

ECNG INVESTMENT CO. LIMITED

Registered Number: 3398756

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER 2000



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**ECNG INVESTMENT CO. LIMITED**

Registered Number: 3398756

**DIRECTORS**

P M Strong  
I A Davies  
J O Ellison  
C H Lawrence  
T Stevenson

**SECRETARY**

J O Ellison

**AUDITORS**

Ernst & Young LLP  
Compass House  
80 Newmarket Road  
Cambridge  
CB5 8DZ

**SOLICITORS**

Eversheds  
Holland Court  
The Close  
Norwich  
NR1 4DX

**REGISTERED OFFICE**

Prospect House  
Rouen Road  
Norwich  
NR1 1RE

## **ECNG INVESTMENT CO. LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2000**

The directors present their report together with the accounts of the company for the year ended 31st December 2000.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to \$91 (1999 : loss £1,208).

The directors do not recommend the payment of a dividend.

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

The company is an investment holding company for the Eastern Counties Newspapers Group.

#### **DIRECTORS AND THEIR INTERESTS**

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

Mr P M Strong, Mr C H Lawrence and Mr T Stevenson are all directors of the holding company and have declared their interests in the shares of the holding company in that company's accounts.

The other directors had the following interests in the shares of the holding company:

		31.12.1999	31.12.2000
J O Ellison	Ordinary shares of 20p each	5,655	7,009
	Share options	3,030	1,725
I A Davies	Ordinary shares of 20p each	17,437	17,486
	Share options	8,625	8,625

**ECNG INVESTMENT CO. LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2000**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts for each financial period give a true and fair view of the state of affairs of the company and of the profit or loss 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 ; and

prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board,



JO Ellison  
**Secretary**  
27 July 2001

**REPORT OF THE AUDITORS**  
**to the members of ECNG Investment Co. Limited**

We have audited the accounts on pages 5 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of Directors and Auditors**

As described on page 3, the directors are responsible for preparing the annual report including the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance

**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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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 the company's affairs at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Ernst & Young LLP**

Registered Auditor  
Cambridge  
27 July 2001

**ECNG INVESTMENT CO. LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2000**

	Note	2000 £	1999 £
Interest received		227	174
Operating costs	2	(357)	(1,906)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(130)</u>	<u>(1,732)</u>
Tax credit on loss on ordinary activities	3	39	524
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION, RETAINED FOR THE YEAR</b>	7	<u>(91)</u>	<u>(1,208)</u>

**Recognised gains and losses**

There are no recognised gains or losses for the period other than those included in the profit and loss account above.

The notes on pages 7 and 8 form part of these financial statements.

ECNG INVESTMENT CO. LIMITED

BALANCE SHEET - 31ST DECEMBER 2000

	Note	2000 £	1999 £
<b>CURRENT ASSETS</b>			
Debtors	4	4,580,736	4,581,028
Cash at bank and in hand		10,484	10,286
		<u>4,591,220</u>	<u>4,591,314</u>
<b>CREDITORS:</b>			
Amounts falling due within one year	5	-	(3)
<b>NET CURRENT ASSETS</b>		<u>4,591,220</u>	<u>4,591,311</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	2	2
Profit and loss account	7	4,591,218	4,591,309
<b>EQUITY SHAREHOLDERS' FUNDS</b>	7	<u>4,591,220</u>	<u>4,591,311</u>

Approved by the Board on 27 July 2001.

Chairman



The notes on pages 7 and 8 form part of these financial statements.

ECNG INVESTMENT CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

**Accounting convention**

The accounts are prepared under the historical cost convention and are drawn up in accordance with applicable Accounting Standards.

2. OPERATING COSTS

	2000 £	1999 £
Operating costs include:		
Auditors remuneration	328	1,875

3. TAX ON ORDINARY ACTIVITIES

	2000 £	1999 £
UK corporation tax credit current year	(39)	(524)
	<u>(39)</u>	<u>(524)</u>

4. DEBTORS

	2000 £	1999 £
Amounts owed by parent company	4,580,669	4,580,504
Other debtors	67	524
	<u>4,580,736</u>	<u>4,581,028</u>

5. CREDITORS: Amounts falling due within one year

	2000 £	1999 £
Corporation tax	-	3

6. CALLED UP SHARE CAPITAL

	2000 £	1999 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
2 ordinary shares of £1 each	2	2



**ECNG INVESTMENT CO. LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2000****7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Share capital £	Profit & loss account £	Shareholders' funds £
At 31 December 1998	2	4,592,517	4,592,519
Loss for the year	-	(1,208)	(1,208)
At 31 December 1999	<u>2</u>	<u>4,591,309</u>	<u>4,591,311</u>
Loss for the year	-	(91)	(91)
At 31 December 2000	<u>2</u>	<u>4,591,218</u>	<u>4,591,220</u>

**8. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions in FRS 8 from disclosing transactions with related parties that are part of the Eastern Counties Newspapers Group Limited, or investees of the group.

**9. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking for which Group accounts are prepared is Eastern Counties Newspapers Group Limited, a Company registered in England. Copies of the Group accounts can be obtained from The Registrar, Companies House, Crown Way, Maindy, Cardiff.

**10. STATEMENT OF CASH FLOWS**

The statement of cash flows has been incorporated within the consolidated accounts of Eastern Counties Newspapers Group Limited.