to retirement. Further contributions, in addition to the current employers' regular contribution of 8.7%, 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 19.2%, are being made in order to eliminate this deficiency over a period of 12 years, the average remaining service lives of the members.

## 25. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	1991	1990
	£'000	£'000
Operating profit	6,654	6,475
Depreciation	3,553	4,113
Amortisation	352	496
Profit on sale of fixed assets	(175)	—
Increase in stocks	(353)	(248)
(Increase)/decrease in debtors	147	(90)
Increase/(decrease) in creditors	(671)	605
Decrease in provisions	(205)	(120)
	<u>9,302</u>	<u>11,231</u>

## 26. Cash and Cash Equivalents

	1991	1990	Change in year
	£'000	£'000	£'000
Cash and deposits at bank	9,589	8,241	1,348
Bank overdraft	(2,475)	(2,256)	(219)
	<u>7,114</u>	<u>5,985</u>	<u>1,129</u>




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

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We have audited the accounts on pages 11 to 24 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 1991, and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young  
Chartered Accountants  
Registered Auditor

Norwich  
30th March 1992

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