Registered number
00798870

# Tindle Newspapers Limited

## Annual Report

## 31 March 2013

**Tindle Newspapers Limited**
**Report and group accounts**
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## Tindle Newspapers Limited
## Company Information

**Directors**
Sir Ray Tindle CBE, DL, FCIS
Lady Tindle MBE MA, Dip Ed (Lond )
Mr O C Tindle
Mrs W Craig
Mr B G Doel
Mrs S Yates

**Joint secretaries**
Lady Tindle and Mrs S Yates

**Auditors**
David Pinder & Co Limited
23 Lockyer Street
Plymouth
Devon PL1 2QZ

**Bankers**
Lloyds TSB Bank plc
147 High Street
Guildford
Surrey GU1 3AG

**Solicitors**
TWM Solicitors LLP
65 Woodbridge Road
Guildford
Surrey GU1 4RD

**Registered office**
The Old Court House
Union Road
Farnham
Surrey GU9 7PT

**Registered number**
00798870

# Tindle Newspapers Limited
## Directors' Report

The directors present their report and accounts for the year ended 31 March 2013

**Principal activities and review of the business**

The principal activities of the company and its subsidiaries (the group) have been that of weekly newspaper publishers There have not been any changes in the group's principal activities during the year nor are any envisaged for the forthcoming year

The group's aim is to develop from a position of strength to ensure it is best placed to meet future challenges To monitor this the company uses the following Key Performance Indicators that reflect the current economic backdrop

| | Target | 2013 | *2012* |
|---|---|---|---|
| Return on capital employed before impairment | 3 50% | 2 84% | *3 59%* |
| Gross profit percentage | 40 00% | 40 30% | *40 42%* |
| Liquidity (current assets current liabilities) | 2 5 times | 3 1 times | *2 5 times* |

The principal challenges facing the group arise from the continued pressure in the advertisement market as a result of the economic situation in the United Kingdom During the year the group has faced continued stress on its revenue from this The board, however has been able to offset much of this fall in national revenue by the launch of twenty very local titles in the London area and elsewhere thus increasing local income as well as attacking costs to minimise the effects of the lost revenue Many of the core business sections have maintained their profits year on year The decline in the gross profit percentage (which is profit before overheads expressed as a percentage of total turnover) has now been brought under control The group continues to react swiftly to minimise the effects of the economic difficulties and the directors are satisfied with the results for the year

The directors are confident that liquidity will continue to improve in the future and are proud that no titles have been lost throughout the recession, no journalists have been made compulsorily redundant and several titles are planned to be purchased The improving economic outlook will also benefit the group in the coming year

**Future developments**

The group intends to continue its policy of acquisition and launch of additional newspaper titles in so far as economic conditions allow

**Dividends**

The company has paid interim dividends amounting to £100,000 and the directors do not recommend a final ordinary dividend

**Directors**

The directors who served during the year were as follows

Sir Ray Tindle CBE, DL, FCIS
Lady Tindle MBE MA, Dip Ed (Lond )
Mr O C Tindle
Mrs W Craig
Mr B G Doel
Mrs S Yates Appointed 8 January 2013

**Charitable donations**

In the year under review, the group made charitable donations totalling £19,770 *(2012 £28,440)*

**Environment**

The group's policy with regard to the environment is to ensure proper understanding and effective management of the actual and potential environmental impact of its activities The group's operations are conducted in such a way that we comply with all legal requirements relating to the environment in all areas where we carry out our business During the year, the group has not incurred any fines or penalties or been investigated for any breach of environmental regulations

**Employees**

The individual companies within the group are responsible through their own management for implementing the consultative and negotiating practices which best meet their staff's particular requirements Staff are kept informed of matters concerning them by means of briefing meetings, notices and direct communication

It is the group's policy to provide employment opportunities and retraining, where possible, for disabled people and to care for people who become disabled whilst in the group's employment The group operates an equal opportunities employment policy

**Statement of directors' responsibilities for the annual report**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006

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

In so far as each of the directors is aware
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

**Financial Instruments**

The group's principal financial instruments are amounts receivable from customers, cash and bank balances and loans and amounts payable to suppliers

***Credit and cash flow risk***

The group places its emphasis on good credit management in its mitigation of these risks The group's credit risk is primarily attributable to its trade debtors There is no significant concentration of credit risk with any one customer or group of customers The amounts presented in the balance sheet for trade debtors are net of appropriate allowances for doubtful debts

***Interest rate risk***

The group does not have significant borrowings and thus does not consider there is significant exposure to cash flow interest rate risk

***Liquidity risk***

Due to the availability of cash on the balance sheet and strong operating cash flows, the group does not consider there is significant exposure to liquidity risk

***Foreign currency risk***

The group has one overseas subsidiary in the United States of America In structuring the ownership and funding of this subsidiary, the group has minimised its foreign currency fluctuation exposure The exposure that remains is not significant to warrant the use of other measures to control this risk

**Post balance sheet date events**

On 1 April 2013, the group acquired all the share capital and voting rights of Island FM Limited and Channel Radio Limited through a deed of waiver of all the loans the group has made to the Tindle Radio Holdings Limited group

**Auditor**

David Pinder & Co Limited were re-appointed auditors of the company under section 487(2) of the Companies Act 2006

S. Yates

**Mrs S Yates**
Company Director

This report was approved by the board on 18 December 2013

## Tindle Newspapers Limited

## Independent auditor's report
## to the member of Tindle Newspapers Limited

We have audited the financial statements of Tindle Newspapers Limited for the year ended 31 March 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of total recognised gains and losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed

**Respective responsibilities of directors and auditor**
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

**Scope of the audit of the financial statements**
A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www frc org uk/apb/scope/private cfm

**Opinion on financial statements**
In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report on by exception**
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

**David Pinder**
Senior Statutory Auditor
for and on behalf of **David Pinder & Co Limited**
Statutory auditor, Chartered Accountants

23 Lockyer Street
Plymouth
Devon
PL1 2QZ

18 December 2013

## Tindle Newspapers Limited
## Consolidated Profit and Loss Account
## for the year ended 31 March 2013

| | Notes | 2013 Operating activities | 2013 Amortisation and other exceptionals | 2013 Total | *Restated 2012 Operating activities* | *2012 Amortisation and other exceptionals* | *2012 Total* |
|---|---|---|---|---|---|---|---|
| | | £ | £ | £ | *£* | *£* | *£* |
| **Turnover** | | | | | | | |
| Continuing operations | | 34,006,439 | - | 34,006,439 | *35,695,597* | - | *35,695,597* |
| Discontinued operations | | 277,234 | - | 277,234 | *417,112* | - | *417,112* |
| | 2 | 34,283,673 | - | 34,283,673 | *36,112,709* | - | *36,112,709* |
| Cost of sales | 3 | (20,468,921) | - | (20,468,921) | *(21,516,830)* | - | *(21,516,830)* |
| **Gross profit** | 3 | 13,814,752 | - | 13,814,752 | *14,595,879* | - | *14,595,879* |
| Net operating expenses | 3 | (12,227,742) | (306,388) | (12,534,130) | *(12,745,917)* | *(69,095)* | *(12,815,012)* |
| **Group operating profit** | 3 & 4 | 1,587,010 | (306,388) | 1,280,622 | *1,849,962* | *(69,095)* | *1,780,867* |
| Existing operations | | 1,583,670 | (306,388) | 1,277,282 | *2,648,378* | *(69,095)* | *2,579,283* |
| Discontinued operations | | 3,340 | - | 3,340 | *(798,416)* | - | *(798,416)* |
| | | 1,587,010 | (306,388) | 1,280,622 | *1,849 962* | *(69,095)* | *1,780,867* |
| Loss on exceptional items | 6 | - | (233,421) | (233,421) | - | - | - |
| Change in value and sale of investments | | - | 158,778 | 158,778 | - | *11,461* | *11,461* |
| Interest receivable | 9 | 200,684 | - | 200,684 | *269,674* | - | *269,674* |
| Interest payable | 10 | (20,007) | - | (20,007) | - | - | - |
| **Profit on ordinary activities before taxation** | | 1,767,687 | (381,031) | 1,386,656 | *2,119,636* | *(57,634)* | *2,062,002* |
| Tax on profit on ordinary activities | 12 | (348,927) | 60,689 | (288,238) | *(568,911)* | - | *(568,911)* |
| **Profit on ordinary activities after taxation** | | 1,418,760 | (320,342) | 1,098,418 | *1,550,725* | *(57,634)* | *1,493,091* |
| Equity minority interests | | 28,677 | - | 28,677 | *(22,456)* | - | *(22,456)* |
| **Profit for the financial year** | 23 | 1,447,437 | (320,342) | 1,127,095 | *1 528 269* | *(57,634)* | *1,470,635* |

Amortisation and other exceptionals include the amortisation of intangible assets, the gains or losses on fixed asset property sales and provisions or gains on current asset investments

## Tindle Newspapers Limited
## Consolidated statement of total recognised gains and losses
## for the year ended 31 March 2013

| | Notes | 2013 £ | *2012 £* |
|---|---|---|---|
| Profit for the financial year | | 1,127,095 | *1,470,635* |
| Actuarial deficits on the pension scheme | 32 | (587,000) | *(617,000)* |
| Deferred tax on actuarial deficit | | 140,880 | *160,420* |
| Total recognised gains and losses related to the year | | 680,975 | *1,014,055* |

# Tindle Newspapers Limited
# Consolidated Balance Sheet
# as at 31 March 2013

Registered number 00798870

| | Notes | 2013 | | 2012 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Intangible assets | 14 | | 32,482,276 | | *32,751,589* |
| Tangible assets | 15 | | 5,441,174 | | *7,328,247* |
| Investments | | | | | |
| Associates | | 52,072 | | *50,722* | |
| Other investments | | 1 | | *1* | |
| | 16 | | 52,073 | | *50,723* |
| | | | 37,975,523 | | *40,130,559* |
| **Current assets** | | | | | |
| Stocks | 17 | 19,565 | | *13,339* | |
| Debtors | 18 | 5,490,952 | | *6,136,476* | |
| Investments held as current assets | 19 | 2,354,705 | | *2,065,564* | |
| Cash at bank and in hand | | 16,263,837 | | *13,057,356* | |
| | | 24,129,059 | | *21,272,735* | |
| Debtor amounts falling due after more than one year | 18 | 6,450,847 | | *6,758,393* | |
| | | 30,579,906 | | *28,031,128* | |
| **Creditors amounts falling due within one year** | 20 | (7,836,662) | | *(8,357,101)* | |
| **Net current assets** | | | 22,743,244 | | *19,674,027* |
| **Total assets less current liabilities** | | | 60,718,767 | | 59,804,586 |
| **Provisions for liabilities and charges** | | | | | |
| Deferred taxation | 21 | | (1,047) | | *(1,166)* |
| **Net assets excluding pensions deficit** | | | 60,717,720 | | *59,803,420* |
| Pensions deficit | 32 | | (836,000) | | *(456,000)* |
| **Net assets including pensions deficit** | | | 59,881,720 | | *59,347,420* |
| **Capital and reserves** | | | | | |
| Called up share capital | 22 | | 18,002 | | *18,002* |
| Profit and loss account | 23 | | 59,642,240 | | *59,061,265* |
| Shareholder's equity funds | 24 | | 59,660,242 | | *59,079,267* |
| Minority interests | | | 221,478 | | *268,153* |
| | | | 59,881,720 | | *59,347,420* |

Wendy Craig

**Mrs W Craig**
Director

Approved by the board on 18 December 2013

# Tindle Newspapers Limited
# Company Balance Sheet
# as at 31 March 2013

| | Notes | 2013 | | 2012 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Intangible assets | 14 | | 29,342,874 | | 29,411,969 |
| Tangible assets | 15 | | 5,009,414 | | 6,693,853 |
| Investments | 16 | | 5,390,202 | | 5,404,685 |
| | | | 39,742,490 | | 41,510,507 |
| **Current assets** | | | | | |
| Debtors | 18 | 3,124,478 | | 3,020,075 | |
| Investments held as current assets | 19 | 2,354,705 | | 2,065,564 | |
| Cash at bank and in hand | | 13,841,207 | | 10,250,944 | |
| | | 19,320,390 | | 15,336,583 | |
| Debtor amounts falling due after more than one year | 18 | 6,450,847 | | 6,758,393 | |
| | | 25,771,237 | | 22,094,976 | |
| **Creditors amounts falling due within one year** | 20 | (8,503,769) | | (8,337,922) | |
| **Net current assets** | | | 17,267,468 | | 13,757,054 |
| | | | 57,009,958 | | 55,267,561 |
| **Capital and reserves** | | | | | |
| Called up share capital | 22 | | 18,002 | | 18,002 |
| Profit and loss account | 23 | | 56,991,956 | | 55,249,559 |
| Shareholder's equity funds | 24 | | 57,009,958 | | 55,267,561 |

Wendy Craig

**Mrs W Craig**
Director

Approved by the board on 18 December 2013

## Tindle Newspapers Limited
## Consolidated Cash Flow Statement
## for the year ended 31 March 2013

| | Notes | 2013 £ | 2012 £ |
|---|---|---|---|
| **Reconciliation of operating profit to net cash inflow from operating activities** | | | |
| Operating profit | | 1,280,622 | *1,780,867* |
| Depreciation charges | | 482,826 | *325,332* |
| Amortisation and impairment adjustment | | 306,388 | *69,095* |
| Loss on disposal of fixed assets | | 32,594 | *1,898* |
| Increase in stocks | | (6,226) | *(1,347)* |
| Decrease/(increase) in debtors | | 645,524 | *(48,410)* |
| Decrease in creditors | | (732,468) | *(298,410)* |
| Adjustment in respect of pension scheme contribution in excess of current service costs | | (87,000) | *(96,000)* |
| **Net cash inflow from operating activities** | | 1,922,260 | *1,733,025* |

**CASH FLOW STATEMENT**

| | Notes | 2013 £ | 2012 £ |
|---|---|---|---|
| **Net cash inflow from operating activities** | | 1,922,260 | *1,733,025* |
| **Return on investments and servicing of finance** | 25 | 82,388 | *132,624* |
| **Corporation tax paid** | | (556,977) | *(392,889)* |
| **Capital expenditure and financial investment** | 25 | 2,061,310 | *778,579* |
| **Acquisitions and disposals** | 27 | (202,500) | *(785,342)* |
| **Equity dividends paid** | | (100,000) | (400,000) |
| **Cash inflow before use of liquid resources and financing** | | 3,206,481 | *1,065,997* |
| **Management of liquid resources** | 25 | - | *(829,063)* |
| **Increase in cash** | | 3 206,481 | *236,934* |
| **Reconciliation of net cash flow to movement in net funds** | | | |
| Increase in cash in the year | | 3,206,481 | *236,934* |
| Increase in liquid resources | | - | *829,063* |
| Other non-cash changes | | 289,141 | *11,441* |
| **Change in net funds** | 26 | 3,495,622 | *1,077,438* |
| **Net funds at 1 April 2012** | | 15,122,920 | *14,045,482* |
| **Net funds at 31 March 2013** | 26 | 18,618,542 | *15,122,920* |

## Tindle Newspapers Limited
## Notes to the Accounts
## for the year ended 31 March 2013

### 1 Accounting policies

***Accounting convention***
The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

***Basis of consolidation***
The group accounts consolidate the audited accounts of the company and its subsidiary undertakings at the year end using acquisition accounting The results of subsidiary undertakings acquired or disposed of during the year are included from, or up to, the effective date of acquisition or disposal

***Associated undertakings and joint ventures***
The group's participating interests consist of investments in associated undertakings, where the group has a shareholding between 20% and 50% and also has significant influence over the operating and financial policy decisions, and joint ventures The group's share of the results of associated undertakings and joint ventures is included in the consolidated profit and loss account Unless otherwise stated, the interests in the consolidated balance sheet of the associated undertakings (adjusted as necessary to reflect group accounting policies) are included at the group's share of the net assets of the associated undertakings together with the premium arising on acquisition Joint ventures are disclosed in the consolidated balance sheet on a gross asset and gross liability basis

The premium on acquisition of the investment in an associated undertaking or joint venture is amortised over its estimated useful life of 20 years

***Intangible assets***
Publishing titles
Publishing titles acquired after 31 March 1998 are included in the balance sheet at their fair value on acquisition Titles acquired prior to this date are included at their book value on this date No amortisation is charged on publishing titles as the group has demonstrated through its publishing policy that such titles do not have a finite life For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as income generating units Where the asset does not generate cash flows that are independent from other assets, value in use estimates are made based on the cash flows of the income generating unit to which the asset belongs The publishing rights and titles are reviewed for impairment either at each reporting date or more frequently when there is an indication that the recoverable amount is less than the carrying amount Recoverable amount is the higher of net realisable value and value in use In assessing value in use the estimated future cash flows of the income generating unit relating to the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to each asset If the recoverable amount of an income generating unit is estimated to be less than its carrying amount, the carrying value of the cash-generating unit is reduced to its recoverable amount An impairment loss is recognised in the consolidated profit and loss account in the period in which it occurs and may be reversed in subsequent periods

The key assumptions concerning the impairment of publishing titles represent a key source of estimation uncertainty at the reporting date The use of different assumptions in the next financial year could have a material impact on the carrying amount of intangible assets in the balance sheet Determining whether the publishing titles intangible assets are impaired requires an estimation of the value in use of the income generating unit to which these have been allocated The value in use calculation requires the Group to estimate the future cash flows expected to arise from the income generating unit and a suitable discount rate in order to calculate present value

Broadcasting rights
Broadcasting rights are stated at fair value on acquisition and, subject to annual review, are carried in the balance sheet at cost less amortisation Amortisation commences in the month following the month of acquisition and is provided so as to write off these assets over their estimated life of 20 years If any impairment in value were to arise it would be charged to the profit and loss account as soon as it has been identified

Goodwill
Acquired goodwill is written off in equal annual instalments over its useful economic life of 10 years In addition to systematic amortisation, the book value is written down to its recoverable amount when any impairment is identified

***Foreign currencies***
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

***Stocks***
Stock is valued at the lower of cost and net realisable value and is comprised of goods for resale

***Current asset investments***
Current asset investments are valued at the lower of cost and net realisable value

**1 Accounting policies (continued)**

***Tangible assets and depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

| | |
|---|---|
| Freehold land and buildings | 1 25% on cost or valuation |
| Leasehold property | over the lease term |
| Fixtures, fittings, plant and equipment | 20% straight line |

The charge to depreciation commences in the month following the month of acquisition The rate applied to freehold land and buildings is deemed to be equivalent to writing down the buildings over 50 years Where there is evidence of impairment, fixed assets are written down to the recoverable amount and fair value adjustments are made on acquisitions as required

***Pensions***

The Group's defined benefit pension schemes are accounted for in accordance with FRS 17 'Retirement Benefits' The pension scheme assets are measured using market values Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency

Operating profit is charged with the cost of providing pension benefits earned by employees Interest payable includes the increase during the year in the present value of the schemes' liabilities that arises from the passage of time less the expected return on the schemes' assets Actuarial gains and losses are recognised in the consolidated statement of total recognised gains and losses

The company operates the Farnham Castle Newspapers Limited Pension and Life Assurance Scheme Individual group companies within this scheme have continued to account for this defined benefit scheme as if it were a defined contribution scheme, as permitted by FRS 17, as the scheme is a multi-employer scheme where the assets and liabilities of the scheme relating to the company cannot be separately identified

The Group also operates various defined contribution schemes These costs are charged to the profit and loss in the period to which they relate

***Deferred taxation***

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen and not reversed by the balance sheet date, unless such provision is not permitted by FRS 19

In accordance with FRS 19 deferred tax is not provided for

- revaluation gains on land and buildings unless there is a binding agreement to sell them at the balance sheet date,
- gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over,
- extra tax payable if the overseas retained profits of subsidiaries and associates are remitted in the future, and
- fair value adjustment gains to fixed assets and stock to uplift prices to those ruling when an acquisition is made

Deferred tax assets are only recognised to the extent that it is considered more likely than not that they will be recovered

***Leasing and hire purchase commitments***

Assets held under such agreements, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Rentals paid under operating leases are charged to the profit and loss account over the lease term

**2 Turnover**

Turnover represents the value of goods and services rendered by the group, net of value added tax and is comprised mainly of advertising and, in the case of publishing, circulation revenue Turnover is attributable to the group's principal activities, those of newspaper publishers and local radio station proprietors

| Analysis by geographical market | **2013** | ***2012*** |
|---|---|---|
| | **£** | ***£*** |
| United Kingdom | 33,953,392 | *35,776,184* |
| U S A | 330,281 | *336,525* |
| | 34,283,673 | *36,112,709* |

## Tindle Newspapers Limited
## Notes to the Accounts
## for the year ended 31 March 2013

**3 Analysis of results**

For the year ended 31 March 2013

| | Continuing operations Existing £ | Discontinued operations £ | Total £ |
|---|---|---|---|
| Cost of sales | 20,283,192 | 185,729 | 20,468,921 |
| Gross profit | 13,723,246 | 91,506 | 13,814,752 |
| Net operating expenses | | | |
| Distribution costs | 4,661,530 | 55,416 | 4,716,946 |
| Administrative expenses | 8,131,387 | 45,538 | 8,176,925 |
| Other operating income | (346,953) | (12,788) | (359,741) |
| | 12,445,964 | 88,166 | 12,534 130 |
| Group operating profit | 1,277 282 | 3 340 | 1,280,622 |

*For the year ended 31 March 2012*

| | *Continuing operations £* | *Discontinued operations £* | *Total £* |
|---|---|---|---|
| *Cost of sales* | *21,246,551* | *270,279* | *21,516,830* |
| *Gross profit* | *14,449,047* | *146,832* | *14,595,879* |
| *Net operating expenses* | | | |
| *Distribution costs* | *5,290,398* | *90,313* | *5 380,711* |
| *Administrative expenses* | *6,879,460* | *864,776* | *7,744,236* |
| *Other operating income* | *(300,094)* | *(9,841)* | *(309,935)* |
| | *11,869,764* | *945,248* | *12,815,012* |
| *Group operating profit/(loss)* | *2,579,283* | *(798,416)* | *1,780,867* |

**4 Operating profit**

| | 2013 £ | *2012 £* |
|---|---|---|
| This is stated after charging/(crediting) | | |
| Depreciation of owned fixed assets | 482,826 | *325,332* |
| Loss on disposal of minor fixed assets | 32,594 | *1,898* |
| Amortisation of intangible fixed assets and impairment adjustments | 306,388 | *69,095* |
| Operating lease rentals - plant and machinery | 252,447 | *248,442* |
| Operating lease rentals - land and buildings | 629,336 | *524,467* |
| Auditors' remuneration - parent | 20,000 | *20,000* |
| Auditors' remuneration - group | 98,237 | *96,901* |

**5 Profit for the financial year**

As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these accounts

| The consolidated profit before dividends includes | 2013 £ | *2012 £* |
|---|---|---|
| Holding company's profits | 1,842,397 | *2,285,086* |

**6 Loss on exceptional items**

| | 2013 £ | *2012 £* |
|---|---|---|
| Profit on disposal of land and buildings | 248,108 | - |
| Cost of streamlining distribution system for the London Group of Companies | (481,529) | - |
| | (233,421) | - |
| Taxation credit | 60,689 | - |

**7 Directors' emoluments**

| | 2013 £ | *2012 £* |
|---|---|---|
| Emoluments | 281,037 | *262,904* |
| Company contributions to money purchase pension schemes | 6,165 | *5,670* |
| | 287,202 | *268,574* |
| Highest paid director | | |
| Emoluments | 145,000 | *145,000* |
| Company contributions to money purchase pension schemes | 3,780 | *3,780* |
| | 148,780 | *148,780* |

**7 Directors' emoluments - continued**

| Number of directors in company pension schemes | 2013 Number | 2012 Number |
|---|---|---|
| Money purchase schemes | 3 | 2 |

**8 Staff costs**

| | 2013 £ | 2012 £ |
|---|---|---|
| Wages and salaries | 13,069,438 | 13,463,903 |
| Social security costs | 1,094,254 | 1,170,689 |
| Other pension costs | 421,749 | 449,135 |
| | 14,585,441 | 15,083,727 |

| Average number of employees during the year | Number | Number |
|---|---|---|
| Management and administration | 131 | 132 |
| Editorial and production | 282 | 303 |
| Sales and marketing | 276 | 281 |
| Distribution | 36 | 45 |
| | 725 | 761 |

**9 Interest receivable**

| | 2013 £ | 2012 £ |
|---|---|---|
| Bank interest | 67,561 | 144,467 |
| Other interest | 133,123 | 124,207 |
| | 200,684 | 268,674 |
| Interest on pension schemes' liabilities less expected returns on pension schemes' assets | - | 1,000 |
| | 200 684 | 269,674 |

**10 Interest payable**

| | 2013 £ | 2012 £ |
|---|---|---|
| Bank loans and overdrafts | 7 | - |
| | 7 | - |
| Interest on pension schemes' liabilities less expected returns on pension schemes' assets | 20,000 | - |
| | 20,007 | - |

**11 Pension costs**

***Defined contribution schemes***

An amount of £167,827 *(2012 £190,135)* was paid under various defined contribution schemes throughout the group The assets of these schemes are held separately from those of the group in independently administered funds

***Defined benefit schemes***

The pensions information for defined benefit schemes is shown at the end of these notes in note 32

**12 Analysis of taxation in year**

| | 2013 £ | 2012 £ |
|---|---|---|
| Current tax | | |
| UK corporation tax on profits of the period | 342,320 | 583,642 |
| Adjustments in respect of previous periods | (54,843) | (32,985) |
| Current tax charge for period | 287,477 | 550,657 |
| Deferred tax | | |
| Origination and reversal of timing differences | (119) | (1,166) |
| Deferred tax arising from the inclusion of the pension schemes in the accounts | 880 | 19,420 |
| Tax on profit on ordinary activities | 288,238 | 568,911 |

## Tindle Newspapers Limited
## Notes to the Accounts
## for the year ended 31 March 2013

**12 Analysis of taxation in year (continued)**

**Factors affecting tax charge for year**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

| **Reconciliation of tax charge** | **2013** | ***2012*** |
|---|---|---|
| | £ | *£* |
| Profit on ordinary activities before tax | 1,386,656 | *2,062,002* |
| Standard rate of corporation tax in the UK | 24% | *26%* |
| | £ | *£* |
| Corporation tax based on the above accounting profit | 332,797 | *536,121* |
| Effects of | | |
| Expenses not tax deductible, amortisation and depreciation for year in excess of capital allowances | 108,056 | *69,921* |
| Change in value of investments adjustment | (38,107) | *(2,980)* |
| Pension costs charge in excess of pension relief | (880) | *(19,420)* |
| Income not chargeable to tax | (59,546) | *-* |
| Adjustments to tax charge in respect of previous periods | (54,843) | *(32,985)* |
| Current tax charge for period | 287,477 | *550,657* |

**Factors that may affect future tax charges**

Assets subject to rollover relief amounting to £2,258,955 would generate additional corporation tax of £519,560 if the assets, to which the rollover claim attached, were sold

| **13 Equity dividends** | **2013** | ***2012*** |
|---|---|---|
| | £ | *£* |
| Equity dividends on ordinary shares - interim paid in year | 100,000 | *400,000* |

| **14 Intangible fixed assets - group** | **Goodwill** | **Broadcasting** | **Publishing** | **Total** |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| At 1 April 2012 | 690,950 | 1 | 32,694,221 | 33,385,172 |
| Additions | - | - | 432 | 432 |
| Disposal of a negative intangible | - | - | 36,643 | 36,643 |
| At 31 March 2013 | 690,950 | 1 | 32,731,296 | 33,422,247 |
| **Amortisation and impairment** | | | | |
| At 1 April 2012 | 483,665 | - | 149,918 | 633,583 |
| Provided during the year | 69,095 | - | 237,293 | 306,388 |
| At 31 March 2013 | 552,760 | - | 387 211 | 939,971 |
| **Net book value** | | | | |
| At 31 March 2013 | 138 190 | 1 | 32 344,085 | 32,482,276 |
| *At 31 March 2012* | *207,285* | *1* | *32,544 303* | *32,751,589* |

| **Intangible fixed assets - company** | **Goodwill** | **Publishing** | **Total** |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 April 2012 | 690,950 | 29,240,716 | 29,931,666 |
| At 31 March 2013 | 690,950 | 29,240,716 | 29,931,666 |
| **Amortisation and impairment** | | | |
| At 1 April 2012 | 483,665 | 36,032 | 519,697 |
| Provided during the year | 69,095 | - | 69,095 |
| At 31 March 2013 | 552 760 | 36,032 | 588,792 |
| **Net book value** | | | |
| At 31 March 2013 | 138,190 | 29,204,684 | 29,342,874 |
| *At 31 March 2012* | *207,285* | *29,204,684* | *29,411,969* |

## Tındle Newspapers Lımıted
## Notes to the Accounts
## for the year ended 31 March 2013

**14 Intangible fixed assets (continued)**

The Group tests the carrying value of publishing rights for impairment at each reporting date or more frequently if there are indications of impairment At the balance sheet date, a review was undertaken on a value in use basis, assessing whether the carrying value of intangible assets were supported by the net present value of future cash flows derived from those assets, using cash flow projections in respect of periods to 2016 With the exception of London Weekly Newspapers Limited and Yellow Advertiser Limited, which are treated as a single income generating unit, the Group considers each subsidiary to be a separate income generating unit for the purpose of this review

The key assumptions used in the value in use calculations are those regarding the discount rate and growth rates The discount rate used at the period end reporting date was 7 2%, based on the Group's assessment of its weighted average cost of capital The cash flow forecasts reflect both past experience of the performance of each asset and projections of future performance over the next four years Cash flows beyond 2016 are extrapolated based on estimated growth rates which do not exceed the average UK long-term growth rate Reflecting the current economic climate, value in use assessments have been made based on a nil growth rate up to 2014, followed by a rate of 2% into perpetuity

**15 Tangible fixed assets - group**

| | Freehold land and buildings £ | Leasehold land and buildings £ | Fixtures, fittings and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2012 | 7,486,093 | 707,978 | 2,022,333 | 10,216,404 |
| Additions | 6,928 | - | 84,051 | 90,979 |
| Disposals | (1,570,274) | (36,195) | (352,618) | (1,959,087) |
| At 31 March 2013 | 5,922,747 | 671,783 | 1,753,766 | 8,348 296 |
| **Depreciation and impairment** | | | | |
| At 1 April 2012 | 1,049,274 | 114,863 | 1,724,020 | 2,888,157 |
| Charge for the year | 285,205 | 13,351 | 184,270 | 482,826 |
| On disposals | (107,727) | (16,077) | (340,057) | (463,861) |
| At 31 March 2013 | 1,226,752 | 112,137 | 1,568,233 | 2,907,122 |
| **Net book value** | | | | |
| At 31 March 2013 | 4,695,995 | 559,646 | 185,533 | 5,441,174 |
| *At 31 March 2012* | *6,436,819* | *593,115* | *298,313* | *7,328,247* |

**Tangible fixed assets - company**

| | Freehold land and buildings £ | Leasehold land and buildings £ | Fixtures, fittings and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2012 | 7,048,576 | 616,314 | 213,832 | 7,878,722 |
| Additions | 6,928 | - | 23,372 | 30,300 |
| Disposals | (1,570,274) | (2) | (36,162) | (1,606,438) |
| At 31 March 2013 | 5,485,230 | 616,312 | 201,042 | 6,302,584 |
| **Depreciation and impairment** | | | | |
| At 1 April 2012 | 935,675 | 50,099 | 199,095 | 1,184,869 |
| Charge for the year | 234,764 | 7,993 | 9,433 | 252,190 |
| On disposals | (107,727) | - | (36,162) | (143,889) |
| At 31 March 2013 | 1,062,712 | 58,092 | 172,366 | 1,293,170 |
| **Net book value** | | | | |
| At 31 March 2013 | 4,422,518 | 558,220 | 28,676 | 5,009,414 |
| *At 31 March 2012* | *6,112,901* | *566,215* | *14,737* | *6,693,853* |

**Tındle Newspapers Lımıted**
**Notes to the Accounts**
**for the year ended 31 March 2013**

**16 Investments - group**

| **Associates, joint venture and other fixed asset investments** | **Cost of shares** | **Share of post acquısition losses** | **Other investments** | **Total** |
|---|---|---|---|---|
| | **£** | **£** | **£** | **£** |
| **Cost** | | | | |
| At 1 Aprıl 2012 | 70,742 | (20) | 150,256 | 220,978 |
| Addıtıons | 202,500 | - | - | 202,500 |
| At 31 March 2013 | 273,242 | (20) | 150,256 | 423,478 |
| **Provisions** | | | | |
| At 1 Aprıl 2012 | 20,000 | - | 150,255 | 170,255 |
| Movement ın year | 201,150 | - | - | 201,150 |
| At 31 March 2013 | 221,150 | - | 150,255 | 371,405 |
| **Net book value** | | | | |
| At 31 March 2013 | 52,092 | (20) | 1 | 52 073 |
| *At 31 March 2012* | *50,742* | *(20)* | *1* | *50,723* |

**Group interest in joint venture and associate undertakıng**

The group holds more than 20% of the share capıtal of the followıng companıes

| | **Accountıng year end** | **Nature of business** | **Shares held Class** | **Holding** |
|---|---|---|---|---|
| Latest Homes (UK) Lımıted (non-tradıng) | 31 March | Internet | Ordınary | 50 00% |
| Cıty6 Lımıted | 30 November | Internet | Ordınary | 37 50% |

| | **2013** | ***2012*** |
|---|---|---|
| | **£** | ***£*** |
| Share of assocıated undertakıngs' net assets (excludıng premıum) | 52,072 | *50,722* |
| | 52,072 | *50,722* |
| Group ınterest ın assocıated undertakıngs | 52,072 | *50 722* |
| | 52,072 | *50,722* |
| Dısclosed above as | | |
| Cost of shares | 52,092 | *50,742* |
| Share of post acquısıtıon losses | (20) | *(20)* |
| | 52,072 | *50,722* |

| **Group partıcipatıng interests and other investments** | **2013** | ***2012*** |
|---|---|---|
| | **£** | ***£*** |
| Unlısted ınvestments | 1 | *1* |

The followıng partıcıpatıng ınterests are ıncluded ın the unlısted ınvestments above

| | **Nature of business** | **Shares held Class** | **Holding** |
|---|---|---|---|
| Afrıcan Medıa Investments Lımıted | Newspaper | Ordınary | 18% |

In the dırectors' opınıon the value of the unlısted ınvestments ıs at least equal to or ın excess of the net book value All the ınvestments lısted above are ın companıes ıncorporated ın Great Brıtaın

## Tindle Newspapers Limited
## Notes to the Accounts
## for the year ended 31 March 2013

**16 Investments - company**

| | Subsidiaries | Associates and joint ventures | Participating interests and other investments | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| At 1 April 2012 | 5,360,761 | 70,744 | 150,256 | 5,581,761 |
| Additions | 433 | 202,500 | - | 202,933 |
| Disposals | (126) | - | - | (126) |
| At 31 March 2013 | 5,361,068 | 273 244 | 150,256 | 5,784,568 |
| **Provisions** | | | | |
| At 1 April 2012 | 6,821 | 20,000 | 150,255 | 177,076 |
| Movement in year | 16,140 | 201,150 | - | 217,290 |
| At 31 March 2013 | 22,961 | 221,150 | 150,255 | 394,366 |
| **Net book value** | | | | |
| At 31 March 2013 | 5,338,107 | 52,094 | 1 | 5,390,202 |
| *At 31 March 2012* | *5,353,940* | *50,744* | *1* | *5,404 685* |

| **Subsidiary undertakings contributing to the group's results** | **Shares held Class** | **Holding** |
|---|---|---|
| Newspaper publishers | | |
| Abergavenny Chronicle Limited | Ordinary | 100% |
| Biggin Hill News Limited | Ordinary | 100% |
| Cambrian News Limited | Ordinary | 100% |
| Chew Valley Gazette Publishing Limited | Ordinary | 100% |
| Cornish Times Limited | Ordinary | 100% |
| Crediton Country Courier Limited | Ordinary | 100% |
| Dawlish Newspapers Limited | Ordinary | 100% |
| Devon & Cornwall Newspapers Limited | Ordinary | 100% |
| Devon, Dorset & Somerset Series of Newspapers Limited | Ordinary | 100% |
| Faringdon Newspapers Limited | Ordinary | 100% |
| Farnham Castle Newspapers Limited | Ordinary | 100% |
| Forest of Dean & Wye Valley Review Limited | Ordinary | 100% |
| Forester Newspapers Limited | Ordinary | 100% |
| FreeAdmart Limited | Ordinary | 100% |
| Glamorgan Gem Limited | Ordinary | 100% |
| Goldcrest Broadcasting Limited | Ordinary | 100% |
| Leigh Times Series Limited | Ordinary | 100% |
| London Weekly Newspapers Limited | Ordinary | 100% |
| Meon Valley News Limited | Ordinary | 80% |
| Midsomer Norton & Radstock Journal Limited | Ordinary | 100% |
| Monmouthshire Beacon Co Limited | Ordinary | 100% |
| New Life Magazines Limited | Ordinary | 100% |
| North Cornwall Advertiser Limited | Ordinary | 75% |
| North Cornwall Post & Diary Limited | Ordinary | 75% |
| Property Weekly Series Limited | Ordinary | 100% |
| South Hams Newspapers Limited | Ordinary | 100% |
| Surrey & Hants News Limited | Ordinary | 100% |
| Tavistock Newspapers Limited | Ordinary | 100% |
| Tavy Typesetting Limited | Ordinary | 100% |
| Tenby Observer Limited | Ordinary | 100% |
| The Brecon & Radnor Express Limited | Ordinary | 100% |
| The Cornish & Devon Post Limited | Ordinary | 100% |
| The Ross Gazette Limited | Ordinary | 100% |
| The Sunday Independent Limited | Ordinary | 100% |
| Tindle Newspapers (USA) Inc (incl Idyllwild Publications inc ) | Ordinary | 81% |

## Tindle Newspapers Limited
## Notes to the Accounts
## for the year ended 31 March 2013

**16 Investments - company (continued)**

| **Subsidiary undertakings contributing to the group's results (continued)** | **Shares held** | |
|---|---|---|
| | **Class** | **Holding** |
| Newspaper publishers | | |
| Town & Country Admart Limited | Ordinary | 100% |
| Wellington Weekly News Limited | Ordinary | 80% |
| West Country Community Newspapers Limited | Ordinary | 100% |
| West Somerset Free Press Limited | Ordinary | 85% |
| Yellow Advertiser Limited | Ordinary | 100% |

The directors consider the realisable value of the company's investment in its group undertakings to be not less than the carrying value as stated in the company's balance sheet

The group also has other dormant subsidiaries that are not disclosed in accordance with schedule 410 of the Companies Act 2006

All the above companies are incorporated in Great Britain with the exception of Tindle Newspapers (USA) Inc which is incorporated in the United States of America The American company has a 31 December year end that has been chosen for the purposes of taxation

| **Participating interests and other investments** | **2013** | ***2012*** |
|---|---|---|
| | **£** | ***£*** |
| Unlisted investments | 1 | *1* |
| | 1 | *1* |

In the directors' opinion the value of the unlisted investments above is in excess of the net book value All the investments above are in companies incorporated in Great Britain

| **17 Stocks - group** | **2013** | ***2012*** |
|---|---|---|
| | **£** | ***£*** |
| Raw materials and consumables | 978 | *1,059* |
| Finished goods and goods for resale | 18,587 | *12 280* |
| | 19,565 | *13,339* |

| **18 Debtors - group** | **2013** | ***2012*** |
|---|---|---|
| | **£** | ***£*** |
| Trade debtors | 4,301,803 | *4,713,270* |
| Other debtors | 410,848 | *479,963* |
| Prepayments and accrued income | 778,301 | *943,243* |
| | 5,490,952 | *6,136,476* |

| **Debtors - company** | **2013** | ***2012*** |
|---|---|---|
| | **£** | ***£*** |
| Trade debtors | 9,144 | *6,656* |
| Amounts owed by group undertakings | 2,449,288 | *2,340,993* |
| Other debtors | 520,683 | *442,783* |
| Prepayments and accrued income | 145,363 | *229,643* |
| | 3,124,478 | *3,020,075* |

| **18 Debtor amounts falling due after more than one year - group and company** | **2013** | ***2012*** |
|---|---|---|
| | **£** | ***£*** |
| Other debtors | 6,450,847 | *6,758,393* |
| | 6,450,847 | *6,758,393* |

The other debtors shown above comprise unsecured interest bearing advances made to the Tindle Radio group amounting to £4,933,082 *(2012 £5,240,628)*, an interest free loan to Tindle Conferences and Education Limited amounting to £1,514,120 *(2012 £1,514,120)* and a rent deposit of £3,645

## 19 Investments held as current assets - group

| | 2013 £ | 2012 £ |
|---|---|---|
| Listed investments at cost | 2,354,705 | 2,065,564 |
| | 2,354,705 | 2,065,564 |
| Valuation | | |
| Listed investments - market value | 4,651,334 | 2,065,564 |
| Taxation on potential capital gain if sold at valuation | 528,225 | - |

**Investments held as current assets - company**

| | 2013 £ | 2012 £ |
|---|---|---|
| Listed investments at cost | 2,354,705 | 2,065,564 |
| | 2 354,705 | 2 065,564 |
| Valuation | | |
| Listed investments - market value | 4,651,334 | 2,065,564 |
| Taxation on potential capital gain if sold at valuation | 528,225 | - |

## 20 Creditors amounts falling due within one year - group

| | 2013 £ | 2012 £ |
|---|---|---|
| Trade creditors | 1,470,867 | 1,170,878 |
| Amounts owed to undertakings in which the company has a participating interest or are themselves subsidiaries of the ultimate parent undertaking | 3,634,159 | 3,636,749 |
| Corporation tax | 291,912 | 561,412 |
| Other taxes and social security costs | 1,273,783 | 1,492,468 |
| Other creditors | 272,388 | 391,095 |
| Accruals and deferred income | 893,553 | 1,104,499 |
| | 7,836,662 | 8,357,101 |

**Creditors amounts falling due within one year - company**

| | 2013 £ | 2012 £ |
|---|---|---|
| Trade creditors | 19,198 | 21,990 |
| Amounts owed to group undertakings | 4,495,993 | 4,192,530 |
| Amounts owed to undertakings in which the company has a participating interest or are themselves subsidiaries of the ultimate parent undertaking | 3,634,159 | 3,636,749 |
| Other taxes and social security costs | 68,308 | 100,364 |
| Other creditors | 202,609 | 317,219 |
| Accruals and deferred income | 83,502 | 69,070 |
| | 8,503,769 | 8,337,922 |

## 21 Deferred taxation - group

| | 2013 £ | 2012 £ |
|---|---|---|
| At 1 April 2012 | 1,166 | - |
| Charged to the profit and loss account | (119) | 1,166 |
| At 31 March 2013 | 1,047 | 1 166 |

## 22 Share capital

| | 2013 No | 2012 No | 2013 £ | 2012 £ |
|---|---|---|---|---|
| Allotted, called up and fully paid | | | | |
| Ordinary shares of £1 each | 18,002 | 18,002 | 18,002 | 18,002 |

**23 Profit and loss account**

| | 2013 | 2012 |
|---|---|---|
| | £ | £ |
| **Group** | | |
| At 1 April 2012 | 59,061,265 | *58,447,210* |
| Profit for the financial year | 1,127,095 | *1,470,635* |
| Actuarial gains and losses | (587,000) | *(617,000)* |
| Deferred tax on pension deficit | 140,880 | *160,420* |
| Dividends | (100,000) | *(400,000)* |
| At 31 March 2013 | 59,642,240 | *59,061,265* |

| | 2013 | 2012 |
|---|---|---|
| | £ | £ |
| **Company** | | |
| At 1 April 2012 | 55,249,559 | *53,364,473* |
| Retained profit before dividends | 1,842,397 | *2,285,086* |
| Dividends | (100,000) | *(400,000)* |
| At 31 March 2013 | 56,991,956 | *55,249,559* |

**24 Reconciliation of movement in shareholder's equity funds**

| | 2013 | 2012 |
|---|---|---|
| | £ | £ |
| **Group** | | |
| At 1 April 2012 | 59,079,267 | *58,465,212* |
| Profit for the financial year | 1,098,418 | *1,493,091* |
| Minority interests | 28,677 | *(22,456)* |
| Actuarial gains and losses | (587,000) | *(617,000)* |
| Deferred tax on pension deficit | 140,880 | *160,420* |
| Dividends | (100,000) | *(400,000)* |
| At 31 March 2013 | 59,660,242 | *59,079,267* |
| | | |
| **Company** | | |
| At 1 April 2012 | 55,267,561 | *53,382,475* |
| Profit for the financial year | 1,842,397 | *2,285,086* |
| Dividends | (100,000) | *(400,000)* |
| At 31 March 2013 | 57,009,958 | *55,267,561* |

**25 Gross cash flows**

| | 2013 | 2012 |
|---|---|---|
| | £ | £ |
| **Return on investments and servicing of finance** | | |
| Interest received | 100,393 | *150,123* |
| Interest paid | (7) | - |
| Minority dividends paid | (17,998) | *(17,499)* |
| | 82,388 | *132,624* |
| | | |
| **Capital expenditure and financial investment** | | |
| Payments to acquire intangible fixed assets | (432) | *(78,290)* |
| Payments to acquire tangible fixed assets | (90,979) | *(444,954)* |
| Receipts from long term debtors | 407,837 | *1,176,803* |
| Receipts from sales of intangible fixed assets | 34,144 | - |
| Receipts from sales of tangible fixed assets | 1,710,740 | *125,000* |
| Receipts from sales of current asset investments | - | *20* |
| | 2,061,310 | *778,579* |
| | | |
| **Management of liquid resources** | | |
| Purchase of current asset investments | - | *(829,063)* |

**26 Analysis of changes in net debt**

| | At 1 Apr 2012 | Cash flows | Non-cash changes | At 31 Mar 2013 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 13,057,356 | 3,206,481 | - | 16,263,837 |
| Current asset investments | 2,065,564 | - | 289,141 | 2,354,705 |
| Total | 15,122,920 | 3,206,481 | 289,141 | 18,618,542 |

**27 Acquisitions and dısposals**

| | 2013 | *2012* |
|---|---|---|
| | £ | *£* |
| Faır value of net assets acquıred | | |
| Publıshıng nghts | - | *784,265* |
| Tangıble fixed assets | - | - |
| | - | *784,265* |
| Mınor movements to subsıdıary ınvestments | - | *1,077* |
| Purchase of assocıated undertakıngs | 202,500 | - |
| **Total consideration** | 202,500 | *785,342* |

On 9 August 2012 the company acquıred a 37 5% ınterest ın Cıty6 Lımıted, a dıgıtal broadcast company for ınternet content

**28 Post balance sheet events**

On 1 Apnl 2013, the group acquıred all the share capıtal and votıng nghts of Island FM Lımıted and Channel Radıo Lımıted through a deed of waıver of all the loans the group has made to the Tindle Radıo Holdıngs Lımıted group

**29 Other financial commitments**

At the year end the group had annual commıtments under non-cancellable operatıng leases as set out below

| | Land and buildings 2013 | *Land and buildings 2012* | Other 2013 | *Other 2012* |
|---|---|---|---|---|
| | £ | *£* | £ | *£* |
| Operatıng leases whıch expıre | | | | |
| wıthın one year | 71,517 | *92,733* | 50,912 | *23,125* |
| wıthın two to five years | 229,447 | *179,216* | 245,684 | *300,454* |
| ın over five years | 119,908 | *186,271* | - | - |
| | 420,872 | *458,220* | 296,596 | *323,579* |

**30 Related parties and transactions involving directors**

Durıng the year the followıng arms length transactıons occurred wıth related partıes

The company paıd £45 000 *(2012 £45,000)* to Sır Ray Tındle for the rental of The Old Court House, Farnham, Surrey

In the past, the company loaned £1,469,764 to Tındle Conferences and Educatıon Lımıted, a company controlled by Mr O C Tındle, a dırector of the company At the year end the company was owed £1,514,120 *(2012 £1,514,120)*

Durıng the year the company recovered £407,806 from Provıncıal Radıo Lımıted, part of the Tındle Radıo Holdıngs Lımıted group Thıs receıpt compnses the net capıtal only repayment after recharges ın the year The loans ın the prıor years bear ınterest at the rate of 2% per annum Total ınterest accrued durıng the year amounted to £100,260 At the year end there was £4,933,082 outstandıng *(2012 £5,240,628)* Sır Ray Tındle ıs the sole beneficıal owner of Tındle Radıo Holdıngs Lımıted

The company has taken advantage of the exemptıon ın Fınancıal Reportıng Standard No 8 "Related party dısclosures" and has not dısclosed transactıons wıth wholly owned group undertakıngs

**31 Controllıng party**

The company ıs a wholly owned subsıdıary of Tındle Press Holdıngs Lımıted The ultımate controllıng party ıs Sır Ray Tındle by vırtue of hıs 100% ınterest ın the ordınary ıssued share capıtal of that company Copıes of the Tındle Press Holdıngs Lımıted financıal statements can be obtaıned from the Regıstrar of Companıes, Companıes House, Crown Way, Maındy, Cardıff, CF14 3UZ

## 32 Pension costs

The Tindle Newspapers group of companies operates 2 defined benefit pension schemes for a number of employees These schemes have been closed to new entrants since 31 March 2002 Based on actuarial valuations as at 31 March 2010, the following FRS17 information is provided as it relates to these schemes This valuation has been undertaken by RMA Walkling, a qualified independent actuary All new employees since March 2002 are entitled to participate in a defined contribution plan

**Farnham Castle Newspapers Limited Pension and Life Assurance**

Certain directors and employees of the group companies are members of the FCN Scheme, which is defined benefit with benefits based on members' years of pensionable service and final pensionable salary The assets of the scheme are held in a separate trustee administered professionally managed fund Employers' contributions are based on pension costs across the Tindle Newspapers Limited group as a whole The contributions are agreed by the Scheme trustees and the Employers following advice from a qualified actuary on the basis of triennial valuations using the projected unit credit funding method with members contributing 6% of pensionable salary The latest Scheme specific actuarial valuation was as at 1 April 2010 The main long term actuarial assumptions adopted were an annual rate of return on investments of 6 0% pre-retirement and 4 4% post-retirement, annual increases in pensionable salaries of 3 0% and annual rate of pension increases subject to Limited Price Indexation LPI 5% of 3 3% and LPI 2 5% of 2 3%

The market value of the Scheme's assets as at 1 April 2010 was £6,482,000, which excludes the value placed on annuities purchased by the trustees These assets covered 92% of the value of pensions in payment, deferred pensions and the benefits that had accrued to active members, after allowing for expected future increases in earnings The Employers' and members' contributions are expected to achieve a 100% funding level over the period to April 2020

Contributions payable by the employer group to this Scheme amounted to £227,000 *(2012 £232,000)* and all contributions were paid in the year These contributions included an amount to amortise the experience deficiencies over the period to April 2020

| **Amounts recognised in the balance sheet for this scheme** | **2013** | ***2012*** |
|---|---|---|
| | **£** | ***£*** |
| Present value of funded obligations | (8,955,000) | *(7,810,000)* |
| Fair value of scheme's assets | 8,080 000 | *7,350,000* |
| Present value of unfunded obligations | (875,000) | *(460,000)* |
| Related deferred tax assets | 236,000 | *124,000* |
| Scheme deficit | (639,000) | *(336,000)* |

| **Principal actuarial assumptions for this scheme** | **2013** | ***2012*** |
|---|---|---|
| | **%** | ***%*** |
| Discount rate for scheme liabilities | 4 40 | *4 60* |
| Rate of increase in salaries | 2 40 | *2 30* |
| Price inflation assumption | 3 30 | *2 90* |
| Rate of increase in pensions - LPI 5 0% | 3 00 | *2 70* |
| Rate of increase in pensions - LPI 2 5% | 2 30 | *2 40* |
| Overall expected return on assets | 4 90 | *4 70* |

| **Members' life expectancy for this scheme** | **2013** |
|---|---|
| | **Years** |
| Life expectancy for members at 65 - Men | 22 |
| Life expectancy for members at 65 - Women | 24 |

The overall expected return on this Scheme's assets is based on market expectations at the beginning of the period for the various categories of investment Mortality assumptions are based on standard tables with an allowance for improvement in life expectancy

| **Changes to this scheme during the year** | **Scheme assets** | | **Pension obligations** | | **Net deficit** | |
|---|---|---|---|---|---|---|
| | **2013** | ***2012*** | **2013** | ***2012*** | **2013** | ***2012*** |
| | **£** | ***£*** | **£** | ***£*** | **£** | ***£*** |
| At 1 April 2012 | 7,350,000 | *7,244,000* | (7,810,000) | *(7,352,000)* | (460,000) | *(108,000)* |
| Current service cost (ER) | - | - | (149,000) | *(138,000)* | (149,000) | *(138,000)* |
| Interest cost on benefit obligation | - | - | (361,000) | *(407,000)* | (361,000) | *(407,000)* |
| Expected return on scheme assets | 345,000 | *406,000* | - | - | 345,000 | *406,000* |
| Employer contributions | 227,000 | *232,000* | - | - | 227,000 | *232,000* |
| Employee contributions | 67,000 | *70,000* | (67,000) | *(70,000)* | - | - |
| Benefits paid | (306,000) | *(298,000)* | 306,000 | *298,000* | - | - |
| Actuarial (losses)/gains | 397,000 | *(304,000)* | (874,000) | *(141,000)* | (477,000) | *(445,000)* |
| At 31 March 2013 | 8,080,000 | *7,350,000* | (8,955,000) | *(7 810,000)* | (875,000) | *(460,000)* |

**32 Pension costs - Farnham Castle Newspapers Limited Pension and Life Assurance Scheme (continued)**

| **Major asset categories in this scheme assets** | **2013** | ***2012*** |
|---|---|---|
| | **£** | **£** |
| Equities | 5,116,000 | *3,746,000* |
| Bonds, gilts and annuity contracts | 2,799,000 | *3,136,000* |
| Bank deposits and cash balances | 165,000 | *468,000* |
| Total market value of scheme assets | 8 080,000 | *7,350,000* |

| **Major asset categories in this scheme's assets as a percentage of scheme assets** | **2013** | ***2012*** |
|---|---|---|
| | **%** | **%** |
| Equities | 63 | *51* |
| Bonds, gilts and annuity contracts | 35 | *42* |
| Bank deposits and cash balances | 2 | *6* |

The actual return on the scheme's assets was a gain of £742,000 *(2012 a gain of £102,000)*

**The Brecon and Radnor Express Pension Scheme**

In the Brecon Scheme that covers employees of Brecon and Radnor, the retirement benefits are based on the employee's period of pensionable service and final pensionable salary The assets of the scheme are held separately from those of the company Employer contributions are agreed by the Brecon Scheme Trustees and the Employer following advice from a qualified independent actuary, who values the scheme triennially The most recent actuarial valuation of the Scheme was at 6 April 2012 The Scheme was valued using the projected unit method the principal assumptions were pre-retirement investment returns of 5 3% per annum, post retirement interest rate 4 0% per annum and salary increases of nil for first 2 years then 2 3% per annum

The market value of the assets as at 6 April 2012 was £1,011,000, which excludes the value of purchased annuities These assets covered 80% of the value of non purchased pensions in payment, deferred pensions and the benefits that had accrued to active members, after allowing for expected future increases in earnings The Employer's and members' contributions are expected to achieve a 100% funding level over the period to April 2032

Contributions payable by the group to this scheme amounted to £27,000 *(2012 £27,000)* and all contributions were paid in the year

| **Amounts recognised in the balance sheet for this scheme** | **2013** | ***2012*** |
|---|---|---|
| | **£** | **£** |
| Present value of funded obligations | (1,360,000) | *(1,176,000)* |
| Fair value of scheme's assets | 1,090,000 | *1,011,000* |
| Present value of unfunded obligations | (270,000) | *(165,000)* |
| Related deferred tax assets | 73,000 | *45,000* |
| Scheme deficit | (197,000) | *(120,000)* |

| **Principal actuarial assumptions for this scheme** | **2013** | ***2012*** |
|---|---|---|
| | **%** | **%** |
| Discount rate for scheme liabilities | 4 40 | *4 60* |
| Rate of increase in salaries | 2 40 | *2 30* |
| Price inflation assumption | 3 30 | *2 90* |
| Rate of increase in pensions - LPI 5 0% | 3 00 | *3 00* |
| Rate of increase in pensions - LPI 2 5% | 2 30 | *2 40* |
| Overall expected return on assets | 5 00 | *5 00* |

| **Members' life expectancy for this scheme** | **2013** |
|---|---|
| | **Years** |
| Life expectancy for members at 65 - Men | 22 |
| Life expectancy for members at 65 - Women | 24 |

The overall expected return on this Scheme's assets is based on market expectations at the beginning of the period for the various categories of investment Mortality assumptions are based on standard tables with an allowance for improvement in life expectancy

**32 Pension costs - The Brecon and Radnor Express Pension Scheme (continued)**

| Changes to this scheme during the year | Scheme assets | | Pension obligations | | Net surplus | |
|---|---|---|---|---|---|---|
| | 2013 | *2012* | 2013 | *2012* | 2013 | *2012* |
| | £ | *£* | £ | *£* | £ | *£* |
| At 1 April 2012 | 1,011,000 | *973,000* | (1,176,000) | *(970,000)* | (165,000) | *3,000* |
| Current service cost (ER) | - | - | (18,000) | *(25,000)* | (18,000) | *(25,000)* |
| Interest cost on benefit obligation | - | - | (54,000) | *(54,000)* | (54,000) | *(54,000)* |
| Expected return on scheme assets | 50,000 | *56,000* | - | - | 50,000 | *56,000* |
| Employer contributions | 27,000 | *27,000* | - | - | 27,000 | *27,000* |
| Employee contributions | 11,000 | *12,000* | (11,000) | *(12,000)* | - | - |
| Benefits paid | (57,000) | *(7,000)* | 57,000 | *7,000* | - | - |
| Actuarial (losses)/gains | 48,000 | *(50,000)* | (158,000) | *(122,000)* | (110,000) | *(172,000)* |
| At 31 March 2013 | 1,090,000 | *1,011,000* | (1,360,000) | *(1,176,000)* | (270,000) | *(165,000)* |

| Major asset categories in this scheme assets | 2013 | *2012* |
|---|---|---|
| | £ | *£* |
| Equities | 720,000 | *597,000* |
| Bonds, gilts and annuity contracts | 338,000 | *384,000* |
| Bank deposits and cash balances | 32,000 | *30,000* |
| Total market value of scheme assets | 1,090,000 | *1,011,000* |

| Major asset categories in this scheme's assets as a percentage of scheme assets | 2013 | *2012* |
|---|---|---|
| | % | *%* |
| Equities | 66 | *59* |
| Bonds, gilts and annuity contracts | 31 | *38* |
| Bank deposits and cash balances | 3 | *3* |

The actual return on the scheme's assets was a gain of £98,000 *(2012 a gain of £6,000)*

| Balance sheet disclosure for both schemes | 2013 | *2012* |
|---|---|---|
| | £ | *£* |
| Farnham Castle Newspapers Limited Pension and Life Assurance Scheme | (875,000) | *(460,000)* |
| The Brecon and Radnor Express Pension Scheme | (270,000) | *(165,000)* |
| Deficit before deferred tax | (1,145,000) | *(625,000)* |
| Adjustment for deferred tax | 309,000 | *169,000* |
| Net pension schemes' deficit disclosed in the balance sheet | (836,000) | *(456,000)* |

**The following disclosures are given in connection with both the above schemes in combination**

| Amounts for the current and previous 4 years | 2013 | *2012* | *2011* | *2010* | *2009* |
|---|---|---|---|---|---|
| | £ | *£* | *£* | *£* | *£* |
| Present value of schemes liabilities | (10,315,000) | *(8,986,000)* | *(8,322,000)* | *(7,822,000)* | *(6,198,000)* |
| Fair value of schemes' assets | 9,170,000 | *8,361,000* | *8,217,000* | *7,665,000* | *6,160,000* |
| Deficit before deferred tax | (1,145,000) | *(625,000)* | *(105,000)* | *(157,000)* | *(38,000)* |
| Experience gains on pension schemes' liabilities | 3,000 | *55,000* | *54,000* | *153,000* | *(33,000)* |
| Experience gains/(losses) on pension schemes' assets | 445,000 | *(354,000)* | *2,000* | *1,016,000* | *(1,357,000)* |
| Changes in assumptions underlying the present value of schemes' liabilities | (1,035,000) | *(318,000)* | *(90,000)* | *(1,330,000)* | *1,410,000* |
| Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses | (587,000) | *(617,000)* | *(34,000)* | *(161,000)* | *20,000* |

**Contributions expected in the 12 month period ended 31 March 2014**

The two schemes noted above expect to receive contributions in the forthcoming year of approximately £255,000 (excluding expenses and life assurance premiums)