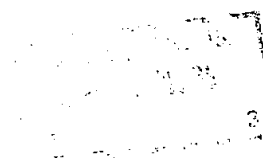


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Notice of Meeting

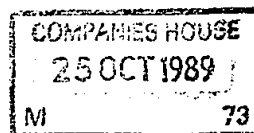
Notice is hereby given that the Annual General Meeting of the company will be held at the registered office, Prospect House, Rouen Road, Norwich, on Monday, 22nd May, 1989 at 12.30 p.m. for the following purposes:

1. To receive the reports of the directors and the auditors and to adopt the audited accounts for the year ended 31st December, 1988.
2. To declare a dividend.
3. To elect directors.
4. To appoint auditors and to authorise the directors to fix their remuneration.
5. To confirm the purchase of a freehold property from a director, in accordance with Section 322(2)(c) of the Companies Act 1985.

By order of the board,
A. J. Halsey
Secretary

Prospect House
Rouen Road
Norwich NR1 1RE

21st April, 1989



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

Directors

T. J. A. Colman, D.C.L.
G. H. C. Copeman
Sir James Cleminson, M.C., D.L.
R. C. Copeman
R. W. Jewson
D. L. Bird
R. J. Cortis
S. M. Garner
G. V. Lockett
B. C. Rackham

Chairman
Chief Executive
Non Executive
Non Executive
Non Executive

Resigned 16th May, 1988
Resigned 31st December, 1988

Secretary and Registered Office

A. J. Halsey
Prospect House
Rouen Road
Norwich NR1 1RE

Auditors

Ernst & Whinney
Chartered Accountants

Eastern Counties Newspapers Group Limited

Principal Subsidiaries – Directors and Appointments

Eastern Counties Newspapers Limited Newspaper Publishing

G. H. C. Copeman	Chairman
D. L. Bird	Managing Director
R. C. Copeman	<i>Non Executive</i>
I. R. Lockett	<i>Non Executive</i>
R. J. Cortis	
A. J. Halsey	
T. Stevenson	

East Anglian Daily Times Company Limited Newspaper Publishing

G. H. C. Copeman	Chairman
S. M. Garner	Managing Director
R. L. Dodsworth	<i>Non Executive</i>
I. R. Lockett	<i>Non Executive</i>
P. Troughton	<i>Non Executive</i>
R. J. Cortis	
M. J. Farahar	
T. J. White	

The Paper Shops (East Anglia) Limited Retailing

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

Slade Packaging Limited Carton Manufacturing

M. Rathbone	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	Chairman
C. Houghton	Managing Director
R. J. Cortis	
A. J. Halsey	
N. G. F. Websper	

Report of the Directors

The directors have pleasure in presenting their report and the audited accounts of the company for the year ended 31st December, 1988.

Accounts

The profit for the year before taxation and extraordinary items was £7,979,000.
The consolidated profit for the year attributable to members was £4,961,000.

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 7% paid 3rd October, 1988	214	
Proposed final of 15%	462	
		<hr/> 676
		<hr/> 1,000

After payment of the above dividends there is an amount of £3,961,000 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 retailing, the printing of cartons, the publishing of periodicals and the exploitation of films.

Post Balance Sheet Event

Since the year end The Paper Shops (East Anglia) Limited has acquired a chain of retail newsagents as detailed in note 27.

Fixed Assets

As disclosed in Note 16 the Group expended a total of £6,665,000 on additions to tangible fixed assets. Significant items consisted of technological improvements in Norwich, press improvements in Ipswich, the purchase of additional retail outlets, and freehold properties.

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.

Report of the Directors (Continued)

Employee Involvement

During 1988 the Group continued its practice of encouraging staff involvement. In addition to regular briefing meetings and the separate 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 £35,000.

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 R. C. Copeman and Mr R. W. Jewson, 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, 1988			At 31st December, 1988		
	£1 Preference Shares	£1 Second Preference Shares	20p Ordinary Shares	£1 Preference Shares	£1 Second Preference Shares	20p Ordinary Shares
T. J. A. Colman	—	—	327,926	—	—	319,945
	35,448*	—	3,281,102*	35,448*	—	3,338,304*
G. H. C. Copeman	4,960	38,904	291,780	4,960	38,904	294,280
	1,296*	10,368*	77,760*	1,296*	10,368*	77,760*
Sir James Clewson	—	—	—	—	—	5,000
R. C. Copeman	1,905	18,688	245,031	1,905	18,688	245,031
	4,938*	7,490*	51,840*	4,938*	7,490*	51,840*
R. W. Jewson	—	—	—	—	—	5,000
D. L. Bird	—	122	1,857	—	122	7,745
R. J. Cortis	—	—	3,858	—	—	8,657
	1,296*	10,368*	77,760*	1,296*	10,368*	77,760*
S. M. Garner	—	—	—	—	—	5,000

* Held as Trustee

Auditors

Ernst & Whinney 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

A. J. Halsey
Secretary

21st March, 1989



Eastern Counties Newspapers Group Limited and Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31st December, 1988

		1988	1987
	<i>Note</i>	£'000	£'000
Turnover	3	75,813	60,814
Operating Costs	4	71,128	57,425
Group Operating Profit	3	4,685	3,389
Other income	8	3,500	1,755
Interest payable	9	8,185 206	5,144 474
Profit on Ordinary Activities Before Taxation		7,979	4,670
Taxation	10	2,849	1,939
Profit on Ordinary Activities After Taxation		5,130	2,731
Extraordinary items	11	169	503
Profit for the Financial Year		4,961	2,228
Dividends	12	1,000	784
Retained Profit for the Year		3,961	1,444
Statement of Retained Profits			
Balance at 31st December, 1987		13,779	12,272
Retained profit for the year		3,961	1,444
Transfer from revaluation reserve		43	63
Balance at 31st December, 1988		17,783	13,779
Retained by:			
The company		11,968	8,903
Subsidiaries		5,815	4,876
		17,783	13,779

Eastern Counties Newspapers Group Limited and Subsidiaries

Balance Sheets

31st December, 1988

	Note	Consolidated		E.C.N.G.	
		1988	1987	1988	1987
		£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	13	2,884	2,307	—	—
Tangible assets	16	24,168	20,257	14,823	12,162
Investments	17	2,203	5,592	3,666	6,654
		<u>29,255</u>	<u>28,156</u>	<u>18,489</u>	<u>18,816</u>
Current Assets					
Stocks	14	3,309	2,771	450	480
Debtors	15	10,696	8,987	12,863	10,569
Short term investment		200	—	200	—
Cash at bank and in hand		1,140	949	455	242
		<u>15,345</u>	<u>12,707</u>	<u>13,968</u>	<u>11,291</u>
Creditors — amounts falling due within one year:					
Bank overdraft		448	1,469	136	930
Trade and other creditors	19	10,242	11,248	4,169	4,917
Taxation		4,029	1,201	2,627	836
Proposed dividend		462	306	462	306
		<u>15,181</u>	<u>14,224</u>	<u>7,394</u>	<u>6,989</u>
Net Current Assets/(Liabilities)		<u>164</u>	<u>(1,517)</u>	<u>6,574</u>	<u>4,302</u>
Total Assets less Current Liabilities		<u>29,419</u>	<u>26,639</u>	<u>25,063</u>	<u>23,118</u>
Creditors — amounts falling due after more than one year:	20	1,698	3,142	5,275	6,481
Provisions for Liabilities and Charges	18	2,201	2,018	1,187	1,158
		<u>25,520</u>	<u>21,479</u>	<u>18,601</u>	<u>15,479</u>
Capital and Reserves					
Called up share capital	21	5,431	5,412	5,431	5,412
Share premium account		61	—	61	—
Revaluation reserve	22	2,212	2,255	1,141	1,164
Other reserves — pre-acquisition		33	33	—	—
Profit and loss account	22	17,783	13,779	11,968	8,903
		<u>25,520</u>	<u>21,479</u>	<u>18,601</u>	<u>15,479</u>

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

21st March, 1989

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

Source and Application of Funds

For the year ended 31st December, 1988

	1988	1987
	£'000	£'000
Source of Funds		
From Operations		
Profit on ordinary activities before taxation	7,979	4,670
Items not involving the movement of funds:		
Depreciation	2,417	2,301
Profit on sale of fixed assets:		
Tangibles	(65)	(109)
Investments	(3,009)	(1,152)
Total generated from operations	7,322	5,710
Other Sources		
Loan finance	—	796
Reduction in net investment in finance leases	—	916
Taxation recovered	189	184
Proceeds from sale of fixed assets:		
Intangibles	21	31
Tangibles	430	632
Investments	6,917	5,335
Disposal of Subsidiary	—	262
Issue of Shares	80	—
Total sources of funds	14,959	13,870
Funds Applied		
Hire purchase payments	21	2,080
Dividends paid	844	723
Taxation paid	1,460	551
Loan and provision repayments	1,004	2,763
Purchase of fixed assets:		
Intangibles	623	939
Tangibles	6,665	7,109
Investments	521	3,042
Acquisition of newspaper titles	169	673
	11,307	17,880
Increase/(Decrease) in Working Capital	3,652	(4,010)
Arising from movements in:		
Stocks and work in progress	538	668
Debtors excluding taxation	1,709	1,812
Short term investment	200	—
Creditors excluding obligations under hire purchase contracts and taxation	(7)	(3,758)
Liquid funds	1,212	(2,732)
	3,652	(4,010)

Notes on the Accounts

31st December, 1988

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.

(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, 1988. The company has taken advantage of the exemption allowed by Section 228(7) 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 and written off in the year of acquisition.

(iii) Goodwill Arising on Consolidation

Goodwill arising on consolidation, representing the excess of the purchase consideration for subsidiary companies over the fair value ascribed to their net tangible assets at the respective dates of acquisition, is written off in the year of acquisition.

(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 trade and associated company 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) Pension Benefits

Pension benefits are funded over the employees' periods of service. The company's contributions are based on the rates recommended by the actuary following periodic actuarial valuations of the funds.

(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 receipts, excluding VAT, in respect of:

- (a) Sales of newspapers and periodicals 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

	1988		1987	
	Turnover	Group operating profit	Turnover	Group operating profit
	£'000	£'000	£'000	£'000
Printing and publishing of newspapers	52,960	4,136	41,983	2,554
Retailing	16,257	642	12,024	425
Manufacture and printing of cartons	6,577	93	6,128	398
Other activities	19	(186)	679	12
	<u>75,813</u>	<u>4,685</u>	<u>60,814</u>	<u>3,389</u>

All sales were made in the United Kingdom.

4. Operating Costs

	1988	1987
	£'000	£'000
Increase in stocks of finished goods and work in progress	(337)	(587)
Raw materials and consumables	24,255	19,185
Other external charges	5,700	4,096
Staff costs – wages and salaries	22,305	18,950
– Social Security costs	1,899	1,544
– other pension costs	1,688	1,525
Depreciation	2,417	2,301
Other operating charges	13,201	10,411
	<u>71,128</u>	<u>57,425</u>

5. Group Operating Profit is stated after charging:

	1988	1987
	£'000	£'000
Directors' remuneration (note 6)	540	386
Auditors' remuneration	75	68
Rentals under operating leases	468	249
Exceptional payment to pension fund	245	—
	<u>1,328</u>	<u>713</u>

Notes on the Accounts (continued)

6. Directors' Remuneration	1988	1987
	£'000	£'000
Fees	24	26
Other remuneration (including pension contributions)	416	360
Compensation for loss of office (including pension contributions)	100	—
	<u>540</u>	<u>386</u>

Emoluments amounting to £9,505 (1987: £3,875) were waived by one director.

The remuneration of the chairman and of the highest paid director, excluding pension contributions, was respectively £37,151 (1987: £26,346) and £69,163 (1987: £59,016).

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 1988	1987
Up to £5,000	1	1
£5,001 to £10,000	3	3
£25,001 to £30,000	—	1
£30,001 to £35,000	1	—
£40,001 to £45,000	—	2
£45,001 to £50,000	—	2
£50,001 to £55,000	1	—
£55,001 to £60,000	3	1
£65,001 to £70,000	1	—

7. Employees

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

	1988	1987
Printing and publishing	1,584	1,397
Retailing	32	15
Carton manufacturing	131	127
	<u>1,747</u>	<u>1,539</u>

The number of employees of the group other than directors whose emoluments, excluding pension contributions, exceeded £30,000 was as follows:

	1988	1987
£30,001 to £35,000	5	2
£35,001 to £40,000	1	—
£40,001 to £45,000	2	—

8. Other Income

	1988	1987
	£'000	£'000
Interest and dividends receivable, including tax credit:		
Listed investments	425	450
Unlisted investments	21	51
Short term interest	45	102
	<u>491</u>	<u>603</u>
Surplus on disposal of investments	3,009	1,152
	<u>3,500</u>	<u>1,755</u>

9. Interest Payable

	1988	1987
	£'000	£'000
Overdraft and loans – repayable within five years	<u>206</u>	<u>474</u>

Notes on the Accounts (continued)

10. Taxation

	1988	1987
	£'000	£'000
Corporation Tax on profit for year		
Current at 35% (1987: 35%)	2,578	2,105
Deferred at 35% (1987: 35%)	200	(188)
Tax credit on investment income	100	135
	<u>2,878</u>	<u>2,052</u>
Adjustments relating to previous years	(29)	(113)
	<u>2,849</u>	<u>1,939</u>

11. Extraordinary Items

	1988	1987
	£'000	£'000
Cost of newspaper titles acquired	169	673
Profit on disposal of subsidiary	—	(262)
	<u>169</u>	<u>411</u>
Taxation	—	92
	<u>169</u>	<u>503</u>

12. Dividends

	1988	1987
	£'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 7% paid on 3rd October, 1988 (1987: 5%)	214	154
Proposed final of 15% (1987: 10%)	462	306
	<u>676</u>	<u>460</u>
	<u>1,000</u>	<u>784</u>

Notes on the Accounts (continued)

13. Intangible Fixed Assets

	1988	1987
	£'000	£'000
Retail outlets		
Cost:		
At 31st December, 1987	2,307	1,399
Additions during year	623	939
Disposals during year	(21)	(31)
At 31st December, 1988	2,909	2,307
Provision for permanent diminution in value	25	—
Net book amount	2,884	2,307

14. Stocks

	Consolidated		E.C.N.G.	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Raw materials	1,155	954	450	480
Work in progress	196	299	—	—
Finished goods and goods for resale	1,958	1,518	—	—
	3,309	2,771	450	480

In the opinion of the directors the replacement cost of all stocks and work in progress is not significantly different from the above values.

15. Debtors

	Consolidated		E.C.N.G.	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Trade debtors	9,532	7,962	4,203	3,260
Taxation recoverable	—	—	—	187
Prepayments and accrued income	767	480	152	163
Amounts owed by subsidiaries	—	—	8,241	6,460
Amounts owed by associates	—	2	—	2
Other debtors	397	543	267	497
	10,696	8,987	12,863	10,569
The following amounts included above are due after more than one year:				
Amounts owed by subsidiaries and associates	—	2	7,998	6,035

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
CONSOLIDATED					
Cost or valuation					
At 31st December, 1987	5,193	3,373	17,151	4,100	29,817
Additions during year	1,234	203	5,228	—	6,665
Disposals	—	(6)	(1,062)	—	(1,068)
At 31st December, 1988	6,427	3,570	21,317	4,100	35,414
Depreciation					
At 31st December, 1987	140	184	7,712	1,524	9,560
Charge for year	95	78	2,014	205	2,392
Relating to disposals	—	(2)	(704)	—	(706)
At 31st December, 1988	235	260	9,022	1,729	11,246
Net book amounts					
At 31st December, 1988	6,192	3,310	12,295	2,371	24,168
At 31st December, 1987	5,053	3,189	9,439	2,576	20,257
E.C.N.G.					
Cost or valuation					
At 31st December, 1987	3,363	3,097	7,239	4,100	17,799
Additions during year	1,234	144	2,612	—	3,990
Disposals	—	—	(395)	—	(395)
At 31st December, 1988	4,597	3,241	9,456	4,100	21,394
Depreciation					
At 31st December, 1987	73	139	3,901	1,524	5,637
Charge for year	65	63	824	205	1,157
Relating to disposals	—	—	(223)	—	(223)
At 31st December, 1988	138	202	4,502	1,729	6,571
Net book amounts					
At 31st December, 1988	4,459	3,039	4,954	2,371	14,823
At 31st December, 1987	3,290	2,958	3,338	2,576	12,162

Additions to plant and equipment include £Nil (1987: £992,000) in respect of assets in the course of construction.

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	3,152	1,323	3,041	—	3,009	—
At valuation in 1979	—	—	—	11	—	7
At cost	3,275	3,274	218	300	163	62
	<u>6,427</u>	<u>4,597</u>	<u>3,259</u>	<u>311</u>	<u>3,172</u>	<u>69</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 £43,000.

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

	Freehold		Leasehold	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
CONSOLIDATED Cost	4,873	3,639	1,563	1,366
Aggregate depreciation	553	485	601	541
E.C.N.G. Cost	3,849	2,615	1,275	1,131
Aggregate depreciation	195	137	549	502

17. Fixed Asset Investments

	Associated companies	Other investments	Total
	£'000	£'000	£'000
CONSOLIDATED Cost			
At 31st December, 1987	1	5,616	5,617
Additions during year	—	521	521
Disposals	—	(3,910)	(3,910)
At 31st December, 1988	1	2,227	2,228
Amounts written off			
At 31st December, 1987 and 1988	—	25	25
Net book amounts			
At 31st December, 1988	1	2,202	2,203
At 31st December, 1987	1	5,591	5,592

Notes on the Accounts (continued)

17. Fixed Asset Investments (continued)

	Subsidiaries	Associated companies	Other investments	Total
	£'000	£'000	£'000	£'000
E.C.N.G.				
Cost				
At 31st December, 1987	1,075	1	5,603	6,679
Additions during year	400	—	521	921
Disposals	—	—	(3,909)	(3,909)
At 31st December, 1988	1,475	1	2,215	3,691
Amounts written off				
At 31st December, 1987 and 1988	—	—	25	25
Net book amounts				
At 31st December, 1988	1,475	1	2,190	3,666
At 31st December, 1987	1,075	1	5,578	6,654

Other investments at net book value include:

	Consolidated		E.C.N.G.	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Listed				
Equity and authorised unit trusts	1,819	5,197	1,819	5,196
Unlisted				
Equity	384	394	372	382
	2,203	5,591	2,191	5,578
Aggregate market value of listed investments	5,145	10,390	5,145	9,980

During the year an additional 400,000 £1 ordinary shares were issued by The Paper Shops (East Anglia) Limited at par.

The unlisted investments, consisting of equity share capital, are valued by the directors at £384,000 (1987: £394,000).

In arriving at market or directors' valuation no provision has been made for taxation which would be payable amounting to a maximum of £1,112,000 (1987: £1,450,000) in the event of disposals at these values.

At 31st December, 1988 the Group held shares amounting to more than one tenth in nominal value of certain classes of share capital issued by the following:

- Suffolk Group Radio PLC (registered in England)
 - 15.0% of issued ordinary shares of £1 each
 - 15.4% of issued 7% redeemable cumulative preference shares of £1 each
- Radio Broadland (Holdings) PLC (registered in England)
 - 10.5% of issued ordinary shares of 25p each
- Advertising Media Representation Agency Limited (registered in England)
 - 18.75% of issued ordinary shares of £1 each

The associated companies at 31st December, 1988 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 companies

At 31st December, 1988 the company's trading subsidiaries, all of which were registered in England, were:

	Proportion of shares held by ECNG	Nature of business
East Anglian Daily Times Company Limited	100%	Newspaper publishing
The Paper Shops (East Anglia) Limited	100%	Retailing
Slade Packaging Limited		
Ordinary shares	100%	Carton manufacturing
4.2% cumulative preference shares	100%	
10% non-cumulative preference shares	100%	
Community Media Limited	100%	Newspaper publishing
<i>Subsidiary of Community Media Limited:</i>		
CM Publishing Limited		
Ordinary shares	75%	Newspaper publishing
100% cumulative preference shares	100%	
<i>Subsidiary of CM Publishing Limited:</i>		
Anglia Advertiser Limited	75%	Newspaper publishing

On 1st March, 1989 The Paper Shops (East Anglia) Limited changed its name to Paper Chain (East Anglia) Limited.

18. Provisions for Liabilities and Charges

	Consolidated		E.C.N.G.	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Deferred taxation	2,074	1,901	1,106	1,059
Other provisions	127	117	81	99
	<u>2,201</u>	<u>2,018</u>	<u>1,187</u>	<u>1,158</u>

Deferred taxation:

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

	Provided		Not provided	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
CONSOLIDATED				
Accelerated capital allowances	2,270	2,037	278	274
Other timing differences	(42)	(34)	172	63
Valuation of land and buildings	—	—	197	270
	<u>2,228</u>	<u>2,003</u>	<u>647</u>	<u>607</u>
Advance corporation tax	(154)	(102)	—	—
	<u>2,074</u>	<u>1,901</u>	<u>647</u>	<u>607</u>
E.C.N.G.				
Accelerated capital allowances	1,278	1,170	154	153
Other timing differences	(18)	(9)	22	22
Valuation of land and buildings	—	—	189	243
	<u>1,260</u>	<u>1,161</u>	<u>365</u>	<u>418</u>
Advance corporation tax	(154)	(102)	—	—
	<u>1,106</u>	<u>1,059</u>	<u>365</u>	<u>418</u>

Notes on the Accounts (continued)

19. Trade and Other Creditors

	Consolidated		E.C.N.G.	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Bank Loans	—	1,000	—	1,000
Trade creditors	5,607	5,407	1,669	1,391
Social Security	375	352	213	190
Other creditors	2,103	1,860	1,021	834
Obligation under hire purchase contract	52	65	—	—
Amounts owed to subsidiaries	—	—	103	—
Accruals and deferred income	2,105	2,564	1,163	1,502
	<u>10,242</u>	<u>11,248</u>	<u>4,169</u>	<u>4,917</u>

20. Creditors

	Consolidated		E.C.N.G.	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Obligation under hire purchase contract	13	21	—	—
Loans — film finance	1,685	1,699	1,685	1,699
Taxation	—	1,422	—	1,222
Amounts owed to subsidiaries	—	—	3,590	3,570
	<u>1,698</u>	<u>3,142</u>	<u>5,275</u>	<u>6,481</u>

The loans relating to film finance are interest free and repayable out of film receipts between 1989 and 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.

21. Called Up Share Capital

	Authorised		Allotted, called up and fully paid	
	1988	1987	1988	1987
	£'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 15,404,250 issued	3,650	3,650	3,081	3,062
	<u>6,000</u>	<u>6,000</u>	<u>5,431</u>	<u>5,412</u>

During the year 94,500 ordinary shares of 20p each were issued at 85p, in order to introduce additional shareholders on to the share register.

Notes on the Accounts (continued)

22. Reserves

	Revaluation surplus	Profit and loss account	Total
	£'000	£'000	£'000
CONSOLIDATED			
At 31st December, 1987	2,255	13,779	16,034
Retained profit for the year	—	3,961	3,961
Distributable element of depreciation charge	(43)	43	—
	<u>2,212</u>	<u>17,783</u>	<u>19,995</u>
E.C.N.G.			
At 31st December, 1987	1,164	8,903	10,067
Retained profit for the year (after dividends of £1,000,000)	—	3,042	3,042
Distributable element of depreciation charge	(23)	23	—
	<u>1,141</u>	<u>11,968</u>	<u>13,109</u>

23. Capital Commitments

Approved future capital expenditure at 31st December, 1988 for which no provision has been made in these accounts amounted to:

	Consolidated		E.C.N.G.	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Contracts placed	4,786	2,516	85	1,444
Approved by the Board but no contracts placed	3,392	2,155	1,712	1,135
	<u>8,178</u>	<u>4,671</u>	<u>1,797</u>	<u>2,579</u>

24. Pension Commitments

Pension and Life Assurance Scheme

The actuarial valuation at 1st January, 1987 indicated that there were sufficient assets to secure the benefits of existing pensioners and to provide paid up pensions to present employees on the basis of present salaries and credited periods of service.

Senior Management Pension & Life Assurance Scheme

The actuarial valuation at 1st January, 1987 reported a shortfall of assets against liabilities were the Scheme to be discontinued. Company contributions are paid in accordance with an actuarially recommended rate which is sufficient to provide adequate funding on a final salary basis.

25. Commitments Under Operating Leases

At 31st December, 1988 annual commitments under non-cancellable operating leases for land and buildings were as set out below:

	Consolidated		E.C.N.G.	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	11	10	—	—
Within two to five years	115	239	—	—
Over five years	366	16	—	16
	<u>492</u>	<u>265</u>	<u>—</u>	<u>16</u>

Notes on the Accounts (continued)

26. Particulars of Transactions Involving Directors

During the year the company purchased a freehold property from Mr S. M. Garner for £230,000, a price supported by an independent professional valuation.


27. Post Balance Sheet Event

In February, 1989 The Paper Shops (East Anglia) Limited acquired the goodwill and trading assets of 48 retail outlets from the Chelmsford-based company, T C News Limited. This acquisition, including a payment for goodwill, could amount to a maximum sum of £4,850,000.

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

We have audited the accounts set out on pages 8 to 22 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention as explained in note 1(a).

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, 1988, and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

Ernst & Whinney 
Chartered Accountants

Norwich

21st March, 1989

27-10-89

ASHWELL PRINT SERVICES LTD
SHOTESHAM

TEL. (0508) 50124

NOTICE OF ILLEGIBLE DOCUMENT ON THE MICROFICHE RECORD

Companies House regrets that the microfiche record for this company contains some data which is illegible.

The poor quality has been noted but unfortunately the steps taken to improve the quality have been unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.