

Emcliffe Limited

Accounts 31 December 1997
together with directors' and auditors' reports

Company number: 2890739



Directors and advisors

DIRECTORS

Mr P J Bradshaw
Mr E P Glynn
Mr M P Pelosi
Mr D P Smith

COMPANY SECRETARY

Mr D P Smith

REGISTERED OFFICE

New Priestgate House
57 Priestgate
Peterborough
PE1 1JW

AUDITORS

Arthur Andersen
18 Charlotte Square
Edinburgh
EH2 4DF

SOLICITORS

MacRoberts
152 Bath Street
Glasgow
G2 4TB

Directors' report

For the year ended 31 December 1997

The directors present their report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 1997.

Principal activity

The principal activity of the company during the year has been the publication and distribution of a weekly newspaper.

Business review

The results for the year were as follows:

	£000s
Profit for the year	226
Dividends	(226)
Retained profit for the year	-

The directors recommend the payment of a dividend of £226,000 (1996 - £121,000).

Directors and their interests

The directors who served during the year are listed on page 1.

The directors have no interests in the share capital of the company.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

Auditors

The directors will place a resolution before the Annual General Meeting to re-appoint Arthur Andersen as auditors of the company for the ensuing year.

New Priestgate House
57 Priestgate
Peterborough
PE1 1JW

By order of the Board



D P Smith
Secretary

31 March 1998

ARTHUR ANDERSEN

Auditors' report

Edinburgh

To the Shareholders of Emcliffe Limited:

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out in note 1.

Respective responsibilities of directors and auditors

As described in the directors' report on pages 2 and 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

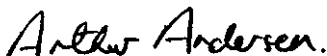
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

18 Charlotte Square
Edinburgh
EH2 4DF

31 March 1998

Profit and loss account

For the period ended 31 December 1997

	Notes	Year ended 31 December 1997 £000s	9 months ended 31 December 1996 £000s
Turnover	2	1,227	688
Cost of sales		(664)	(341)
Gross profit		563	347
Net operating expenses	3	(235)	(170)
Operating profit		328	177
Investment income	4	9	4
Profit on ordinary activities before taxation	5	337	181
Tax on profit on ordinary activities	6	(111)	(60)
Profit for the year		226	121
Dividends proposed	7	(226)	(121)
Retained profit for the year		-	-

The profit for the year equates to the historical cost profit for the year.

The current and prior year results have been derived wholly from continuing operations.

As permitted by Financial Reporting Standard 3 "Reporting Financial Performance" the company has not prepared a Statement of Total Recognised Gains and Losses or a Reconciliation of Movements in Shareholders' Funds, as it has no recognised gains or losses other than the retained profit for the period.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

31 December 1997

	Notes	1997 £000s	1996 £000s
Current assets			
Debtors - due within one year	8	156	125
Cash at bank and in hand		275	187
		<u>431</u>	<u>312</u>
Creditors: Amounts falling due within one year	9	<u>(431)</u>	<u>(312)</u>
Net current assets		-	-
Total assets		<u>-</u>	<u>-</u>
Capital and reserves			
Called-up equity share capital	10	-	-
Reserves		<u>-</u>	<u>-</u>
Total capital employed		<u>-</u>	<u>-</u>

Signed on behalf of the Board



D P Smith

Director

31 March 1998

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period and the preceding year, is set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Turnover

Turnover represents net invoiced sales to customers excluding VAT.

c) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Provision is made for deferred taxation using the liability method, to take account of all timing differences except those which, in the opinion of the directors, will probably not reverse. However, the amount of all deferred tax, including that which will probably not reverse is shown in the notes to the accounts.

2 Segmental analysis

Contributions to turnover were as follows:

	Year ended 31 December 1997 £000s	9 months ended 31 December 1996 £000s
By activity:		
Newspaper publishing	<u>1,227</u>	<u>688</u>
By geographical area:		
United Kingdom	<u>1,227</u>	<u>688</u>

3 Net operating expenses

	Year ended 31 December 1997 £000s	9 months ended 31 December 1996 £000s
Distribution costs	165	119
Administrative expenses	70	51
	<u>235</u>	<u>170</u>

Notes to accounts (continued)

4 Investment income

	Year ended 31 December 1997 £000s	9 months ended 31 December 1996 £000s
Interest received and similar income	<u>9</u>	<u>4</u>

5 Profit on ordinary activities before taxation

None of the directors received any remuneration in respect of services to the company (1996 - £nil).

All auditors' remuneration is borne by an associated undertaking.

6 Tax on profit on ordinary activities

The tax charge comprises:

	Year ended 31 December 1997 £000s	9 months ended 31 December 1996 £000s
Corporation tax at 31.5% (1996 - 33%)	<u>111</u>	<u>60</u>

There are no material timing differences at 31 December 1997 and 31 December 1996.

7 Dividends proposed

	Year ended 31 December 1997 £000s	9 months ended 31 December 1996 £000s
Equity shares		
- final proposed of £2,260 (1996 - £1,210) per 'A' and 'B' ordinary share	<u>226</u>	<u>121</u>

8 Debtors

The following are included in the net book value of debtors:

	1997 £000s	1996 £000s
Amounts falling due within one year:		
Amounts owed by associated undertakings	43	63
Other debtors	113	61
Prepayments and accrued income	-	1
	<u>156</u>	<u>125</u>

Notes to accounts (continued)

9 Creditors: Amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	1997 £000s	1996 £000s
Trade creditors	26	27
Amounts owed to associated undertakings	6	84
Other creditors		
- UK corporation tax payable	111	60
- VAT	14	5
- other creditors	3	2
Proposed dividends	226	121
Accruals and deferred income	45	13
	<u>431</u>	<u>312</u>

10 Called-up equity share capital

	1997 £	1997 £
<i>Authorised, allotted called-up and fully paid:</i>		
50 'A' ordinary shares of £1 each	50	50
50 'B' ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

Share capital consists entirely of equity shares.

11 Guarantees and other financial commitments

Capital commitments

The company had no capital commitments at 31 December 1997 (1996 - £nil).

12 Cash flow statement

The company is exempt from the requirement of FRS 1 to include a cash flow statement as part of its accounts as the company qualifies as a small company as defined by the Companies Act 1985.

13 Related party transactions

The company undertook transactions, all of which were on an arms length basis, and had balances outstanding at 31 December 1997 with related parties as shown below:

	Purchases £000s	Creditors £000s	Sales £000s	Debtors £000s
Johnston Press plc and subsidiaries	123	-	330	10
Northcliffe Newspapers Group Limited and subsidiaries	500	6	339	33
	<u>623</u>	<u>6</u>	<u>669</u>	<u>43</u>

Notes to accounts (continued)

13 Related party transactions (continued)

Johnston Press plc and Northcliffe Newspapers Group Limited own the company's 'A' and 'B' ordinary shares, respectively.

The composing and processing costs are borne by Johnston Publishing Limited, a subsidiary of Johnston Press plc, and recharged to Emcliffe Limited.

The newspaper is printed by Leicester Mercury Group Limited, a subsidiary of Northcliffe Newspapers Group Limited.