ARCHANT LIMITED ANNUAL REPORT 2015

STRATEGIC REPORT

The Directors present their Strategic report for the year ended 31 December 2015

PRINCIPAL ACTIVITIES

The parent company's ('the Company') principal activity is that of a holding company for the Archant group of companies ('the Group')

The Group's principal activity during the year continued to be primarily UK based and comprise a single trade of publishing content, predominantly in print, online, through mobile technologies, live events, television and printing

REVIEW OF THE BUSINESS

The business continues to operate in an increasingly fragmented media landscape, its localness and understanding of its audiences and customers, together with its trusted relationship with these groups, remains one of its key strengths

The Group converted its basis of accounting to International Financial Reporting Standards ('IFRS') for the year ended 31 December 2015, following impending changes to UK reporting standards Reconciliations between the different bases of accounting are provided on pages 62 to 71 the 2015 Annual report

KEY PERFORMANCE INDICATORS

The key financial and non-financial performance indicators for the Group are

	As reported		Like-for-like	
	2015	2014	**2015**	2014
Total revenue	**£115.5m**	£121 8m	**£114.6m**	£116 8m
Advertising and other revenue (inc digital)	**£88.7m**	£93 2m	**£88.5m**	£91 5m
Circulation revenue	**£26 8m**	£28 6m	**£26 1m**	£25 3m
Subscriptions (% of magazine copy sales)	**48 4%**	51 0%	**47.7%**	48 9%
Digital revenue	**£7.9m**	£8 2m	**£7 9m**	£8 0m
Underlying operating costs*	**£105.9m**	£113 8m	**£105.0m**	£109 3m
Underlying operating profit*	**£9 6m**	£8 0m	**£9.5m**	£7 5m
Net cash	**£12 7m**	£2 7m		
Web and mobile traffic (MUVs)	**8.2m**	7 2m		

*excludes amortisation, impairment and non-recurring items

REVENUE

On a like-for-like basis, the reduction in ongoing revenues was 1 9% which we believe is ahead of market environment On an as-reported basis, revenue decreased from £121 8m in 2014 to £115 5m in 2015, a reduction of 5 2% before allowing for in year disposal of a portfolio of magazines which accounted for £5 0m of revenue in 2014

ADVERTISING AND OTHER REVENUE

Advertising and other revenue fell by 3 4% on a like-for-like basis (4 8% as reported) This fall in like-for-like revenues was caused by a reduction in advertising in both newspapers (5 2%) and magazines (6 7%) On a positive note other revenue (including external printing and events, but excluding digital) grew by 4 6% in 2015 to £13 6m (2014 £13 0m) driven by significant growth in events (30 7% to £1 7m)

STRATEGIC REPORT continued

CIRCULATION AND SUBSCRIPTIONS

On a like-for-like basis newspaper circulation revenue grew 2 6% to £18 9m after several years of decline with price rises offsetting circulation volume declines and like-for-like magazine circulation revenue grew 3 8% to £7 2m Magazine subscription copies as a percentage of copy sales on a like-for-like basis dropped from 48 9% to 47 7% following improvements in trade sales performance

DIGITAL ACTIVITY

Revenue from like-for-like online activities fell by 0 6% to £7 9m, mainly driven by revenue from content display In the latter half of the year, digital recruitment advertising was also a challenge Monthly unique visitors to our fixed and mobile sites increased by 14 5%, with 30 5m Archant fixed and mobile site pages viewed on average each month

OPERATING COSTS

The directors continue to aim to balance investment with good cost management Underlying operating costs fell by 7 0% to £105 9m (3 9% on a like-for-like basis) with employment costs down by 1 7% and printing and paper costs falling by 15 0% compared to the prior year

OPERATING PROFIT

Underlying operating profit before amortisation, impairment and non-recurring items increased by 20 5% to £9 6m

NON-RECURRING ITEMS INCLUDING AMORTISATION AND IMPAIRMENT

Non-recurring net costs fell from £10 2m to £4 6m This included amortisation of intangible fixed assets of £3 2m (2014 £4 3m) and restructuring costs of £0 5m (2014 £2 0m) Exceptional dividend income of £0 7m (2014 £2 1m) was received from PA Group Limited

The Group is required to review the carrying value of its intangible assets annually, to determine whether events or changes in circumstances indicate that the carrying value may not be recoverable The carrying value is assessed using forecast cash flows, discounted in line with the Group's cost of capital A total charge of £0 2m (2014 £6 2m) has been recorded against cash generating units where the value in use or recoverable amount was lower than their carrying value

PENSIONS

The Group operates both defined benefit and defined contribution schemes The assets and liabilities of the defined benefit scheme are valued by an independent actuary at the end of each financial year for accounting purposes The overall deficit in the pension fund has fallen from £33 0m to £31 4m during 2015, due to employer contributions of £3 2m and an actuarial valuation gain of £0 6m, offset by a £2 2m charge to the income statement for service costs, administration and financing The Group continues to look at options to mitigate our exposures in this area Further details are provided in the risk and uncertainties section of the Strategic report

TAXATION

The Group has retained a provision of £14 9m in respect of disputed tax matters dating back to 2003 The Group has continued to actively provide information to support its position, has consulted with legal counsel, and continued to engage with HMRC throughout the year

STRATEGIC REPORT continued

NET DEBT AND CASH FLOW

The Group continues to be strongly cash generative and at 31 December 2015 the Group had net cash of £12 7m (2014 £2 7m), having generated £10 0m of cash during the year The Group maintains sufficient debt headroom to ensure it can meet its cash liabilities, including those in respect of tax The Group is operating well within its existing banking covenants

NET ASSETS

Net assets increased in the year by £5 5m from £12 6m on 1 January 2015 (as restated) The profit for the year was £3 1m, which was transferred to reserves Other movements on reserves included an increase of £0 6m arising from a reduction in the actuarial valuation of the pension deficit under IAS 19, an increase of £2 2m from the revaluation of freehold property and a reduction of £1 0m from the fair values of listed and unlisted investments Net assets at the end of the year therefore increased to £18 1m

FUTURE DEVELOPMENTS

There have not been any significant changes in the Group's principal activity in the year under review The directors are not aware, at the date of this report, of any likely major changes in the Group's activity in the next year

PRINCIPAL RISKS AND UNCERTAINTIES

There is an ongoing process for the identification, evaluation and management of the significant risks faced by the Group The management and mitigation of any adverse impact of the key risks identified are

Risk	Potential impact	Mitigating actions
FINANCE RISK		
The Group manages its liquidity risk through committed short-term and long-term finance facilities at a level to meet the Group's anticipated funding requirements These finance facilities require certain financial covenants to be met including profit and cash covenants	If covenants are not met, the Group may be forced to renegotiate its finance facilities with its lenders	The Group's banking facilities were renewed in July 2015 and expire in June 2019 The Group's forecasts and expectations demonstrate that it can operate within the terms of these facilities, including its financial covenants Further, any cash outflows that may arise as a result of outstanding tax matters can be accommodated within the current finance facilities Compliance with facilities is monitored on a monthly basis and reported quarterly to banks

STRATEGIC REPORT continued

Risk	Potential impact	Mitigating actions
LIFESTYLE CHANGES AFFECTING AUDIENCES		
Circulation volumes for print titles are under pressure due to changes to lifestyles and in the multimedia landscape	Circulations for print titles do not achieve target, resulting in loss of circulation revenues The reduced audience could also lead to a loss of advertising revenue	The Group aims to provide high quality editorial content in all its products to provide appropriate quality and value for its audience to encourage repeat purchases It promotes loyalty schemes and subscriptions to encourage increased frequency of purchase The Group has continued to develop and improve news websites, including tailoring to mobile devices, increasing frequency of updates and implementing apps Cover price increases may be an opportunity to mitigate circulation volume losses
CHANGES IN MARKETING EXPENDITURE		
The changing media needs of our advertisers are putting pressure on print advertising revenues	Advertising revenues do not achieve target	The Group is continuing to invest in the quality, structure and training of its sales teams and to create a more customer-centric organisation, to ensure that customer revenue opportunities are optimised Investment is continuing in digital brands, and in strengthening the Group's fixed web and mobile presence New online and mobile technology revenue sources are continuously sought The Group reviews economic, industry and other relevant data to evaluate future revenue trends and to put appropriate plans in place

STRATEGIC REPORT continued

Risk	Potential impact	Mitigating actions
DEFINED BENEFIT PENSION SCHEME DEFICIT		
Regulatory changes, stock market fluctuations or changes in other core assumptions including interest rates, inflation and longevity may significantly impact the funding level of the defined benefit pension scheme, in turn impacting Group contribution levels	An adverse movement in any of the key assumptions may increase the deficit in the defined benefit pension scheme, resulting in a requirement for higher cash contributions	The pension deficit is carefully monitored and there are regular reviews with the trustees of the scheme The Group and trustees take appropriate actions to mitigate the growth in pension liabilities including a regular review of funding level, investment strategy, benefits provided and the cost of those benefits There are a number of factors which are outside the Group's control, including interest rates, inflation rates, life expectancy and regulatory change
ORGANISATIONAL STRUCTURE AND RETENTION OF KEY PEOPLE		
The ability to execute and implement the Group's strategic and business plans relies on the appropriate Group structure, culture and key people Salary and bonus levels for senior managers could fall below market levels and key staff leave The ability to recruit quality staff may also be impaired	Key staff leaving could lead to a loss of leadership, industry knowledge and experience and customer and supplier relationships	The Group has a succession plan in place and reviews it regularly together with market rates for salaries The Group promotes a culture of continuous improvement The Group has a rigorous recruitment process, including recruitment from outside traditional publishing areas, and is actively engaged in staff development and training

STRATEGIC REPORT continued

Risk	Potential impact	Mitigating actions
TAXATION		
The Group may not prevail in its current dispute with HMRC, dating back to 2003	Unsuccessful conclusion of the ongoing dispute may require settlement in cash of the full amount of tax and interest provided	The Group is working closely with its legal and tax advisors to resolve these matters with HMRC The Group can accommodate any cash outflows that may arise as a result of these tax matters within its current bank facilities The Group continues to generate cash which reduces the impact to the Group of any eventual tax payment on the Group's ability to fund growth and make dividend payments
BUSINESS CONTINUITY		
The Group is dependent on technology in particular computer networks and software A substantial failure for a sustained period may potentially adversely affect revenues or profits	Lack of robust systems or slow implementation of any recovery plan might impact the Group's ability to deliver products which could significantly impact earnings	Business continuity plans are reviewed annually The Group has full mirroring of core systems across two sites and uses cloud based services where appropriate The Group also maintains adequate Business Interruption insurance cover in the event of financial loss as a result of failures in key systems

By order of the Board,

BG McCarthy
Director

8 March 2016

DIRECTORS' REPORT

The Directors present their report for the year ended 31 December 2015

DIRECTORS
The following directors held office during the year

S C Alleyne OBE
S T Bax
S C Copeman
J L Henry
J A E Hustler (resigned 31 March 2015)
B G McCarthy
D J M Hill
P J C Troughton CBE
M J Walsh

DIVIDENDS
The directors recommend a final dividend of 5p per share in respect of 2015

Assuming approval of the recommended final dividend, the cost of dividends for 2015 is £694,000

The proposed final dividend will, if approved, be paid on 15 April 2016 to shareholders appearing on the register of members as at 24 March 2016

GOING CONCERN
The Group's business activities, together with the factors likely to affect its future development are described in the Strategic report on pages 4 to 9

The Group has considerable financial resources and facilities available, together with secure long-term contracts with principal suppliers The Group's budgeting and forecasting processes include the preparation of forecast cash flows, based on expected trading results, the Group's overall working capital requirements and other non trading cash items, including capital expenditure, interest, debt and taxation These forecasts indicate that the Group has an adequate level of facilities to meet its forecast cash requirements, and as a consequence the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook

After making enquiries, the directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future Accordingly the directors have continued to adopt the going concern basis in preparing the accompanying financial statements

DIRECTORS' LIABILITIES
The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006 Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Strategic report, Directors' 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 the law the directors have elected to prepare the financial statements in accordance with International Financial Reporting

DIRECTORS' REPORT continued

Standards (IFRS) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period

In preparing those financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving this report are listed on page 10 Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirm that

- to the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the Company's auditors are unaware and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

ANNUAL GENERAL MEETING

The 2016 Annual General Meeting will be held at noon on 12 April 2016 at The Forum, Millennium Plain, Norwich, NR2 1TF

By order of the Board,

BG McCarthy
Director

8 March 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCHANT LIMITED

(Company number 4126997)

We have audited the financial statements of Archant Limited for the year ended 31 December 2015 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and Company statements of changes in equity, the Consolidated and Company statements of cash flows and the related Consolidated notes 1 to 35 and Company notes C1 to C17 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006

This report is made solely to the Company's members, 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 members 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 members 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 set out on page 10 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 Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCHANT LIMITED continued

OPINION ON FINANCIAL STATEMENTS

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended,
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union,
- the Parent Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements 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 Strategic report and 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 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

Robert Forsyth
Senior statutory auditor
for and on behalf of
Ernst & Young LLP
Statutory Auditor
London

8 March 2016

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2015

		Notes	**2015 £000**	2014 £000
REVENUE		3	**115,533**	121,823
OPERATING PROFIT/(LOSS)		3	**4,557**	(4,008)
Finance income		7	**714**	2,110
Finance costs		8	**(716)**	(887)
Finance expense on pension assets/liabilities		35	**(1,140)**	(478)
PROFIT/(LOSS) BEFORE TAXATION			**3,415**	(3,263)
Income tax expense		9	**(289)**	(1,107)
PROFIT/(LOSS) FOR THE YEAR			**3,126**	(4,370)
Attributable to				
Equity shareholders of the Company			**3,126**	(4,370)
Non-controlling interests			**-**	-
			3,126	(4,370)
NON-RECURRING ITEMS - UNDERLYING PROFIT BEFORE TAX				
Profit/(loss) before taxation			**3,415**	(3,263)
Adjusted for				
Amortisation of intangible assets		4	**3,249**	4,312
Impairment of intangible assets, investments and loans		4	**582**	6,194
Credit to income statement for prior year revaluation deficit		4	**(257)**	(796)
Restructuring and other exceptional costs		4	**914**	2,266
Losses less profits on disposals		4	**559**	-
Special dividends from PA Group Limited		4	**(703)**	(2,109)
Accrued interest on potential corporation tax liabilities		4	**302**	303
UNDERLYING PROFIT BEFORE TAX			**8,061**	6,907
Statutory earnings/(loss) per share	Basic	12	**22 5**	(31 5)
	Diluted	12	**21 8**	(31 5)
Underlying earnings per share	Basic	12	**48.3**	34 1

The revenue and profit/(loss) presented above are derived from continuing operations

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Profit/(loss) for the year		**3,126**	(4,370)
Other comprehensive income:			
Items to be reclassified to the Consolidated income statement in subsequent periods:			
Exchange differences on translation of foreign operations		**(57)**	(14)
Net unrealised deficit on available-for-sale financial assets		**(976)**	3,266
Income tax effect		**6**	3
Net other comprehensive income to be reclassified to the Consolidated income statement in subsequent periods		**(1,027)**	3,255
Items not to be reclassified to the Consolidated income statement in subsequent periods:			
Actuarial gains/(losses) recognised on defined benefit pension scheme	35	**595**	(22,601)
Movement on deferred tax asset associated with pension scheme deficit		**(119)**	4,870
Change in deferred tax asset on pension scheme deficit arising from a change in the rate of corporation tax		**(627)**	(436)
Deferred tax on carrying value of intangible assets		**1,072**	1,461
Revaluation of freehold property		**2,556**	631
Income tax effect		**(318)**	(229)
Net other comprehensive income not to be reclassified to the Consolidated income statement in subsequent periods		**3,159**	(16,304)
Total comprehensive income for the year, net of tax		**5,258**	(17,419)
Attributable to:			
Equity shareholders of the Company		**5,258**	(17,419)
Non-controlling interests		**-**	-
		5,258	(17,419)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION for the year ended 31 December 2015

	Notes	**31 December 2015 £000**	31 December 2014 As restated £000	1 January 2014 As restated £000
NON-CURRENT ASSETS				
Intangible assets	13	**20,940**	24,251	36,824
Property, plant and equipment	14	**24,258**	23,864	25,320
Available-for-sale financial assets	15	**5,091**	6,067	2,802
Deferred tax asset	24	**2,478**	2,096	-
Other receivables	18	**184**	135	322
		52,951	56,413	65,268
CURRENT ASSETS				
Inventories	17	**800**	1,161	1,253
Trade and other receivables	18	**14,533**	14,467	16,631
Cash and cash equivalents	19	**13,619**	3,585	3,777
		28,952	19,213	21,661
HELD FOR SALE ASSETS	20	**300**	2,500	-
TOTAL ASSETS		**82,203**	78,126	86,929
CURRENT LIABILITIES				
Borrowings and overdrafts	22	**941**	911	890
Trade and other payables	21	**21,314**	21,095	21,181
Current tax liabilities		**9,627**	9,735	10,007
Provisions	23	**47**	178	312
		31,929	31,919	32,390
NON-CURRENT LIABILITIES				
Trade and other payables	21	**204**	178	297
Borrowings	22	-	-	9,645
Provisions	23	**635**	422	328
Deferred tax liability	24	-	-	2,448
Defined benefit pension liability	35	**31,369**	32,959	11,771
		32,208	33,559	24,489
TOTAL LIABILITIES		**64,137**	65,478	56,879
NET ASSETS		**18,066**	12,648	30,050
EQUITY				
Called up share capital	25	**2,879**	2,877	2,875
Share premium account	26	**2,647**	2,639	2,631
Other reserves	27	**10,630**	9,407	5,866
Retained earnings	28	**1,910**	(2,275)	18,678
TOTAL EQUITY		**18,066**	12,648	30,050

S Bax Chairman | **BG McCarthy** Director | 8 March 2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2015

	Note	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 January 2014		2,875	2,631	5,866	18,678	30,050
Loss for the year		-	-	-	(4,370)	(4,370)
Other comprehensive income:						
Actuarial losses on retirement benefit scheme	35	-	-	-	(22,601)	(22,601)
Tax on retirement benefit scheme		-	-	-	4,434	4,434
Deferred tax on intangible assets		-	-	-	1,461	1,461
Revaluation of freehold property		-	-	402	-	402
Fair value of listed and unlisted investments		-	-	3,269	-	3,269
Foreign currency translation		-	-	(14)	-	(14)
Other comprehensive income		-	-	3,657	(16,706)	(13,049)
Total comprehensive income		-	-	3,657	(21,076)	(17,419)
Purchase of own shares held by employee trusts		-	-	(3)	-	(3)
Sale of own shares held by employee trusts		-	-	10	-	10
Issue of share capital		2	8	-	-	10
Release against revaluation deficit in income statement		-	-	(86)	86	-
Depreciation transfer for freehold property		-	-	(37)	37	-
At 31 December 2014		2,877	2,639	9,407	(2,275)	12,648
Profit for the year		-	-	-	3,126	3,126
Other comprehensive income:						
Actuarial gains on retirement benefit scheme	35	-	-	-	595	595
Tax on retirement benefit scheme		-	-	-	(746)	(746)
Deferred tax on intangible assets		-	-	-	1,072	1,072
Revaluation of freehold property		-	-	2,238	-	2,238
Fair value of listed and unlisted investments		-	-	(970)	-	(970)
Foreign currency translation		-	-	(57)	-	(57)
Other comprehensive income		-	-	1,211	921	2,132
Total comprehensive income		-	-	1,211	4,047	5,258
Purchase of own shares held by employee trusts		-	-	(5)	-	(5)
Issue of share capital		2	8	-	-	10
Credit to equity for share-based payment		-	-	155	-	155
Depreciation transfer for freehold property		-	-	(138)	138	-
At 31 December 2015		2,879	2,647	10,630	1,910	18,066

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Cash flow from operating activities	30	**11,608**	9,679
Income tax paid		**(764)**	(254)
Net cash generated from operating activities		**10,844**	9,425
Cash flows from investing activities:			
Purchase of intangible assets		**(102)**	(483)
Purchase of property, plant and equipment		**(1,232)**	(847)
Sale of property, plant and equipment		**80**	4
Sale of intangible assets		**328**	-
Dividends received on unlisted investments		**704**	2,110
Purchase of unlisted investments and convertible loan		**(418)**	-
Sale of fixed asset investments		-	1
Interest received		**11**	-
Net cash (used)/generated in investing activities		**(629)**	785
Cash flows from financing activities:			
Interest paid		**(216)**	(410)
Issue of ordinary share capital		**10**	10
Sale of ordinary shares by the Employee Benefit Trust (EBT)		-	10
Repayment of loan under bank revolving credit facility		-	(10,000)
Banking facilities financing costs		-	(30)
Purchase of own shares		**(5)**	(3)
Net cash used in financing activities		**(211)**	(10,423)
Net cash inflow/(outflow) from activities		**10,004**	(213)
Opening cash and cash equivalents		**2,674**	2,887
Closing cash and cash equivalents		**12,678**	2,674

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2015

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Note	**2015 £000**	2014 £000
Increase/(decrease) in cash		**10,004**	(213)
Cash flow from decrease in loans		-	10,000
Loan issue costs		-	30
Cash flow		**10,004**	9,817
Amortisation of loan issue costs		-	(193)
Transfer loan issue costs to debtors	18	-	(192)
Change in net funds		**10,004**	9,432
Net funds/(debt) at 1 January		**2,674**	(6,758)
Net funds at 31 December		**12,678**	2,674

MOVEMENTS IN NET FUNDS

	Note	At 31 December 2014 £000	Cash flow £000	Other non cash changes £000	At 31 December 2015 £000
Cash and cash equivalents		3,585	10,034	-	13,619
EBT overdraft		(911)	(30)	-	(941)
Loan issue costs		192	102	(203)	91
Transfer loan issue costs to debtors	18	(192)	(102)	203	(91)
Bank loans and overdrafts		(911)	(30)	-	(941)
Net funds		2,674	10,004	-	12,678

1 CORPORATE INFORMATION

The consolidated financial statements of Archant Limited and its subsidiaries (collectively the Group) for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 25 February 2016 Archant Limited (the Company or the parent) is an unlisted limited company incorporated and domiciled in the United Kingdom Its registered office is located at Prospect House, Rouen Road, Norwich NR1 1RE

The Group's principal activity during the year continued to be primarily UK based and comprised a single trade of publishing content, predominantly in print, online, through mobile technologies, live events, television and printing

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations, as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS The disclosures required by IFRS 1 'First-time Adoption of International Financial Reporting Standards' concerning the transition from UK GAAP to IFRS are given in Appendix 1 The date of transition to IFRS is 1 January 2014 Details of standards and interpretations not yet applied and the principal accounting policies adopted by the Group are set out below

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss The preparation of consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates

These policies have been consistently applied to all the years presented unless otherwise stated

The Appendix on pages 62 to 71 includes an opening IFRS statement of financial position at 1 January 2014 and disclosures that explain how the transition from UK GAAP to IFRS has affected the Group's previously reported financial position, financial performance and cash flows

STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The following standards and interpretations have an effective date after the date of these financial statements but the Group has not early adopted them and plans to adopt them from the effective dates adopted by the EU

IFRS 9 Financial Instruments (effective 1 January 2018)

IFRS 15 Revenue from contracts with customers (effective 1 January 2017)

The Group is currently assessing the full impact of these new standards

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings drawn up to 31 December each year

SUBSIDIARY UNDERTAKINGS

Subsidiary undertakings are all entities including structured entities over which the Group has control The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with that entity and has the ability to affect those returns through its power over the entity Subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group They are deconsolidated from the date that control ceases

The Group applies the acquisition method to account for business combinations The consideration transferred for the acquisition of a subsidiary undertaking is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets

Intra-group transactions, balances and unrealised gains are eliminated on consolidation

The accounting policies of subsidiary undertakings are consistent with the policies adopted by the Group

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets comprise listed and unlisted equity investments Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss

Available-for-sale financial assets are recognised initially at fair value on the dates of acquisition After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income and credited in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to other costs in the Consolidated income statement Dividend income from available-for-sale financial assets is recognised when the shareholders' rights to receive payment have been established and reported as finance income

INTANGIBLE ASSETS

(a) Newspaper and magazine titles

Newspaper and magazine titles acquired prior to 31 December 1997 were classified as goodwill and written off directly to reserves

Newspaper and magazine titles acquired separately are measured on initial recognition at cost The cost of newspaper and magazine titles acquired in a business combination is their fair value at the date of acquisition Newspaper and magazine titles have finite useful lives, and following initial recognition, newspaper and magazine titles are carried at cost less accumulated amortisation and any accumulated impairment losses Internally generated newspaper and magazine titles, excluding capitalised development costs, are not

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

INTANGIBLE ASSETS

(a) Newspaper and magazine titles continued

capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred

Newspaper and magazine titles are amortised on a straight line basis over their useful economic lives, and assessed for impairment whenever there is an indication that the titles may be impaired The amortisation period and the amortisation method for newspaper and magazine titles are reviewed at least at the end of each reporting period Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates

Gains or losses arising from derecognition of newspaper and magazine titles are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised

(b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition and in accordance with IFRS 3 'Business combinations' is not amortised

Goodwill arising on acquisitions prior to 31 December 1997 was set off directly against reserves and was not reinstated on implementation of FRS 10

The Group has elected to take advantage of the exemption under IFRS 1 not to restate all business combinations prior to 1 January 2014, and accordingly the value of goodwill reported under UK GAAP at 1 January 2014 is frozen

Goodwill is allocated to cash generating units (CGUs) and is tested for impairment annually at the year end, or at any other time that there is an indication of impairment, and is carried at cost less accumulated impairment losses Impairment losses are charged to the Consolidated income statement These impairment calculations require the use of estimates and significant management judgement A description of the key assumptions and sensitivities is included in Note 13

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves is taken into account in determining the profit or loss on sale or closure

(c) Computer software

Computer software licences are capitalised at cost including the cost to bring into use

Computer software licences are amortised on a straight line basis over the shorter of their useful economic lives and five years Computer software licences are assessed for impairment whenever there is an indication that the software licence may be impaired

Computer software is carried at cost less accumulated amortisation and impairment

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(d) Website and other digital development costs

Expenditure incurred in research is recognised as an expense in the period in which it is incurred Website and other digital development costs are capitalised only if the asset created can be identified, it is probable that the asset created will generate future economic benefits and the development cost can be measured reliably Such assets are amortised on a straight line basis over their useful economic lives of no more than three years Where no asset can be recognised, development expenditure is charged to the Consolidated income statement in the period in which it is incurred

Capitalised website and other digital development costs are assessed for impairment whenever there is an indication that the assets may be impaired

PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended

Land and buildings are recognised initially at deemed cost on transition to IFRS, as permitted under IFRS 1, and at cost for additions post transition, and thereafter carried at fair value less depreciation and impairment charged subsequent to the date of the revaluation Fair value is based on periodic valuations by an external independent valuer and is determined from market-based evidence by appraisal Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount

Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss A revaluation deficit is recognised in profit or loss, except to the extent of any existing surplus in respect of that asset in the revaluation reserve in other comprehensive income

An annual transfer is made from the revaluation reserve to retained earnings for the difference between depreciation based on the carrying amount of the revalued assets and that based on the revalued assets' original cost Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings

Depreciation is provided on all property, plant and equipment, other than land, on a straight line basis over its expected useful life as follows

Freehold buildings	35 years
Leasehold buildings – short	Period of lease
Plant and machinery	Between 5 and 15 years
Other equipment and vehicles	Between 3 and 7 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

PROPERTY, PLANT AND EQUIPMENT continued

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset Any gain or loss arising on the derecognition of the asset is included in the Consolidated income statement in the period of derecognition

LEASES

Assets acquired under finance leases are capitalised at the inception of the lease and depreciated over the shorter of their respective lease terms and the estimated useful lives of the assets

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease

Lease premiums and inducements are recognised in current and non-current assets or liabilities as appropriate, and amortised or released on a straight line basis over the lease term

Sub-lease income is recognised as income on a straight line basis over the sub-lease term, less allowances for situations where recovery is doubtful

INVENTORIES

Inventories are stated at the lower of cost and net realisable value Cost includes all costs incurred in bringing each product to its present location and condition

Raw materials, consumables and goods for resale are stated at purchase cost on a first-in, first-out basis

TAXATION

The charge for corporation tax is based on the results for the year as adjusted for items which are not taxed or are disallowed It is calculated using tax rates in legislation that has been enacted or substantively enacted by the balance sheet date

Deferred income tax is accounted for using the balance sheet liability method in respect of taxable temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements Deferred tax arising from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, is not recognised In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled Deferred tax is charged or credited in the Consolidated income statement, except when it relates to items credited or charged to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material

Contingent liabilities are not recognised, but are disclosed unless an outflow of resources is remote Contingent assets are not recognised, but are disclosed where an inflow of economic benefit is probable

FOREIGN CURRENCY TRANSACTIONS

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') The consolidated financial statements are presented in sterling (£), which is the Group's presentation currency

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated income statement Foreign exchange gains and losses that relate to cash and cash equivalents and all other foreign exchange gains and losses are presented in the Consolidated income statement

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,

(b) income and expenses for each income statement are translated at average exchange rates, and

(c) all resulting exchange differences are recognised in other comprehensive income

TRADE RECEIVABLES

Trade receivables do not carry any interest They are recorded initially at fair value and subsequently measured at amortised cost for situations where recovery is doubtful Such allowances are based on an individual assessment of each receivable Generally, this results in their recognition at nominal value less any allowance for any doubtful debts

TRADE PAYABLES

Trade payables are not interest bearing They are recorded initially at fair value and subsequently measured at amortised cost Generally, this results in their recognition at nominal value

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand and short-term deposits with initial maturities of three months or less Cash and cash equivalents are shown net of bank overdrafts where the Group have the right of net settlement

For the purpose of the Consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

BORROWINGS

Borrowings are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost Loan arrangement costs in respect of debt are capitalised and amortised over the life of the debt at a constant rate Finance costs are charged to the Consolidated income statement, based on the effective interest rate of the associated borrowings

PENSIONS

The defined benefit pension scheme operated by the Group requires contributions to be made to separately administered funds The scheme was closed to new members in February 1998 from which time membership of a defined contribution plan has been available

The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice Past service costs are recognised in the Consolidated income statement on a straight line basis over the vesting period or immediately if the benefits have vested When a settlement or curtailment occur the change in the present value of the scheme liabilities and the fair value of the scheme assets reflects the gain or loss which is recognised in the Consolidated income statement Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction

The interest cost of the defined benefit obligations represents the change in present value of the scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year The interest income on scheme assets is a component of the return on scheme assets and is determined by multiplying the fair value of scheme assets at the beginning of the year by the discount rate, adjusted for the effect on the fair value of scheme assets of contributions received and benefits paid during the year The difference between the interest income on scheme assets and the interest cost on scheme obligations is recognised in the Consolidated income statement as other finance income or expense

Actuarial gains and losses are recognised in full in the Consolidated statement of comprehensive income in the period in which they occur Any difference between the expected return on scheme assets and that actually achieved and any differences that arise from experience or assumption changes are also charged through the Consolidated statement of comprehensive income

The defined benefit pension asset or liability in the Consolidated statement of financial position comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds) less any past service cost not yet recognised and less the fair value of scheme assets out of which the obligations are to be settled directly Fair value is based on market price information and in the case of quoted securities is the published bid price The value of a net defined benefit pension asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme

The Group operates a defined contribution pension scheme, which is open to eligible employees The Group's contributions are charged to the Consolidated income statement in the year in which they are payable

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

PENSIONS continued

Additionally, the Group contributes to a small number of personal pension plans for certain employees who are not participants in one of the Group's pension schemes

The Group also makes provision for the capital value of unfunded pensions to certain current and former employees in accordance with independent actuarial advice

SEGMENT REPORTING

The Group's activities are primarily UK based and comprise a single trade of publishing content, predominantly in print, online, through mobile technologies, live events, television and printing

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities Revenue is shown net of value added tax, trade discounts and anticipated returns after eliminating sales within the Group

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as follows

- Advertising and circulation revenues are recognised on publication or display
- Subscription revenues are recognised over the periods to which the subscriptions relate
- Printing and contract publishing revenues are recognised on delivery of the publication
- Other revenues are recognised when the goods or services have been supplied or provided to the customer, and there is a contractual obligation for the customer to pay for those goods or services

SHARE-BASED PAYMENTS – EQUITY-SETTLED TRANSACTIONS

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted using an appropriate valuation model

That cost is recognised in staff costs (Note 5), together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period

NON-RECURRING ITEMS

The directors believe that the underlying profit and earnings per share measures provide additional useful information for shareholders on the underlying performance of the business These measures are consistent with how underlying business performance is measured internally The underlying profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies The adjustments made to reported profit before tax are to exclude the following

- profits and losses on the disposal of properties and intangible assets,
- amortisation of intangible assets,
- impairment of intangible assets, investments and loans,
- restructuring costs,
- costs relating to strategy changes that are not considered normal operating costs of the underlying business, and
- other significant and one-off items of income and expense that distort underlying trading

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances

The preparation of the financial statements requires management to make estimates and assumptions concerning the future The resulting accounting estimates will, by definition, be likely to differ from the related actual results The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

Pensions

Pension accounting requires certain assumptions to be made in order to value our obligations and to determine the charges to be made to the Consolidated income statement These figures are particularly sensitive to assumptions for discount rates, mortality, inflation rates and expected long-term rates of return on assets Details of the assumptions are given in Note 35

Provisions

Provisions recognised at the balance sheet date are detailed in Note 23 and include amounts for dilapidations and onerous property lease costs

Although provisions and liabilities are reviewed on a regular basis and adjusted to reflect management's best current estimates the judgemental nature of these items means that future amounts settled may be different from those provided

Impairment

The Group is required to test whether assets in use in operations have suffered any impairment The recoverable amounts of cash generating units have been determined based on the higher of fair value less costs to sell and value in use The calculation of value in use requires the estimation of future cash flows expected to arise from the continuing operation of the cash generating unit and the selection of a suitable discount rate in order to calculate the present value Given the degree of subjectivity involved, actual outcomes could vary significantly from these estimates

Income tax liabilities and accrued interest on income tax liabilities

The Group has provided £14 9m for income tax payable and accrued interest in respect of disputed tax matters dating back to 2003

Although provisions and liabilities are reviewed on a regular basis and adjusted to reflect management's best current estimates the judgemental nature of these items means that the future amounts settled, and the timing of those payments, may be different from those provided

The Group is also in correspondence with HM Revenue & Customs concerning the appropriate classification of other disputed corporation tax liabilities between current tax and deferred tax The Group has fully provided for these liabilities, although the classification between current tax and deferred tax, once agreed, may be different from those provided

3 OPERATING PROFIT/(LOSS)

	Notes	2015 £000	2014 £000
Advertising revenue		**67,181**	72,050
Circulation revenue		**26,852**	28,625
Other revenues		**21,500**	21,148
Revenue from continuing operations		**115,533**	121,823
Underlying operating costs			
Raw materials and consumables		**8,822**	9,948
Staff costs	5	**50,890**	51,802
Depreciation of property, plant and equipment	14	**3,282**	3,729
Loss/(profit) on disposal of property, plant and equipment		**30**	(2)
Other operating expenses		**42,905**	48,378
Underlying operating costs		**105,929**	113,855
Underlying operating profit		**9,604**	7,968
Non-recurring items			
Amortisation of goodwill and other intangible assets	4	**3,249**	4,312
Impairment of intangible assets, investments and loans	4	**582**	6,194
Property revaluation increase set against prior year deficit	4	**(257)**	(796)
Restructuring and other exceptional costs	4	**914**	2,266
Losses less profits on disposals	4	**559**	-
Non-recurring items		**5,047**	11,976
Operating profit/(loss)		**4,557**	(4,008)

PROFIT/(LOSS) BEFORE TAXATION

The following items have been included in arriving at profit/(loss) before taxation

	Note	2015 £000	2014 £000
Cost of inventories recognised as an expense		**8,822**	9,948
Trade receivables impairment	18	**143**	241
Operating lease rentals payable			
• property		**994**	966
• plant and equipment		**1,924**	2,050
Sub-lease income			
• property		**50**	48
Auditors' remuneration:			
• Audit – parent company and consolidation		**40**	25
• Audit – subsidiaries		**68**	66
• Tax compliance		**78**	39
Net foreign exchange differences		**8**	30

4 NON-RECURRING ITEMS

	Notes	**2015 £000**	2014 £000
Amortisation of intangible assets	13	**(3,249)**	(4,312)
Impairment of intangible assets, investments and loans			
Impairment of intangible assets	13	**(164)**	(6,194)
Provision against unlisted investment and convertible loan		**(418)**	-
Property revaluation increase set against prior year deficit		**257**	796
Restructuring and other exceptional costs			
Restructuring costs		**(492)**	(1,978)
Property portfolio rationalisation		**(309)**	-
Newspaper Society pension scheme deficit		-	(254)
Professional fees incurred in relation to potential corporation tax liabilities		**(113)**	(34)
Losses less profits on disposals			
Losses less profits on disposals of intangible fixed assets	20	**(599)**	-
Profit on disposal of freehold property		**40**	-
Recognised in operating profit		**(5,047)**	(11,976)
Special dividend from PA Group Limited	7	**703**	2,109
Accrued interest on potential corporation tax liabilities	8	**(302)**	(303)
Total non-recurring items		**(4,646)**	(10,170)

4 NON-RECURRING ITEMS continued

RESTRUCTURING COSTS

The restructuring costs arise from redundancies and related property exit and relocation costs resulting from a number of initiatives to improve the productivity of the operating divisions

PROPERTY PORTFOLIO RATIONALISATION

The Group has decided to divest its freehold properties in Ipswich and Ilford, and has incurred costs in relation to the exits from, and future disposals of these properties, and further costs in sourcing and acquiring replacement rented accommodation

NEWSPAPER SOCIETY PENSION SCHEME DEFICIT

In April 2014 the Newspaper Society ('NS'), the regional press trade association, incorporated as The Newspaper Organisation Limited ('NOL') a private company limited by guarantee All of the members of NS, including the Group, committed to fund the NS Pension and Life Assurance Scheme ('NS PLAS') deficit and recovery plan prior to the transfer of all NS's assets and liabilities to NOL The Group has a commitment to make payments of £26,000 per annum until the earlier of when NOL has, throughout a six month period, net unencumbered assets equal to or greater than the estimated debt payable on a winding up of NS PLAS and 2038 The Group's total commitment of £254,000 has been discounted using the Group's weighted average cost of capital

PROFESSIONAL FEES INCURRED IN RELATION TO POTENTIAL CORPORATION TAX LIABILITIES

These costs relate to the long standing tax dispute with HM Revenue and Customs (HMRC) dating back to 2003 As noted in the 2014 financial statements, the Group has provided for the maximum corporation tax liabilities that may be incurred as a result of a challenge by HMRC in respect of licensing agreements The Group has also provided an aggregate of £4,964,000 (2014 £4,662,000) being the accrued interest on these potential corporation tax liabilities

All non-recurring items recognised in the Consolidated income statement arise from the continuing operations of the Group

5 STAFF COSTS

Average monthly number of staff	**2015**	2014
Publishing, printing and media activities	**1552**	1,656
Group head office	**21**	26
	1,573	1,682
Full time equivalents	**1,459**	1,569

Pay and benefits	Note	**2015 £000**	2014 £000
Wages and salaries		**42,172**	43,610
Social security costs		**4,061**	4,287
Other pension costs		**4,325**	3,873
Share-based payments	6	**332**	32
		50,890	51,802
Costs included in other pension costs in respect of defined contribution schemes		**2,425**	2,591

KEY MANAGEMENT COMPENSATION

Included above are the following amounts in respect of key management compensation

Pay and benefits	Note	**2015 £000**	2014 £000
Wages and salaries		**1,707**	1,494
Performance related bonuses		**866**	271
Other benefits		**152**	160
Compensation for loss of office		**37**	503
Social security costs		**267**	261
Other pension costs		**141**	134
Share-based payments	6	**332**	32
		3,502	2,855

5 STAFF COSTS continued

DIRECTORS' REMUNERATION

	2015 £000	2014 £000
Aggregate remuneration in respect of qualifying services	**1,280**	1,386
Company contributions to defined contribution pension schemes	**29**	29
	1,309	1,415

In respect of the highest paid director

	2015 £000	2014 £000
Aggregate remuneration	**661**	603

	2015 Number	2014 Number
Number of directors who received shares in respect of qualifying services	**Nil**	Nil
Number of options awarded to directors under the 2011 LTIP	**245,000**	-
Number of directors who exercised share options	**Nil**	Nil
Number of directors accruing benefits under defined benefit pension schemes	**Nil**	Nil

6 SHARE-BASED PAYMENTS

The Group operates a Long-term Incentive Plan, a Joint Share Ownership Plan and a Share Incentive Plan all of which may result in eligible employees of the Group receiving part of their remuneration in the form of shares in the Company ('equity-settled transactions')

The expense recognised in wages and salaries for share-based payments in respect of employee services received during the year ended 31 December 2015 is £332,000 (2014 £32,000)

2011 LONG-TERM INCENTIVE PLAN (2011 LTIP)
The 2011 LTIP was approved by shareholders at the Annual General Meeting on 13 April 2011

Up to and including 31 December 2014, the only options awarded under the 2011 LTIP were made in 2011 The performance conditions were not met, and all outstanding options lapsed during 2014

On 23 July 2015, certain employees were granted Approved Share Options and Unapproved Options over shares in Archant Limited, the final vesting of which is subject to continued employment within the Group and satisfaction of the performance conditions

For the options awarded in 2015, the proportion that vests will be determined by the growth in the Group's operating profit calculated on a like-for-like basis before exceptional items, measured against targets set at the beginning of the plan cycle

The Approved Share Options and Unapproved Options can be exercised between the third and tenth anniversary of grant The Remuneration Committee may award a participant a conditional discretionary Bonus Award, payable in cash, whose maximum gross amount is equivalent to the value of the Approved Share Options subject to the Bonus Award on the Grant Date

Share options issued under the 2011 LTIP

	Approved share options		Unapproved share options	
	Number of shares	Weighted average exercise price £	Number of shares	Weighted average exercise price £
Options granted during the year	210,000	1 00	290,000	0 00
Outstanding at 31 December 2015	210,000	1 00	290,000	0 00

JOINT SHARE OWNERSHIP PLAN (JSOP)
A JSOP was established on 25 September 2014 Eligible employees are offered the opportunity to acquire shares held jointly with the trustee of an employee benefit trust operated by the Company The employee interest in each share is equal to any value above a hurdle set at the time of entering the JSOP agreement, the remaining value in each share at any time belongs to the trustee

In October 2014 the Company entered into a JSOP agreement with one participant and EFG Trust Company Limited (the 'Trustee') using 150,000 shares already held by the Trustee All shares vested and were released in 2014 The hurdle was set at £1 20, and an additional award was made to the participant of up to £180,000 payable in cash, or at the discretion of the Company in shares, on the sale of the jointly-owned shares

6 SHARE-BASED PAYMENTS continued

SHARE INCENTIVE PLAN (SIP)

The SIP is an HMRC approved scheme Eligible employees may be invited from time to time to purchase shares in the Company, and may be awarded further shares, either conditional on the purchase of shares and/or unconditionally All SIP shares are held by the SIP Trustee on behalf of the participating employees

No SIP awards have been granted since 2008

7 FINANCE INCOME

	2015 **£000**	2014 £000
Income from available-for-sale investments		
Special dividend from PA Group Limited	**703**	2,109
Other dividends from listed and unlisted investments	**-**	1
Interest received	**11**	-
	714	2,110

8 FINANCE COSTS

	Note	**2015** **£000**	2014 £000
Interest payable on bank loans and overdrafts		**211**	391
Amortisation of loan issue costs		**203**	193
Accrued interest on potential corporation tax liabilities	4	**302**	303
		716	887

9 INCOME TAX EXPENSE

(a) Analysis of tax charge

	Notes	2015 £000	2014 £000
Current tax:			
UK corporation tax on profit/(loss) for the year		646	115
Tax under/(over) provided in prior years		11	(133)
Current tax on profit/(loss) before tax		657	(18)
Deferred tax:			
Origination and reversal of timing differences		332	478
Origination and reversal of pension scheme timing differences		199	314
Adjustments in respect of prior years		(929)	340
Adjustment arising from change in rate of corporation tax		30	(7)
Total deferred tax	24	(368)	1,125
Total tax charge	9(b)	289	1,107

Analysis of tax charged/(credited) in the consolidated statement of comprehensive income

	2015 £000	2014 £000
Deferred tax:		
Tax on pension scheme deficit	(119)	4,434
Tax on pension scheme deficit arising on change in rate	(627)	-
Unrealised gain on available-for-sale financial assets	6	3
Freehold property revaluations	(482)	(229)
Freehold property revaluations arising on change in rate	164	-
Carrying values of intangible assets	842	1,461
Carrying values of intangible assets arising on change in rate	230	-
Total deferred tax	14	5,669

9 INCOME TAX EXPENSE continued

(b) Tax reconciliation

The tax assessed on the profit/(loss) for the year is lower (2014 higher) than the standard rate of corporation tax in the UK of 20 25% (2014 21 5%) The differences are reconciled below

	Note	2015 £000	2014 £000
Profit/(loss) from ordinary activities before tax		**3,415**	(3,263)
Profit/(loss) from ordinary activities multiplied by standard rate of corporation tax in the UK		**691**	(702)
Adjustments to current tax in respect of prior years		**11**	(133)
Adjustments to deferred tax in respect of prior years		**(929)**	340
Restatement of deferred tax balances for reduction in the corporation tax rate		**30**	(7)
Expenses not deductible for tax purposes		**229**	171
Non taxable income		**(142)**	(454)
Non taxable credits		**(46)**	(189)
Ineligible amortisation of goodwill and intangible assets		**367**	578
Ineligible impairment of intangible assets		**33**	1,049
Other permanent differences		**(74)**	(96)
Trading losses and loan relationship deficits not utilised		**-**	507
Adjustment to accounting profits and losses for capital gains		**119**	-
Other		**-**	43
Total tax charge	9(a)	**289**	1,107

(c) Factors that may affect future tax charges

The Finance (No 2) Act 2015 enacted on 18 November 2015 reduced the rate of UK Corporation Tax to 19% from 1 April 2017 and to 18% from 1 April 2020 Accordingly, deferred tax has been calculated at the tax rates that are expected to apply when the related asset is realised or liability is settled in these financial statements

The above changes to the rate of corporation tax will impact the amount of future cash tax payments to be made by the Group

10 (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, Archant Limited has not presented its own income statement or statement of comprehensive expense The loss dealt with in the financial statements of the parent company was £3,602,000 (2014 profit £8,784,000)

11 DISTRIBUTIONS MADE AND PROPOSED

No dividends were paid in either year and no dividends were accrued as liabilities at either year end

A resolution to pay a final dividend of 5p per ordinary share in respect of 2015 will be proposed to the Annual General Meeting If approved, the total dividend paid will be £694,000

12 EARNINGS/(LOSS) PER ORDINARY SHARE

The calculation of earnings per ordinary share is based on earnings after tax and the weighted average number of shares in issue during the year

Diluted earnings per share is based on ordinary shares calculated in the table below No dilutive potential ordinary shares are included in 2014 as they do not increase loss per share

	2015 '000	2014 '000
Weighted average number of ordinary shares in issue	**14,392**	14,378
Weighted average number of ordinary shares excluded from EPS calculation	**(522)**	(521)
Weighted average number of ordinary shares for EPS calculation	**13,870**	13,857
Dilutive potential ordinary shares		
Options granted under the 2011 LTIP	**500**	-
	14,370	13,857

As in previous years, underlying earnings per share have also been disclosed as the directors consider that this alternative measure gives a more comparable indication of the Group's underlying trading performance

The underlying earnings per share has been calculated by using the profits/(losses) attributable to shareholders, adjusted as follows

	2015 £000	**2015 Pence per share**	2014 £000	2014 Pence per share
Profit/(loss) attributable to shareholders/ earnings/(loss) per share	**3,126**	**22.5**	(4,370)	(31 5)
Restructuring and other exceptional costs	**1,332**	**9 6**	2,266	16 3
Amortisation of intangible assets	**3,249**	**23 4**	4,312	31 1
Impairment of goodwill and other intangible assets	**164**	**1.2**	6,194	44 7
Revaluation surpluses credited to income statement	**(257)**	**(1 8)**	(796)	(5 8)
Exceptional losses less profits on disposals of magazine titles and freehold property	**559**	**4.0**	-	-
Exceptional income from investments	**(703)**	**(5.1)**	(2,109)	(15 2)
Tax impact of exceptional items	**(509)**	**(3.7)**	(1,071)	(7 7)
Exceptional interest accrual on potential corporation tax liabilities	**302**	**2 2**	303	2 2
Exceptional prior year deferred tax credits	**(564)**	**(4.0)**	-	-
Deferred tax adjustment arising on change in rate of corporation tax	-		(3)	-
Underlying earnings per share	**6,699**	**48 3**	4,726	34 1

13 INTANGIBLE ASSETS

	Goodwill £000	Newspaper titles £000	Magazine titles £000	Software £000	Total £000
Cost					
At 1 January 2014	7,300	112,489	59,150	6,441	185,380
Acquisitions	-	-	-	483	483
Transfer to assets held for sale	-	-	(8,792)	-	(8,792)
Disposals	-	-	-	(579)	(579)
At 31 December 2014	7,300	112,489	50,358	6,345	176,492
Acquisitions	-	-	-	102	102
At 31 December 2015	**7,300**	**112,489**	**50,358**	**6,447**	**176,594**
Amortisation.					
At 1 January 2014	5,580	97,660	40,370	4,946	148,556
Provided during the year	-	1,194	2,224	894	4,312
Impairment	828	1,619	3,697	50	6,194
Transfer to assets held for sale	-	-	(6,292)	-	(6,292)
Disposals	-	-	-	(529)	(529)
At 31 December 2014	6,408	100,473	39,999	5,361	152,241
Provided during the year	-	1,093	1,545	611	3,249
Impairment	-	-	-	164	164
At 31 December 2015	**6,408**	**101,566**	**41,544**	**6,136**	**155,654**
Net book value					
At 31 December 2015	**892**	**10,923**	**8,814**	**311**	**20,940**
At 31 December 2014	892	12,016	10,359	984	24,251
At 1 January 2014	1,720	14,829	18,780	1,495	36,824

The Group's bank overdrafts and borrowings under the revolving credit facility are secured by a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery (Note 22)

All amortisation and impairment charges in the year have been charged through operating costs in the Consolidated income statement

The carrying values of all intangible assets are reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying values may not be recoverable

13 INTANGIBLE FIXED ASSETS continued

IMPAIRMENT OF INTANGIBLE FIXED ASSETS

In accordance with IAS 36 'Impairment of Assets' the carrying values of newspaper titles, magazine titles, goodwill and other intangible assets have been compared to their recoverable amounts, represented by their value in use to the Group

Newspaper titles, magazine titles, goodwill and other intangible assets are allocated, at acquisition, to the Cash Generating Units (CGUs) that are expected to benefit from that business combination The recoverable amounts of the CGUs are determined from value in use calculations The key assumptions for the value in use calculations are those regarding the growth rates, expected changes to revenues and direct costs during the period, and the discount rates applied These assumptions have been reviewed during the year in light of the current economic environment The value in use calculation uses post-tax cash flow projections based on the financial budgets approved by the Board for 2016 The growth rates for cash flows beyond 2016 assume an annual RPI increase only and no underlying growth Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money, long-term expected debt/equity ratios and the risks specific to the CGUs The cost of capital and therefore the discount rate applied to future cash flows was 10 2% (2014 10 2%)

The Group prepares discounted cash flow forecasts derived from the most recent financial budgets approved by management and extrapolates those cash flows to perpetuity based on an estimated annual growth rate of 2 5% The present value of the cash flows is then compared to the carrying value of the asset

Given the current difficult trading climate, and the anticipated timing and extent of the recovery, certain of the Group's website assets have been impaired

	Carrying value before impairment £000	Value in use £000	Impairment charge £000
Website	164	Nil	164

The sensitivity of the assumptions underlying the valuation methodology has been assessed for the following variables

Sensitivity scenarios	Result
Growth rate of 1% after 20 years (rather than 2 5%)	No additional impairment required
Discount rate of 12% (rather than 10 2%)	No additional impairment required
Zero growth rate from 2016 onwards	No additional impairment required

14 PROPERTY, PLANT AND EQUIPMENT

	Freehold property	Leasehold buildings	Plant and machinery	Other equipment & vehicles	Assets in course of construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation:						
At 1 January 2014	13,249	762	35,854	14,012	351	64,228
Additions	-	-	97	1,020	(270)	847
Revaluation	1,125	-	-	-	-	1,125
Disposals	-	(89)	(2)	(2,182)	-	(2,273)
At 31 December 2014	14,374	673	35,949	12,850	81	63,927
Additions	-	67	171	888	106	1,232
Revaluation	2,565	-	-	-	-	2,565
Transfer to assets held for sale	(300)	-	-	-	-	(300)
Disposals	(54)	(397)	-	(649)	-	(1,100)
At 31 December 2015	**16,585**	**343**	**36,120**	**13,089**	**187**	**66,324**
Depreciation.						
At 1 January 2014	13	716	26,840	11,339	-	38,908
Charge for year	304	32	2,195	1,198	-	3,729
Revaluation	(303)	-	-	-	-	(303)
Disposals	-	(89)	(1)	(2,181)	-	(2,271)
At 31 December 2014	14	659	29,034	10,356	-	40,063
Charge for year	268	21	1,792	1,201	-	3,282
Revaluation	(249)	-	-		-	(249)
Disposals	(14)	(397)	-	(619)	-	(1,030)
At 31 December 2015	**19**	**283**	**30,826**	**10,938**	**-**	**42,066**
Net book value:						
At 31 December 2015	**16,566**	**60**	**5,294**	**2,151**	**187**	**24,258**
At 31 December 2014	14,360	14	6,915	2,494	81	23,864
At 1 January 2014	13,236	46	9,014	2,673	351	25,320

The Group's bank overdrafts and borrowings under the revolving credit facility are secured by a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery (Note 22)

An independent valuation of the Group's freehold property was performed by valuers to determine the fair value of the freehold property as at 31 December 2013, 31 December 2014 and 30 November 2015 The revaluation surplus, net of applicable deferred income taxes was credited to other comprehensive income and is shown in other reserves in shareholders' equity

14 PROPERTY, PLANT AND EQUIPMENT continued

The cost or valuation of land and buildings at 31 December 2015 comprises:

	Freehold £000	Short Leasehold £000
At valuation	16,585	-
At cost	-	343
	16,585	343

The historical cost of freehold and leasehold land and buildings is as follows:

	Freehold		Leasehold	
	2015 £000	2014 £000	2015 £000	2014 £000
Cost	14,882	15,851	343	673
Aggregate depreciation	(5,041)	(5,594)	(283)	(659)
Net carrying amount	9,841	10,257	60	14

Depreciation for the year on the Group's freehold properties has been based on their revalued amounts Based on cost the consolidated charge would have been lower by £16,000 (2014 £22,000)

15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Note	Listed £000	Unlisted £000	Total £000
Fair value:				
At 1 January 2014		12	2,790	2,802
Fair value adjustment through Consolidated income statement		(1)	-	(1)
Fair value adjustment through other comprehensive income		(2)	3,268	3,266
At 31 December 2014		9	6,058	6,067
Additions	33	-	418	418
Fair value adjustment through Consolidated income statement	33	-	(418)	(418)
Fair value adjustment through other comprehensive income		-	(976)	(976)
At 31 December 2015		**9**	**5,082**	**5,091**

Listed investments are investments in listed equity securities that present the Group with opportunity for return through dividend income and trading gains The unlisted investments are non-controlling interests and include a strategic holding of 3 5% in PA Group Limited

The fair values of listed investments are based on quoted market prices The fair values of unlisted investments are determined by the directors based on published financial information, including financial statements and equity transactions

16 PRINCIPAL SUBSIDIARY UNDERTAKINGS

The consolidated financial statements include the following principal subsidiary undertakings, all of which are unlisted companies Archant BHGC Limited is a company limited by guarantee given by Archant Holdings Limited All other subsidiary undertakings are wholly owned and incorporated in England, with the exception of The British Connection, Inc , which is incorporated in the United States of America

Those companies in which the equity is held by a subsidiary undertaking are marked with an asterisk

Company	Company registration number	Activity
Subsidiary undertakings		
Archant BHGC Limited	7783475	Holding company
Archant Community Media Holdings Limited *	4243174	Holding company
Archant Community Media Limited *	19300	Media company
The British Connection, Inc *	Not applicable	Magazine distribution
Archant Properties Limited *	2562545	Property
Archant Holdings Limited	4040110	Holding company
Mustard TV Limited *	7982360	Local television broadcaster

For all UK subsidiary undertakings listed above, other than Archant Community Media Limited, in accordance with section 479C of The Companies Act 2006 the Company has guaranteed all outstanding liabilities to which those subsidiary undertakings are subject at 31 December 2015 until they are satisfied in full Accordingly, each of those UK subsidiaries is exempt under section 479A from the requirements of the Companies Act 2006 relating to the audit of accounts

17 INVENTORIES

	31 December 2015 £000	31 December 2014 £000	1 January 2014 £000
Newsprint, paper, inks and printing materials	**499**	808	793
Engineering and mechanical spares	**285**	332	414
Other	**16**	21	46
	800	1,161	1,253

The cost of inventories for newsprint, paper, inks and printing materials recognised as an expense by the Group in the year was £8,999,000 (2014 £10,234,000) The cost of inventories for engineering and mechanical spares recognised as an expense by the Group in the year was £39,000 (2014 £107,000) Provisions against inventories for engineering and mechanical spares of £138,000 (2014 £179,000) were charged in operating expenses

18 TRADE AND OTHER RECEIVABLES

	Note	**31 December 2015 £000**	31 December 2014 £000	1 January 2014 £000
Trade receivables		**11,565**	11,510	12,521
Less provision for impairment of receivables		**(172)**	(132)	(171)
Trade receivables – net		**11,393**	11,378	12,350
Other receivables		**1,821**	1,299	2,543
Prepayments and accrued income		**1,412**	1,733	2,060
Bank facility arrangement fees	22	**91**	192	-
		14,717	14,602	16,953

Analysis of trade and other receivables	**31 December 2015 £000**	31 December 2014 £000	1 January 2014 £000
Current	**14,533**	14,467	16,631
Non-current	**184**	135	322
Total	**14,717**	14,602	16,953

18 TRADE AND OTHER RECEIVABLES continued

As at 31 December 2015, trade receivables of £172,000 (2014 £132,000) were impaired and fully provided for Movements in the provision for impairment of receivables were as follows

	2015 **£000**	2014 £000	2013 £000
At start of year	**(132)**	(171)	(310)
Charged in the income statement	**(143)**	(241)	(394)
Utilised	**103**	280	533
At end of year	**(172)**	(132)	(171)

The movements in the provision for impaired receivables have been included in operating expenses in the Consolidated income statement

As at 31 December 2015, trade receivables of £3,752,000 (2014 £3,837,000) were past due but not impaired The ageing analysis of the past due amounts is as follows

	31 December 2015 **£000**	31 December 2014 £000	1 January 2014 £000
Neither past due nor impaired	**7,641**	7,541	8,064
Past due but not impaired			
Less than 30 days	**2,680**	3,027	3,368
From 30 to 60 days	**812**	625	675
From 61 to 90 days	**245**	163	216
More than 90 days	**15**	22	27
At end of year	**11,393**	11,378	12,350

19 CASH AND CASH EQUIVALENTS

	31 December 2015 **£000**	31 December 2014 £000	1 January 2014 £000
Cash at banks and in hand	**3,619**	3,585	3,777
Short-term bank deposits	**10,000**	-	-
Cash and cash equivalents in Consolidated statement of financial position	**13,619**	3,585	3,777
Less bank overdrafts	**(941)**	(911)	(890)
Net cash and cash equivalents in Consolidated statement of cash flows	**12,678**	2,674	2,887

Short-term bank deposits are made for varying periods of between one month and three months, depending on the immediate cash requirements for the Group, and earn interest at the respective short-term deposit rates

In the Consolidated statement of cash flows, net cash and cash equivalents are shown after deducting bank overdrafts

20 HELD FOR SALE ASSETS

	31 December 2015	31 December 2014	1 January 2014
	£000	£000	£000
Freehold properties	**300**	-	-
Magazine titles	**-**	2,500	-
	300	2,500	-

At 31 December 2014, certain magazine titles were held for sale The sale was completed on 2 April 2015 with proceeds net of transaction costs of £1,898,000 (including £1,570,000 for the associated subscriptions in advance liabilities, representing cash previously received by the Group), resulting in a loss on disposal of £602,000 In December 2014, certain photographic magazines were closed In April 2015, the Group sold a database associated with these magazines at a profit of £3,000

At 31 December 2015, a freehold property was held for sale Contracts were exchanged for its disposal prior to the year end, and the disposal was completed for £300,000 in January 2016

21 TRADE AND OTHER PAYABLES

	31 December 2015	31 December 2014	1 January 2014
	£000	£000	£000
Trade payables	**2,391**	3,132	3,591
Other tax and social security	**2,355**	2,338	2,786
Other payables	**2,361**	1,731	1,800
Accruals and deferred income	**12,598**	10,779	10,095
Subscriptions in advance	**1,813**	3,293	3,206
	21,518	21,273	21,478
Current	**21,314**	21,095	21,181
Non-current	**204**	178	297
	21,518	21,273	21,478

22 BANK LOANS, OVERDRAFTS AND FACILITIES

The bank loans, overdrafts and facilities comprise:

	31 December 2015	31 December 2014	1 January 2014
	£000	£000	£000
Amounts falling due within one year:			
EBT overdraft	**941**	911	890
Amounts falling due after more than one year:			
Term revolving advances facility	-	-	10,000
Arrangement fees	-	-	(355)
	-	-	9,645

The EBT has a bank overdraft facility of £1m and any overdraft under this facility is guaranteed by the Company The Group has a bank overdraft facility of £3m and any overdrafts under this facility are secured by a fixed and floating charge over the undertaking, property, assets and rights of certain companies in the Group, together with cross guarantees from certain companies in the Group Any overdrafts under the EBT overdraft facility and the Group overdraft facility are repayable on demand

The Group has a term revolving advances facility expiring on 30 June 2019 The maximum amount available throughout the term of this facility is £17m The undrawn committed facilities available at 31 December 2015, in respect of which all conditions precedent had been met at that date, were £20m (2014 £29m) Provided that the Group continues to comply with the conditions of the facility, the Group has the right to draw down sums up to the amount of the facility for periods ending on or before the expiry date

Sums drawn down under the revolving advances facility are secured by a fixed and floating charge over the undertaking, property, assets and rights of certain companies in the Group, together with cross guarantees from certain companies in the Group

The bank facility arrangement fees of £91,000 (2014 £192,000) have been reclassified to Trade and other receivables (Note 18)

23 PROVISIONS

The movements in provisions are as follows

	Dilapidations £000	Onerous leases £000	Share-based payment £000	Newspaper Society pension scheme deficit £000	Total £000
At 1 January 2014	507	133	-	-	640
Arising during the year	73	-	-	254	327
Utilised	(208)	(81)	-	(26)	(315)
Released	-	(52)	-	-	(52)
At 31 December 2014	372	-	-	228	600
Arising during the year	(18)	-	209	-	191
Utilised	(83)	-	-	(26)	(109)
At 31 December 2015	**271**	-	**209**	**202**	**682**

	31 December 2015 **£000**	31 December 2014 £000	1 January 2014 £000
Current	**47**	178	312
Non-current	**635**	422	328
Total	**682**	600	640

Provisions for dilapidations are made in accordance with independent professional advice If the leases run to expiry, without earlier break clauses being exercised, or without the leases being renewed for a further term, these obligations will mostly be settled within five years, with the remaining liabilities due in various years up to 2036

The provision for share-based payment comprises cash bonuses payable under the Joint Share Ownership Plan, including associated National Insurance, plus National Insurance on the cost of share options granted under the Long-Term Incentive Plan

The Group committed to fund its share of the Newspaper Society Pension and Life Assurance Scheme deficit prior to the incorporation of the Society in April 2014

24 DEFERRED TAX

Deferred tax is calculated in full on temporary differences under the liability method using the tax rates that are expected to apply when the related asset is realised or liability is settled

	31 December 2015 £000	31 December 2014 £000	1 January 2014 £000
Non-current assets	**5,647**	6,592	2,472
Non-current liabilities	**(3,169)**	(4,496)	(4,920)
Total	**2,478**	2,096	(2,448)

The movements on the deferred tax account are as follows

	Accelerated capital allowances £000	Pension temporary differences £000	Other timing differences £000	Losses and loan relationship deficits £000	Revaluation and fair value £000	Intangible assets £000	Total £000
At 1 January 2014	(1,100)	2,472	145	1,633	(996)	(4,602)	(2,448)
Credit/charge to							
Consolidated income statement	611	(314)	(65)	(1,357)	-	-	(1,125)
Other comprehensive income	-	4,434	-	-	(226)	1,461	5,669
At 31 December 2014	(489)	6,592	80	276	(1,222)	(3,141)	2,096
Credit/charge to							
Consolidated income statement	221	(199)	58	288	-	-	368
Other comprehensive income	-	(746)	-	-	(312)	1,072	14
At 31 December 2015	**(268)**	**5,647**	**138**	**564**	**(1,534)**	**(2,069)**	**2,478**

At 31 December 2014, the Group had tax losses arising in the UK of approximately £3,000,000 that were available indefinitely for offset against future taxable profits A deferred tax asset was recognised in respect of these losses which have been utilised in 2015

Deferred tax assets not recognised as they do not satisfy the recognition criteria for deferred tax assets under IAS 12

	31 December 2015 £000	31 December 2014 £000	1 January 2014 £000
Tax losses arising in the UK of approximately £10,800,000 (2014 £10,800,000) that may be available for offset against future taxable profits	**2,153**	2,153	2,093
Non-trade loan relationship deficits and management expenses carried forward of approximately £3,100,000 (2014 £8,100,000) that may be available for offset against future taxable profits	**610**	1,611	1,237
Total	**2,763**	3,764	3,330

25 CALLED UP SHARE CAPITAL

Issued and fully paid ordinary shares of 20p each

	2015 Shares	2014 Shares	2013 Shares
At 1 January	**14,386,822**	14,376,822	14,366,822
Shares issued	**10,000**	10,000	10,000
At 31 December	**14,396,822**	14,386,822	14,376,822

Issued and fully paid ordinary shares of 20p each

	2015 £000	2014 £000	2013 £000
At 1 January	**2,877**	2,875	2,873
Shares issued	**2**	2	2
At 31 December	**2,879**	2,877	2,875

10,000 (2014 10,000) ordinary shares having a nominal value of £2,000 (2014 £2,000) were issued during the year The aggregate consideration received was £10,000 (2014 £10,000)

26 SHARE PREMIUM

	2015 £000	2014 £000	2013 £000
At 1 January	**2,639**	2,631	2,625
Shares issued	**8**	8	6
At 31 December	**2,647**	2,639	2,631

27 OTHER RESERVES

	Capital reserve £000	Revaluation of land and buildings £000	Available for sale investments £000	Share-based payments £000	Own shares held £000	Translation £000	Total £000
At 1 January 2014	5,369	3,023	2,566	-	(5,081)	(11)	5,866
Other comprehensive income:							
Purchase of own shares held by employee trusts	-	-	-	-	(3)	-	(3)
Sale of own shares held by employee trusts	-	-	-	-	10	-	10
Depreciation transfer for freehold property	-	(123)	-	-	-	-	(123)
Revaluation of freehold property	-	402	-	-	-	-	402
Fair value of listed and unlisted investments	-	-	3,269	-	-	-	3,269
Exchange differences on translation of foreign operations	-	-	-	-	-	(14)	(14)
At 31 December 2014	5,369	3,302	5,835	-	(5,074)	(25)	9,407
Other comprehensive income.							
Purchase of own shares held by employee trusts	-	-	-	-	(5)	-	(5)
Credit to equity for share-based payment	-	-	-	155	-	-	155
Depreciation transfer for freehold property	-	(138)	-	-	-	-	(138)
Revaluation of freehold property	-	2,238	-	-	-	-	2,238
Fair value of listed and unlisted investments	-	-	(970)	-	-	-	(970)
Exchange differences on translation of foreign operations	-	-	-	-	-	(57)	(57)
At 31 December 2015	**5,369**	**5,402**	**4,865**	**155**	**(5,079)**	**(82)**	**10,630**

The capital reserve comprises the balance of the share premium account in the former holding company on 1 March 2002

Own shares held comprise shares held by the JSOP and the trustees of the EBT, the LTIP Trust and the SIP Trust other than shares being held as a bare trustee Own shares held comprised 673,503 shares with a nominal value of 20p each, acquired at an average cost of £7 54 each (2014 669,683 shares at £7 58) Purchases of shares in the Company by the EBT have been funded by a bank overdraft guaranteed by the Company and by a loan from the Company, and purchases by the LTIP and SIP have been funded by cash contributions from the Company and its subsidiaries The trusts provide sources of shares for use in connection with share schemes

All expenses incurred by the trusts are settled directly by the Company, and charged in the financial statements as incurred

28 RETAINED EARNINGS

	2015 £000	2014 £000	2013 £000
At 1 January	**(2,275)**	18,678	13,838
Other comprehensive income for the year	**4,047**	(21,076)	2,483
Depreciation transfer on freehold property	**138**	123	7
Transfer from special reserve	**-**	-	2,350
At 31 December	**1,910**	(2,275)	18,678

The cumulative amount of goodwill written off to retained earnings at 31 December 2015 in the consolidated financial statements is £8,032,000 (2014 £8,032,000)

29 FINANCIAL AND CAPITAL RISK MANAGEMENT

The Group currently derives its funding from share capital, retained profits and bank borrowing The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, provide returns to shareholders and to maintain a prudent level of debt funding

The Group's principal financial assets include trade and other receivables and cash and short-term deposits that derive directly from its operations The Group's principal financial liabilities comprise trade and other payables and bank borrowings The main purpose of these financial liabilities is to finance the Group's operations

The Board retains responsibility for the agreement of the terms of any new or renewed borrowing facilities Surplus funds and borrowings are managed centrally, and the Group's treasury objective is to minimise borrowing costs and maximise returns on funds, subject to short-term liquidity requirements

Financial risk factors

The Group's principal financial risks are liquidity risk and interest rate risk The Group has limited exposure to foreign exchange risk, credit risk and commodity price risk The Group's senior management oversees the management of these risks within an overall risk strategy which seeks to minimise potential adverse effects on the Group's performance

Liquidity risk

Liquidity risk results from having insufficient financial resources to meet day-to-day fluctuations in working capital and cash flow Ultimate responsibility for liquidity risk management rests with the Board The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on its borrowing facilities The Group invests surplus cash in time deposits and money market deposits with appropriate maturities to ensure sufficient headroom within the cash flow forecasts At 31 December 2015, the amount available under the term facility, which expires on 30 June 2019, was £17m In addition, the Group has an overdraft facility of £3m and the EBT has a further overdraft facility of £1m The overdraft facilities of the Group and the EBT are repayable on demand £20m of these facilities remained undrawn at the year end, and the Group considers that it should be able to operate within the level of its current facilities

29 FINANCIAL AND CAPITAL RISK MANAGEMENT continued

Interest rate risk

The Group's interest rate risk arises from utilised long-term borrowings, which are managed centrally Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates

The Group has adopted a policy to manage its interest cost using a mix of fixed and variable rate debts Since 15 December 2011 all of the Group's long-term debt obligations have carried floating interest rates The Group's overdrafts and undrawn commitments carry fixed rates of interest

The Group's bank borrowing facilities contain financial covenants based on cash flow cover, interest cover and the ratio of debt to adjusted EBITDA Throughout the year the Group maintained adequate headroom against these covenants and is expected to do so into the foreseeable future

Foreign exchange risk

The Group has a subsidiary undertaking in the United States of America, which is limited in scale and largely self-financing Therefore the Group has no foreign currency borrowings to hedge the foreign currency investment The Group has limited exposure to foreign exchange risks with respect to transactions in US dollars and the Euro Due to the low exposure to currency risk, the Group does not use forward exchange contracts

Credit risk

The Group has no significant exposure to customer credit risk, due to transactions being principally of a high volume, low value and short maturity The Group has implemented policies that require, where appropriate, credit checks on potential customers before sales commence Cash at bank, including short-term bank deposits also give rise to credit risk on the amounts due from counterparties These risks are managed by restricting such transactions to approved counterparties and designating appropriate limits for each counterparty The Group considers that its maximum exposure to credit risk is as follows

	Notes	**2015** **£000**	2014 £000
Trade and other receivables	18	**14,717**	14,602
Cash and cash equivalents	19	**13,619**	3,585
		28,336	18,187

Commodity price risk

The Group is affected by the price volatility of newsprint and paper which are required in its operating activities The Group has an agreement to sourced most of its newsprint from a single major supplier and negotiates prices for newsprint at least six months in advance

30 CASH FLOWS FROM OPERATING ACTIVITIES

	Notes	2015 £000	2014 £000
Profit/(loss) before taxation		**3,415**	(3,263)
Finance costs	8	**716**	887
Finance income	7	**(714)**	(2,110)
Finance expense on pension assets/liabilities	35	**1,140**	478
Operating profit/(loss)		**4,557**	(4,008)
Depreciation of property, plant and equipment	14	**3,282**	3,729
Amortisation of intangible fixed assets	13	**3,249**	4,312
Impairment of intangible fixed assets	13	**164**	6,194
Revaluation surplus credited to income statement against prior year deficit		**(257)**	(796)
Fair value deficit on available for sale financial assets charged to income statement		**-**	1
Losses on disposals of intangible fixed assets		**599**	-
(Profit)/loss on disposals of property, plant and equipment		**(11)**	48
Decrease in inventories		**361**	92
(Increase)/decrease in trade and other receivables		**(216)**	2,543
Increase/(decrease) in trade and other payables		**1,517**	(491)
Movements in provisions and other impairments		**500**	(40)
Exchange differences on translation of foreign operations		**(2)**	(14)
Pension costs charged against operating profit	35	**1,090**	1,200
Cash contributions to pension scheme	35	**(3,225)**	(3,091)
Cash flow from operating activities		**11,608**	9,679

31 CAPITAL COMMITMENTS

	2015 £000	2014 £000
Contracts entered into, but not provided for, for property plant and equipment amounted to	**796**	81

32 COMMITMENTS UNDER OPERATING LEASES

The Group leases various properties and equipment under non-cancellable operating lease agreements The total future minimum rentals payable under non-cancellable operating leases are as follows

	Land and buildings		Plant, equipment and vehicles	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Operating leases which expire				
No later than one year	**59**	44	**117**	491
Later than one year and no later than five years	**903**	1,466	**2,277**	1,342
Later than five years	**2,791**	3,043	**-**	-
	3,753	4,553	**2,394**	1,833

The Group has sub-let two operating leases (2014 two) and the future aggregate minimum sub-lease amounts expected to be received amount to £73,000 (2014 £131,000)

33 RELATED PARTY TRANSACTIONS

Transactions between the Company and wholly-owned subsidiary companies, or between wholly-owned subsidiary companies, have been eliminated on consolidation and are not disclosed in this Note Transactions between the Company and its subsidiary companies are disclosed in the Company's separate financial statements

Transactions with the Archant Pension & Life Assurance Scheme and the Archant Pension Plan are disclosed in Note 35

Key management compensation is disclosed in Note 5

In July 2015, the Group acquired a 16 67% equity holding in WiSpire Limited (WiSpire), a provider of high-speed broadband to rural communities in Norfolk, at a cost of £40,000 including associated legal costs Following the investment, the Group have provided marketing and accounting services to WiSpire to the value of £40,000, and also advanced a convertible loan of £378,000 As the planned expansion of WiSpire's business is in its early stages, the recovery of the investment and loan is uncertain, and full provision has been made for the non-recovery of these items

34 CONTINGENT LIABILITIES

The Group has a potential liability for rent and other outgoings on a small number of properties occupied by a former subsidiary, where the Group provided a guarantee that the company meets their obligations under the leases which expire in 2018 No claims have been received by the Group at the date of this report

35 PENSION SCHEMES

DEFINED BENEFIT PROVISION

The Group provides defined benefit pensions through the Archant Pension & Life Assurance Scheme ('the Scheme'), which has a defined benefit section ('the DBS'), and a senior management section ('the SMS') The DBS was closed to new entrants in February 1998

The Scheme assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees The directors of the Trustee Company (the 'Trustee Directors') of the fund are required to act in the best interest of the fund's beneficiaries The Group has a policy that at least one-third of all Trustee Directors should be nominated by members of the fund, including at least one member by current pensioners

In 2009 the Company amended the definition of final pensionable salary such that pensionable earnings used to calculate final salary pension benefits became capped at the employees' pensionable earnings in the twelve months prior to 1 December 2009 Members of the DBS continue to accrue additional pensionable years of service at their current accrual rate for the purpose of calculating pension benefit The level of retirement benefit is based principally on years of pensionable service and final pensionable salary, subject to the 2009 Cap

Contribution rates to the DBS are calculated as a percentage of pensionable earnings determined on the basis of the most recent actuarial valuation and with the advice of independent actuaries, using the projected unit method

INSURANCE CONTRACT

In December 2015, the Trustee (with support from the Company) agreed to purchase an insurance contract with Partnership Life Assurance Company Limited This insurance contract took the form of a medically underwritten bulk annuity policy covering a predefined group of pensioner members, selected as those with annual pension amounts over a pre-agreed limit

This investment decision was taken by the Trustee Company with a view to reducing the inflation, interest rate and mortality risks within the Archant Pension & Life Assurance Scheme These risks specifically concentrated around the predefined group due to their proportionately higher individual liability

The purchase of the annuities for £20 4m was completed in January 2016, and was funded by the liquidation of Scheme assets, with £15m from the Scheme's corporate bond fund, £5 2m from the Scheme's equity holdings and the residual balance from the Trustee bank account

At 31 December 2015, the present value of the obligations to these pensioners was £17 3m resulting in a £3 1m shortfall to the fund shown as a deduction from the Scheme assets

Individual pensioners' pensions are not affected by this investment and the insurance contract is treated as an asset of the Scheme

35 PENSION SCHEMES continued

DEFINED CONTRIBUTION PROVISION

Following the closure of the DBS to new entrants in February 1998, membership of a defined contribution section of the Scheme ('the DCS') was available The DCS was closed to new entrants on 31 December 2012 and from 1 January 2013 contributions for former members of the DCS and new entrants have been paid into a new defined contribution scheme, the Archant Pension Plan

The Group cost of defined contribution pensions is disclosed in Note 5

OTHER PENSION PROVISION

The Group also pays ex gratia pensions on an unfunded basis to certain former employees and their dependents and, accordingly, provides for this liability, calculated in accordance with actuarial advice, in the financial statements

PENSION DISCLOSURE UNDER IAS 19

The following information for the Scheme is measured in accordance with IAS 19, based on the most recent actuarial valuation at 1 January 2014 ('the Valuation'), and has been updated to 31 December 2015 by an independent actuary

The assets and liabilities of the Scheme at 31 December are:

	31 December 2015	31 December 2014	1 January 2014
	£000	£000	£000
Equity instruments	**76,227**	78,039	79,031
Debt instruments	**28,712**	30,765	40,054
Investment funds	**50,411**	46,911	32,582
Assets held by insurance company	**17,393**	244	-
Insurance contract	**(20,417)**	-	-
Bank and cash balances	**1,731**	1,494	1,402
Fair value of the Scheme assets	**154,057**	157,453	153,069
Present value of funded obligations	**185,063**	189,911	164,284
Present value of unfunded obligations	**363**	501	556
Total Scheme obligations	**185,426**	190,412	164,840
Scheme deficit	**31,369**	32,959	11,771

The unfunded obligations are in respect of the ex gratia pensions paid by the Group The present value of these obligations has been calculated in accordance with IAS 19 by an independent actuary

35 PENSION SCHEMES continued

Analysis of the movement in the balance sheet liability

	2015 £000	2014 £000
Deficit in the Scheme at beginning of year	**(32,959)**	(11,771)
Movements		
Total recognised in the Consolidated income statement	**(2,230)**	(1,678)
Employer contributions	**3,225**	3,091
Total gains/(losses) recognised in equity	**595**	(22,601)
Deficit in the Scheme at end of year	**(31,369)**	(32,959)

The amounts recognised in the Consolidated income statement are as follows:

	2015 £000	2014 £000
Current service cost	**829**	953
Administrative expenses	**261**	247
Operating expenses	**1,090**	1,200
Interest on funded obligations	**5,992**	6,515
Interest on unfunded obligations	**23**	26
Interest income on the Scheme assets	**(4,875)**	(6,063)
Finance expense on pension assets/liabilities	**1,140**	478
Total recognised in the Consolidated income statement	**2,230**	1,678
Actual return on the Scheme assets	**2,113**	7,887

35 PENSION SCHEMES continued

Changes in the present value of the Scheme obligations are as follows:

	2015 £000	2014 £000
Opening Scheme obligation – funded obligations	**189,911**	164,284
Opening Scheme obligation – unfunded obligations	**501**	556
Total opening Scheme obligation	**190,412**	164,840
Current service cost	**829**	953
Interest expense – funded obligations	**5,992**	6,515
Interest expense – unfunded obligations	**23**	26
DBS benefit payments from plan assets	**(7,176)**	(6,621)
DCS benefit payments from plan assets	**(1,272)**	(764)
Participant contributions	**6**	7
Insurance premiums for risk benefits	**(218)**	(24)
Remeasurements		
Effect of changes in demographic assumptions	**2,375**	2,170
Effect of changes in financial assumptions	**(6,461)**	19,036
Effect of experience adjustments	**825**	3,219
Effect of changes in DCS fund values	**252**	1,136
Ex gratia benefit payments	**(65)**	(81)
Ex gratia remeasurements	**(96)**	-
Closing Scheme obligation	**185,426**	190,412
Closing Scheme obligations		
Funded obligations	**185,063**	189,911
Unfunded obligations	**363**	501
	185,426	190,412

The funded obligations by participant status comprise:

	2015 £000	2014 £000
Active members	**24,243**	23,867
Deferred members	**77,517**	79,477
Pensioners	**83,303**	86,567
	185,063	189,911

35 PENSION SCHEMES continued

The benefits payable by the Scheme are expected to increase steadily over the next 20 years as active and deferred members reach retirement After that the benefits payable should drop off markedly as mortality rates increase

The expected benefits payments in the next 10 years are:

	£000
In the years 2016 to 2020	33,091
In the years 2021 to 2025	34,876
	67,967

Changes in the fair value of the Scheme assets are as follows:

	2015 £000	2014 £000
Opening fair value of the Scheme assets	**157,453**	153,069
Interest income on the Scheme assets	**4,875**	6,063
Contributions by employer	**3,225**	3,091
Participant contributions	**6**	7
DBS benefit payments from plan assets	**(7,176)**	(6,621)
DCS benefit payments from plan assets	**(1,272)**	(764)
Ex gratia benefit payments	**(65)**	(81)
Administrative expenses paid from plan assets	**(261)**	(247)
Insurance premiums for risk benefits	**(218)**	(24)
Effect of changes in DCS fund values	**252**	1,136
Remeasurement – return on plan assets excluding interest income	**(2,762)**	1,824
Closing fair value of the Scheme assets	**154,057**	157,453

Assumptions

The major assumptions used by the actuary in updating the Valuation for IAS 19 were

	2015 Non-insured members %	**2015 Insured members %**	2014 %
Rate of increase in salaries	**0 00**	**0.00**	0 00
Rate of increase in deferred pensions	**2 00**	**1 90**	2 00
Rate of statutory increase to relevant pension elements	**2 95**	**2 85**	2 90
Discount rate	**3.83**	**3 68**	3 59
Inflation	**3 00**	**2 90**	2 95

35 PENSION SCHEMES continued

The current assumed life expectations on retirement at age 65 are:

	2015 insured	**2015 Non-insured**	2014
Retiring today			
Male	**22 5**	**23 5**	22 7
Retiring in 20 years			
Male		**24 6**	24 8

Sensitivity analysis of the principal assumptions used to measure the Scheme liabilities

The sensitivities regarding the principal assumptions used to measure the Scheme liabilities are set out below

Assumption	Change in assumption	Impact on Scheme liabilities
Discount rate	Increase by 0 25%	Decrease by 3 5%
Rate of inflation	Increase by 0 25%	Increase by 2 3%
Life expectancy	Increase by 1 year	Increase by 2 5%

Following the Valuation, the Group has agreed with the Trustee Directors to return the on-going funding level of the Scheme to 100% of the projected past service liabilities within a period of eleven years and four months from the date of the Valuation and to maintain funding at least at this level once the funding level of the Scheme is 100% of the projected past service liabilities The Group expects to contribute approximately £3,200,000 to the Scheme in 2016

APPENDIX 1 TRANSITION TO IFRS

FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

For all periods up to and including the year ended 31 December 2014, Archant Limited ('the Group') prepared its financial statements in accordance with United Kingdom generally accepted accounting practice (UK GAAP) These financial statements, for the year ended 31 December 2015, are the first the Group is required to prepare in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU)

IFRS 1 'First-time Adoption of International Financial Reporting Standards' sets out the requirements for the first time adoption of IFRS The Group is required to establish its IFRS accounting policies for the year ended 31 December 2015 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at 1 January 2014, the date of transition

The standard permits a number of optional exemptions to this general principle The Group has adopted the following approach to the key exemptions

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the general requirement to apply IFRS as effective for December 2015 year end retrospectively The Group has taken the following exemptions

- IFRS 3 *Business Combinations* has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before 1 January 2014
- Certain items of property, plant and equipment were carried in the balance sheet on the basis of valuations performed in 1996, prior to the Group adopting FRS 15 As allowed under IFRS 1, the Group has elected to regard those fair values as deemed cost as at the date of transition
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2014
- IFRS 2 *Share-based Payment* has not been applied to any equity instruments that were granted on or before 7 November 2002, nor has it been applied to equity instruments granted after 7 November 2002 that vested before 1 January 2005 This treatment is consistent with the transitional provisions taken when the group adopted FRS 20, the UK equivalent standard
- Cumulative actuarial gains and losses on pensions and other post employment benefits are recognised in full in equity at the date of transition to IFRS This is the same treatment as under UK GAAP

This Appendix explains the principal adjustments made by the Group in restating its UK GAAP balance sheet as at 1 January 2014 and its previously published UK GAAP financial statements for the year ended 31 December 2014

Reconciliation of consolidated profit and loss for the year ended 31 December 2014

Notes		UK GAAP £000	IFRS remeasurements £000	IFRS £000
REVENUE		121,823		121,823
OPERATING LOSS	T1	(4,576)	568	(4,008)
Finance income		2,110		2,110
Finance costs		(887)		(887)
Finance income/(expense) on pension assets/liabilities	T12	750	(1,228)	(478)
LOSS BEFORE TAXATION		(2,603)	(660)	(3,263)
Income tax expense		(1,410)	303	(1,107)
LOSS FOR THE YEAR		(4,013)	(357)	(4,370)

IFRS REMEASUREMENTS TO INCOME STATEMENT

T1 Changes to operating profit

	2014 £000
Change in recognition of operating costs under IAS 19	(289)
Additional depreciation following revaluation of freehold property	(28)
Reversal of amortisation on goodwill	274
Additional impairment on goodwill	(198)
Reduced depreciation charge on reclassification of software to intangibles	944
Increased amortisation charge on reclassification of software to intangibles	(894)
Increased impairment charge on reclassification of software to intangibles	(50)
Surplus on property valuations booked against prior year deficit in income statement	796
Deficits on fair values of listed and unlisted investments	(1)
Exchange differences on translation of foreign operations	14
Change in operating profit	568

Consolidated statement of financial position at 1 January 2014

	Notes	UK GAAP £000	IFRS reclassifications £000	IFRS remeasurements £000	IFRS £000
NON-CURRENT ASSETS					
Intangible assets	T2	**35,329**	1,495	-	**36,824**
Property, plant and equipment	T2,T6	**25,471**	(1,495)	1,344	**25,320**
Available-for-sale financial assets	T7	**174**	-	2,628	**2,802**
Trade and other receivables	T14	-	322	-	**322**
		60,974	322	3,972	**65,268**
CURRENT ASSETS					
Inventories		**1,253**	-	-	**1,253**
Trade and other receivables	T4, T14	**18,269**	(1,638)	-	**16,631**
Cash and cash equivalents		**3,777**	-	-	**3,777**
		23,299	(1,638)	-	**21,661**
ASSETS HELD FOR SALE		-	-	-	-
TOTAL ASSETS		**84,273**	(1,316)	3,972	**86,929**
CURRENT LIABILITIES					
Borrowings and overdrafts	T5	-	890	-	**890**
Trade and other payables	T5, T14	**33,012**	(11,832)	1	**21,181**
Current tax liabilities	T5	-	10,007	-	**10,007**
Provisions	T14	-	312	-	**312**
		33,012	(623)	1	**32,390**
NON-CURRENT LIABILITIES					
Borrowings		**9,645**	-	-	**9,645**
Trade and other payables	T5	-	297	-	**297**
Provisions	T14	**640**	(312)		**328**
Deferred tax	T4, T8	-	(3,150)	5,598	**2,448**
Defined benefit pension liability	T4	**9,299**	2,472	-	**11,771**
		19,584	(693)	5,598	**24,489**
TOTAL LIABILITIES		**52,596**	(1,316)	5,599	**56,879**
NET ASSETS		**31,677**	-	(1,627)	**30,050**
EQUITY					
Called up share capital		**2,875**	-	-	**2,875**
Share premium account		**2,631**	-	-	**2,631**
Revaluation reserve	T6	**248**	-	2,775	**3,023**
Other reserves	T9	**288**	-	2,555	**2,843**
Retained earnings	T11	**25,635**	-	(6,957)	**18,678**
TOTAL EQUITY		**31.677**	-	(1,627)	**30,050**

Consolidated statement of financial position at 31 December 2014

	Notes	UK GAAP £000	IFRS reclassifications £000	IFRS remeasurements £000	IFRS £000
NON-CURRENT ASSETS					
Intangible assets	T2,T3	**25,691**	(1,516)	76	**24,251**
Property, plant and equipment	T2,T6	**22,106**	(984)	2,742	**23,864**
Available-for-sale financial assets	T7	**174**	-	5,893	**6,067**
Trade and other receivables		-	135	-	**135**
Deferred tax assets	T4,T8	-	6,460	(4,364)	**2,096**
		47,971	4,095	4,347	**56,413**
CURRENT ASSETS					
Inventories		**1,161**	-	-	**1,161**
Trade and other receivables	T14	**15,035**	(568)	-	**14,467**
Cash and cash equivalents		**3,585**	-	-	**3,585**
		19,781	(568)	-	**19,213**
ASSETS HELD FOR SALE	T3	-	2,500	-	**2,500**
TOTAL ASSETS		**67,752**	6,027	4,347	**78,126**
CURRENT LIABILITIES					
Borrowings and overdrafts	T5	-	911	-	**911**
Trade and other payables	T5, T14	**32,352**	(11,257)	-	**21,095**
Current tax liabilities	T5	-	9,735	-	**9,735**
Provisions		-	178	-	**178**
		32,352	(433)	-	**31,919**
NON-CURRENT LIABILITIES					
Trade and other payables		-	178	-	**178**
Provisions	T4	**732**	(310)	-	**422**
Defined benefit pension liability	T4	**26,367**	6,592	-	**32,959**
		27,099	6,460	-	**33,559**
TOTAL LIABILITIES		**59,451**	6,027	-	**65,478**
NET ASSETS		**8,301**	-	4,347	**12,648**
EQUITY					
Called up share capital		**2,877**	-	-	**2,877**
Share premium account		**2,639**	-	-	**2,639**
Revaluation reserve	T10	**240**	-	3,062	**3,302**
Other reserves	T9	**295**	-	5,810	**6,105**
Retained earnings	T11	**2,250**	-	(4,525)	**(2,275)**
TOTAL EQUITY		**8,301**	-	4,347	**12,648**

IFRS RECLASSIFICATIONS

T2 Software and website development costs

Under IAS 38, software and website development costs are treated as intangible assets, rather than tangible assets as under UK GAAP

	2014 £000	2013 £000
Intangible assets	984	1,495
Property, plant and equipment	(984)	(1,495)
	-	-

T3 Assets held for sale

At 31 December 2014, the magazine portfolio comprising English Garden, English Home and Discover Britain were held for sale

	2014 £000	2013 £000
Intangible assets	(2,500)	-
Assets held for sale	2,500	-

T4 Deferred tax

a) Reclassification

Under UK GAAP deferred taxation assets were classified in debtors due after more than one year IAS 12 requires that deferred taxation amounts be classified as non-current assets The deferred tax liabilities were classified as part of provisions Under IAS 12, these have been reclassified separately The effect of this reclassification is as follows

	2014 £000	2013 £000
Trade and other receivables	-	(678)
Provisions	132	-
Defined benefit pension liability	(6,592)	(2,472)
Non-current deferred tax asset	6,460	3,150

The deferred tax assets and liabilities have been presented separately, as the Group does not have a legally enforceable right to set-off

T5 Current tax, borrowings and overdrafts

The current tax liability and borrowings and overdrafts have been reclassified from trade and other payables, to comply with IAS 1, as follows

	2014 £000	2013 £000
Trade and other payables – current	10,824	11,194
Trade and other payables – non-current	(178)	(297)
Borrowings and overdrafts	(911)	(890)
Income tax payable	(9,735)	(10,007)
	-	-

IFRS REMEASUREMENTS

T6 Freehold property valuation

On transition to IFRS, the Group has adopted a policy of revaluing freehold properties

	Notes	2014 £000	2013 £000
Property, plant and equipment		2,742	1,344
Revaluation deficits debited to income statement	T11	1,567	2,363
Deferred taxation	T8	(1,161)	(932)
Revaluation reserve	T10	(3,148)	(2,775)
		-	-

T7 Listed and unlisted investments

Under UK GAAP, fixed asset investments are held at cost less provisions for any permanent impairment Under IFRS 9, investments are initially recognised at cost and subsequently measured at their fair value at the balance sheet date The Group's investments consist of listed and unlisted investments and are included in the balance sheet at fair value with any movements in fair value taken to the Consolidated statement of comprehensive income

	Notes	2014 £000	2013 £000
Other financial assets		5,893	2,628
Deficit on fair value debited to income statement	T11	4	2
Deferred taxation	T8	(62)	(64)
Available for sale reserve	T9	(5,835)	(2,566)
		-	-

T8 Deferred taxation

The deferred taxation balance has been reduced by the timing differences on intangible assets and the impact of the freehold property revaluation and fair value of listed and unlisted investments

	Notes	2014 £000	2013 £000
Intangible assets	T11	3,141	4,602
Freehold property valuation	T6	1,161	932
Other financial assets	T7	62	64
Deferred tax non-current asset		(4,364)	(5,598)
		-	-

IFRS REMEASUREMENTS

T9 Other reserves

Other reserves have increased as a result of the available-for sale reserve and the reserve for exchange differences on the translation of foreign operations

	Notes	2014 £000	2013 £000
Available for sale reserve	T7	5,835	2,566
Exchange differences on translation of foreign operations	T11	(25)	(11)
Other reserves		5,810	2,555

T10 Revaluation reserve

The revaluation reserve has increased following the revaluation of the Group's freehold properties

	Note	2014 £000	2013 £000
Freehold property revaluation	T6	3,148	2,775
Release against revaluation deficit		(86)	-
Revaluation reserve		3,062	2,775

T11 Retained earnings

Retained earnings have been impacted by revaluation deficits on the valuation of freehold property, deficits on the fair value of listed and unlisted investments, exchange differences on the translation of foreign operations and the reversal of amortisation of goodwill previously charged under UK GAAP

	Notes	2014 £000	2013 £000
Revaluation deficits debited to income statement	T6	1,567	2,363
Revaluation release against revaluation deficit	T10	(86)	-
Deficit on fair value debited to income statement	T7	4	2
Deferred tax on carrying value of intangible assets	T8	3,141	4,602
Exchange differences on translation of foreign operations	T9	(25)	(11)
Reversal of amortisation on goodwill		(274)	-
Additional impairment on goodwill		198	-
Other		-	1
		4,525	6,957

IFRS REMEASUREMENTS

T12 Adoption of IAS 19

The measurement of service cost and financing cost, and the recognition of administrative expenses paid from plan assets

	2014 £000
Increase in service cost	42
Recognition of administrative expenses paid from plan assets	247
Change in operating profit	289
Change in basis of calculation of financing cost	1,228
Reduction in charge through STRGL under UK GAAP	(1,517)
Reduction in deferred tax charge as a result of pension changes above	(303)
Increased deferred tax charge through STRGL under UK GAAP	303

T13 Business combinations

The method of accounting for business combinations under IFRS is significantly different to that applied under UK GAAP The main differences applicable to the Group relate to the cessation of goodwill amortisation and the recognition and amortisation of intangible assets with acquired businesses which are explained below

a) Goodwill amortisation
IFRS 3 'Business Combinations' prohibits merger accounting and the amortisation of goodwill The standard requires goodwill to be carried at cost with annual impairment reviews

The Group has elected to take advantage of the exemption under IFRS 1 not to restate all business combinations prior to 1 January 2014 The impact of IFRS 3 and IFRS 1 on the Group's accounting for goodwill in 2014 is as follows

- the value of goodwill reported under UK GAAP at 1 January 2014 is frozen, and
- the goodwill amortisation charge in 2014 (£274,000) under UK GAAP has been reversed As a result, an impairment charge of £198,000 was made in 2014 (Note T1 above)

b) Recognition and amortisation of intangible assets within acquired business
Under IFRS 3, the identification of assets and liabilities acquired within businesses includes intangible assets not previously recognised under UK GAAP

The Group made no acquisitions in 2014

IFRS REMEASUREMENTS

T14 Other reclassifications

a) Receivables Non-current receivables for vehicle lease deposits have been reclassified from current assets to non-current assets as required by IFRS (December 2013 £322,000, December 2014 £135,000)

b) Under IFRS, an expense prepayment should not be recognised if the amount charged had not been paid in full at the balance sheet date Therefore amounts included in prepayments but unpaid at the balance sheet date under UK GAAP have been reclassified and deducted from trade and other payables (December 2013 £638,000, December 2014 £433,000)

c) Payables Vehicle manufacturer rebates are recognised over the lease terms of the relevant vehicles, and the amounts deferred to future periods are carried forward in payables Non-current payables have been reclassified from current liabilities to non-current liabilities as required by IFRS (December 2013 £297,000, December 2014 £178,000)

d) Under UK GAAP, provisions were classified as non-current Current provisions have been reclassified as required by IFRS (December 2013 £312,000, December 2014 £178,000)

T15 Short-Term Employee Benefits

The employees of the Group accrue holidays over the financial year of the Group, and the Group has a policy that all holiday must be taken in the year in which it was earned As the benefit is non-accumulating, the Group does not accrue for any holiday entitlement earned but not taken at the balance sheet date

Accordingly, there is no impact from IAS 19 on the Group's transition to IFRS

T16 Restatement of cash flow statement from UK GAAP to IFRS

The transition from UK GAAP to IFRS has no effect upon the reported cash flows generated by the Group The IFRS cash flow statement is presented in a different format from that required under UK GAAP with cash flows split into three categories of activities – operating activities, investing activities and financing activities The reconciling items between the UK GAAP presentation and the IFRS presentation have no net impact on the cash flows generated

COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2015

COMPANY STATEMENT OF FINANCIAL POSITION for the year ended 31 December 2015

	Notes	**31 December 2015 £000**	31 December 2014 restated £000	1 January 2014 restated £000
NON-CURRENT ASSETS				
Property, plant and equipment	C4	**3**	2	1
Other financial assets	C5	**170,409**	171,328	168,972
Amounts owed by subsidiary undertakings	C6	**84,481**	83,226	80,588
		254,893	254,556	249,561
CURRENT ASSETS				
Trade and other receivables	C6	**201**	203	70
Current tax recoverable		**1,639**	1,453	1,725
Cash and cash equivalents	C7	**10,001**	1	2
		11,841	1,657	1,797
TOTAL ASSETS		**266,734**	256,213	251,358
CURRENT LIABILITIES				
Borrowings and overdrafts	C8	**3,223**	3,380	2,871
Trade and other payable	C9	**1,070**	869	426
		4,293	4,249	3,297
NON-CURRENT LIABILITIES				
Bank loans and facilities	C8	**-**	-	9,645
Provisions	C10	**201**	-	-
Deferred taxation	C11	**(6)**	54	63
Amounts owed to group undertakings	C12	**213,742**	198,995	196,599
		213,937	199,049	206,307
TOTAL LIABILITIES		**218,230**	203,298	209,604
NET ASSETS		**48,504**	52,915	41,754
EQUITY				
Called up share capital	C13	**2,879**	2,877	2,875
Share premium account	C14	**2,647**	2,639	2,631
Other reserves	C15	**(1,485)**	(666)	(3,033)
Retained earnings	C16	**44,463**	48,065	39,281
TOTAL EQUITY		**48,504**	52,915	41,754

S Bax
Chairman

BG McCarthy
Director

8 March 2016

COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2015

	Share capital £000	Share premium £000	Own shares held £000	Available for sale investments £000	Share-based payment £000	Retained earnings £000	Total equity £000
At 1 January 2014	2,875	2,631	(5,081)	2,048	-	39,281	41,754
Profit for the year	-	-	-	-	-	8,784	8,784
Other comprehensive income							
Fair value of listed and unlisted investments	-	-	-	2,360	-	-	2,360
Purchase of own shares held by employee trusts	-	-	(3)	-	-	-	(3)
Sale of own shares held by employee trusts	-	-	10	-	-	-	10
Issue of share capital	2	8	-	-	-	-	10
At 31 December 2014	2,877	2,639	(5,074)	4,408	-	48,065	52,915
Loss for the year	-	-	-	-	-	(3,602)	(3,602)
Other comprehensive income							
Fair value of listed and unlisted investments	-	-	-	(970)	-	-	(970)
Credit to equity for share-based payments	-	-	-	-	155	-	155
Purchase of own shares held by employee trusts	-	-	(4)	-	-	-	(4)
Issue of share capital	2	8	-	-	-	-	10
At 31 December 2015	**2,879**	**2,647**	**(5,078)**	**3,438**	**155**	**44,463**	**48,504**

COMPANY STATEMENT OF CASH FLOWS for the year ended 31 December 2015

	2015 £000	2014 £000
(Loss)/profit before taxation	**(4,439)**	6,263
Finance costs	**6,336**	7,161
Finance income	**(3,142)**	(14,864)
Operating loss	**(1,245)**	(1,440)
Depreciation of property, plant and equipment	**1**	1
(Increase)/decrease in trade and other receivables	**(99)**	59
Decrease in trade and other payables	**45**	374
Adjustment for share-based payment	**268**	-
Movements in inter company	**1,043**	1,042
Cash flow from operating activities	**13**	36
Income tax paid	**(761)**	(252)
Net cash used in operating activities	**(748)**	(216)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(2)**	(2)
Interest received	**11**	-
Dividends received on unlisted investments	**703**	2,110
Cash transferred from subsidiary undertaking	**10,500**	8,000
Net cash generated in investing activities	**11,212**	10,108
Cash flows from financing activities		
Interest paid	**(211)**	(389)
Issue of ordinary share capital	**10**	10
Sale of ordinary shares by EBT	-	10
Repayment of loan under bank revolving credit facility	-	(10,000)
Banking facilities financing costs	**(102)**	(30)
Purchase of own shares	**(4)**	(3)
Net cash used in financing activities	**(307)**	(10,402)
Net cash inflow/(outflow) from activities	**10,157**	(510)
Opening cash and cash equivalents	**(3,379)**	(2,869)
Closing cash and cash equivalents	**6,778**	(3,379)

COMPANY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

C1 ACCOUNTING POLICIES

The Company's accounting policies are the same as those set out in Note 1 of the consolidated financial statements, except as noted below

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment The Company grants share-based payments to the employees of subsidiary companies Each period the fair value of the employee services received by the subsidiary as a capital contribution from the Company is reflected as an addition to investments in subsidiaries

Loans to other Group undertakings and all other receivables are initially recorded at fair value, which is generally the proceeds advanced They are then subsequently carried at amortised cost The loans are interest bearing and repayable on demand, subject to being given three calendar months' notice

Loans from other Group undertakings and all other payables are initially recorded at fair value, which is generally the proceeds received They are then subsequently carried at amortised cost The loans are interest bearing and repayable on demand, subject to being given three calendar months' notice

The Company's financial risk is managed as part of the Group's strategy and policies as discussed in Note 29 of the consolidated financial statements

In accordance with the exemption allowed by Section 408(3) of the Companies Act 2006, the Company has not presented its own income statement

C2 EMPLOYEES

Average monthly number of staff	**2015**	2014
Company	**21**	26
Full time equivalents	**20**	25

The average monthly number of staff shown above for the company includes six (2014 six) non-executive directors of the Company

C3 AUDITORS' REMUNERATION

Amounts paid by the Company in respect of services provided by the Group's auditors are as follows

	2015 **£000**	2014 £000
Auditors' remuneration		
Audit	**40**	25
Tax compliance	**78**	39

COMPANY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

C4 PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment £000	Total £000
Cost		
At 1 January 2014	12	12
Additions	2	2
At 31 December 2014	14	14
Additions	2	2
At 31 December 2015	**16**	**16**
Depreciation		
At 1 January 2014	11	11
Charge for year	1	1
At 31 December 2014	12	12
Charge for year	1	1
At 31 December 2015	**13**	**13**
Net book value		
At 31 December 2015	**3**	**3**
At 31 December 2014	2	2
At 1 January 2014	1	1

C5 OTHER FINANCIAL ASSETS

	Subsidiary undertakings £000	Listed £000	Unlisted £000	Total £000
Cost at 1 January 2014	177,321	7	60	177,388
Fair value adjustment	-	5	2,080	2,085
Fair value at 1 January 2014	177,321	12	2,140	179,473
Fair value adjustment	-	(3)	2,359	2,356
Fair value at 31 December 2014	177,321	9	4,499	181,829
Share-based payment	57	-	-	57
Fair value adjustment	-	-	(976)	(976)
Fair value at 31 December 2015	**177,378**	**9**	**3,523**	**180,910**
Provisions				
At 1 January 2014	10,501	-	25	10,526
Fair value adjustment 1 January 2014	-	-	(25)	(25)
Fair value at 1 January 2014, 31 December 2014 and 2015	**10,501**	**-**	**-**	**10,501**
Net book value				
At 31 December 2015	**166,877**	**9**	**3,523**	**170,409**
At 31 December 2014	166,820	9	4,499	171,328
At 1 January 2014	166,820	12	2,140	168,972

COMPANY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

C6 TRADE AND OTHER RECEIVABLES

	31 December 2015 £000	31 December 2014 £000	1 January 2014 £000
Current			
Prepayments and accrued income	**110**	11	70
Bank facility arrangement fees	**91**	192	-
	201	203	70
Non current			
Amounts owed by subsidiary undertakings	**84,481**	83,226	80,588

C7 CASH AND CASH EQUIVALENTS

	31 December 2015 £000	31 December 2014 £000	1 January 2014 £000
Cash at banks and in hand	**1**	1	2
Short-term bank deposits	**10,000**	-	-
Cash and cash equivalents in Company statement of financial position	**10,001**	1	2
Less bank overdrafts	**(3,223)**	(3,380)	(2,871)
Net cash and cash equivalents in Company statement of cash flows	**6,778**	(3,379)	(2,869)

C8 BANK LOANS, OVERDRAFTS AND FACILITIES

The bank loans, overdrafts and facilities comprise

	31 December 2015 £000	31 December 2014 £000	1 January 2014 £000
Current			
Bank overdrafts	**2,282**	2,469	1,981
EBT overdraft	**941**	911	890
	3,223	3,380	2,871
Non-current			
Bank loans and facilities	-	-	10,000
Arrangement fees	-	-	(355)
	-	-	9,645

COMPANY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

C8 BANK LOANS, OVERDRAFTS AND FACILITIES continued

The EBT has a bank overdraft facility of £1m and any overdraft under this facility is guaranteed by the Company The Group has a bank overdraft facility of £3m and any overdrafts under this facility are secured by a fixed and floating charge over the undertaking, property, assets and rights of certain companies in the Group, together with cross guarantees from certain companies in the Group

The Group has a term revolving advances facility expiring on 30 June 2019 The maximum amount throughout the term of this facility is £17m The undrawn committed facilities available at 31 December 2015, in respect of which all conditions precedent had been met at that date, were £20m (2014 £29m) Provided that the Group continues to comply with the conditions of the facility, the Group has the right to draw down sums up to the amount of the facility for periods ending on or before the expiry date

Sums drawn down under the revolving advances facility are secured by a fixed and floating charge over the undertaking, property, assets and rights of certain companies in the Group, together with cross guarantees from certain companies in the Group

The bank facility arrangement fees of £91,000 (2014 £192,000) have been reclassified to Debtors (Note C6)

C9 TRADE AND OTHER PAYABLES

	31 December 2015	31 December 2014	1 January 2014
	£000	£000	£000
Amounts owed to group undertakings	**257**	69	-
Other payables	**4**	5	3
Accruals and deferred income	**809**	795	423
	1,070	869	426

C10 PROVISIONS

The movements in provisions are as follows

	National Insurance on share options	Share-based payment	Total
	£000	£000	£000
At 31 December 2014	-	-	-
Arising during the year	13	188	201
At 31 December 2015	**13**	**188**	**201**

Analysis of total provisions	**2015** **£000**	2014 £000
Non-current	**201**	-

The provision for share-based payment comprises cash bonuses payable under the Joint Share Ownership Plan, including associated National Insurance, plus National Insurance on the cost of share options granted under the Long-Term Incentive Plan

COMPANY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

C11 DEFERRED TAX

The movements on the deferred tax account are as follows

	Accelerated capital allowances £000	Other timing differences £000	Available for sale investments £000	Total £000
At 1 January 2014	1	-	(64)	(63)
Credited to the income statement	-	6	-	6
Credited to other comprehensive income	-	-	3	3
At 31 December 2014	1	6	(61)	(54)
Credited to the income statement	-	54	-	54
Credited to other comprehensive income	-	-	6	6
At 31 December 2015	**1**	**60**	**(55)**	**6**

The Company has management expenses carried forward of approximately £453,000 (2014 £453,000) A deferred tax asset has not been recognised in respect of these management expenses carried forward as they do not satisfy the recognition criteria for deferred tax assets under IAS 12

C12 NON-CURRENT LIABILITIES

	31 December 2015 £000	31 December 2014 £000	1 January 2014 £000
Amounts owed to Group undertakings	**213,742**	198,995	196,599

All liabilities falling due in more than one year mature between two and five years

C13 CALLED UP SHARE CAPITAL

Issued ordinary shares of 20p each

	2015 Shares	2014 Shares	2013 Shares
At 1 January	**14,386,822**	14,376,822	14,366,822
Shares issued	**10,000**	10,000	10,000
At 31 December	**14,396,822**	14,386,822	14,376,822

Issued and fully paid ordinary shares of 20p each

	2015 £000	2014 £000	2013 £000
At 1 January	**2,877**	2,875	2,873
Shares issued	**2**	2	2
At 31 December	**2,879**	2,877	2,875

10,000 (2014 10,000) ordinary shares having a nominal value of £2,000 (2014 £2,000) were issued during the year The aggregate consideration received was £10,000 (2014 £10,000)

COMPANY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

C14 SHARE PREMIUM

	2015	2014	2013
	£000	£000	£000
At 1 January	**2,639**	2,631	2,625
Shares issued	**8**	8	6
At 31 December	**2,647**	2,639	2,631

C15 OTHER RESERVES

	Available for sale investments	Share-based payments	Own shares held	Total
	£000	£000	£000	£000
At 1 January 2014	2,048	-	(5,081)	(3,033)
Other comprehensive income				
Purchase of own shares held by employee trusts	-	-	(3)	(3)
Sale of own shares held by employee trusts	-	-	10	10
Fair value of listed and unlisted investments	2,360	-	-	2,360
At 31 December 2014	4,408	-	(5,074)	(666)
Other comprehensive income				
Purchase of own shares held by employee trusts	-	-	(4)	(4)
Credit to equity for share-based payment	-	155	-	155
Fair value of listed and unlisted investments	(970)	-	-	(970)
At 31 December 2015	**3,438**	**155**	**(5,078)**	**(1,485)**

Own shares held comprise shares held by the JSOP and the trustees of the EBT, the LTIP Trust and the SIP Trust other than shares being held as a bare trustee Own shares held comprised 673,503 shares with a nominal value of 20p each, acquired at an average cost of £7 54 each (2014 669,683 shares at £7 58) Purchases of shares in the Company by the EBT have been funded by a bank overdraft guaranteed by the Company and by a loan from the Company, and purchases by the LTIP and SIP have been funded by cash contributions from the Company and its subsidiaries The trusts provide sources of shares for use in connection with share schemes

All expenses incurred by the trusts are settled directly by the Company, and charged in the financial statements as incurred

COMPANY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

C16 RETAINED EARNINGS

	2015 **£000**	2014 £000
At 1 January	**48,065**	39,281
Profit/loss from income statement	**(3,602)**	8,784
At 31 December	**44,463**	48,065

C17 RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with subsidiary companies

	2015 **£000**	2014 £000
Dividends received from subsidiary companies	**-**	10,000
Interest received from subsidiaries on inter company loans	**2,427**	2,754
Interest paid to subsidiaries on inter company loans	**(5,922)**	(6,579)
Amounts received for group relief	**1,358**	2,817
Cash transferred from subsidiary company	**(10,500)**	(8,000)
Net group recharges receivable	**2,342**	1,875
Net funding by subsidiary for operating expenses	**(3,385)**	(2,680)
Net movement in balances with subsidiaries	**(13,680)**	187

APPENDIX 2 COMPANY TRANSITION TO IFRS

FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

For all periods up to and including the year ended 31 December 2014, Archant Limited prepared its financial statements in accordance with United Kingdom generally accepted accounting practice (UK GAAP) These financial statements, for the year ended 31 December 2015, are the first the Company is required to prepare in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU)

IFRS 1 'First-time Adoption of International Financial Reporting Standards' sets out the requirements for the first time adoption of IFRS The Company is required to establish its IFRS accounting policies for the year ended 31 December 2015 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at 1 January 2014, the date of transition

The standard permits a number of optional exemptions to this general principle The Company has adopted the following approach to the key exemptions

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the general requirement to apply IFRSs as effective for December 2015 year end retrospectively The Company has taken the following exemption

- IFRS 2 Share-based Payment has not been applied to any equity instruments that were granted on or before 7 November 2002, nor has it been applied to equity instruments granted after 7 November 2002 that vested before 1 January 2005 This treatment is consistent with the transitional provisions taken when the Company adopted FRS 20, the UK equivalent standard

This Appendix explains the principal adjustments made by the Company in restating its UK GAAP balance sheet as at 1 January 2014 and its previously published UK GAAP financial statements for the year ended 31 December 2014

Company statement of financial position at 1 January 2014

	Notes	UK GAAP £000	IFRS reclassifications £000	IFRS remeasurements £000	IFRS £000
NON-CURRENT ASSETS					
Property, plant and equipment		**1**	-	-	**1**
Other financial assets	T4	**166,862**	-	2,110	**168,972**
Trade and other receivables	T1	-	80,588	-	**80,588**
		166,863	80,588	2,110	**249,561**
CURRENT ASSETS					
Trade and other receivables	T1	**82,384**	(82,314)	-	**70**
Current tax recoverable	T1	-	1,725	-	**1,725**
Cash and cash equivalents		**2**	-	-	**2**
		82,386	(80,589)	-	**1,797**
TOTAL ASSETS		**249,249**	(1)	2,110	**251,358**
CURRENT LIABILITIES					
Borrowings and overdrafts	T2	-	2,871	-	**2,871**
Trade and other payables	T2	**3,297**	(2,871)	-	**426**
		3,297	-	-	**3,297**
NON-CURRENT LIABILITIES					
Bank loans and facilities	T3	-	9,645	-	**9,645**
Trade and other payables	T3	**206,244**	(9,645)	-	**196,599**
Deferred tax	T1, T4	-	(1)	64	**63**
		206,244	(1)	64	**206,307**
TOTAL LIABILITIES		**209,541**	(1)	64	**209,604**
NET ASSETS		**39,708**		2,046	**41,754**
EQUITY					
Called up share capital		**2,875**	-	-	**2,875**
Share premium account		**2,631**	-	-	**2,631**
Fair value reserve	T4			2,048	**2,048**
Other reserves		**(5,081)**	-	-	**(5,081)**
Retained earnings	T5	**39,283**	-	(2)	**39,281**
TOTAL EQUITY		**39,708**	-	2,046	**41,754**

Company statement of financial position at 31 December 2014

	Notes	UK GAAP £000	IFRS reclassifications £000	IFRS remeasurements £000	IFRS £000
NON-CURRENT ASSETS					
Property, plant and equipment		**2**	-	-	**2**
Other financial assets	T4	**166,862**	-	4,466	**171,328**
Trade and other receivables	T1	-	83,226	-	**83,226**
		166,864	83,226	4,466	**254,556**
CURRENT ASSETS					
Trade and other receivables	T1	**84,890**	(84,687)	-	**203**
Current tax recoverable	T1	-	1,453	-	**1,453**
Cash and cash equivalents		**1**	-	-	**1**
		84,891	(83,234)	-	**1,657**
TOTAL ASSETS		**251,755**	(8)	4,466	**256,213**
CURRENT LIABILITIES					
Borrowings and overdrafts	T2	-	3,380	-	**3,380**
Trade and other payables	T2	**4,249**	(3,380)	-	**869**
		4,249	-	-	**4,249**
NON-CURRENT LIABILITIES					
Borrowings		-	-	-	-
Trade and other payables		**198,995**	-	-	**198,995**
Deferred tax	T1, T4	-	(8)	62	**54**
		198,995	(8)	62	**199,049**
TOTAL LIABILITIES		**203,244**	(8)	62	**203,298**
NET ASSETS		**48,511**		4,404	**52,915**
EQUITY					
Called up share capital		**2,877**	-	-	**2,877**
Share premium account		**2,639**	-	-	**2,639**
Fair value reserve	T4	-	-	4,408	**4,408**
Other reserves		**(5,074)**	-	-	**(5,074)**
Retained earnings	T5	**48,069**	-	(4)	**48,065**
TOTAL EQUITY		**48,511**	-	4,404	**52,915**

IFRS REMEASUREMENTS

T1 Trade and other receivables

Under IFRS non-current receivables are disclosed in non-current assets, and current and deferred taxes recoverable are separately disclosed on the statement of financial position

	2014 £000	2013 £000
Trade and other receivables - current	(84,687)	(82,314)
Current tax recoverable	1,453	1,725
Deferred tax liability – non-current	8	1
Trade and other receivables – non-current	83,226	80,588
	-	-

T2 Current tax, borrowings and overdrafts

The current tax liability and borrowings and overdrafts have been reclassified from trade and other payables, to comply with IAS 1, as follows

	2014 £000	2013 £000
Trade and other payables	(3,380)	(2,871)
Borrowings and overdrafts	3,380	2,871
	-	-

T3 Non-current liabilities

The current tax liability and borrowings and overdrafts have been reclassified from trade and other payables, to comply with IAS 1, as follows

	2014 £000	2013 £000
Trade and other payables	-	(9,645)
Bank loans and facilities	-	9,645
	-	-

IFRS REMEASUREMENTS

T4 Listed and unlisted investments

Under UK GAAP, fixed asset investments are held at cost less provisions for any permanent impairment Under IFRS 9, available-for-sale financial assets are initially recognised at cost and subsequently measured at their fair value at the balance sheet date The Company's listed and unlisted investments are included in the Company statement of financial position at fair value with any movements in fair value taken to the statement of comprehensive income

	2014 £000	2013 £000
Other financial assets	4,466	2,110
Deficit on fair value debited to income statement	4	2
Deferred taxation	(62)	(64)
Available for sale reserve	(4,408)	(2,048)
	-	-

T5 Retained earnings

Retained earnings have been impacted by deficits on the fair value of listed and unlisted investments

	2014 £000	2013 £000
Deficit on fair value debited to income statement	4	2

T6 Short-Term Employee Benefits

The employees of the Company accrue holidays over the financial year of the Company, and the Company has a policy that all holiday must be taken in the year in which it was earned As the benefit is non-accumulating, the Company does not accrue for any holiday entitlement earned but not taken at the balance sheet date

Accordingly, there is no impact from IAS 19 on the Company's transition to IFRS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at The Forum, Norwich on Tuesday 12 April 2016 at noon, to consider and if thought fit, pass the following resolutions

ORDINARY RESOLUTIONS

1 THAT the reports of the directors and auditors and the audited financial statements of the Company for the year ended 31 December 2015 be and are hereby received

2 THAT Mr B McCarthy, retiring as a director at this meeting, be re-elected as a director of the Company

3 THAT Mr D Hill, retiring as a director at this meeting, be re-elected as a director of the Company

4 THAT Ernst & Young LLP be re-appointed as auditors for the Company at a fee to be fixed by the directors

5 THAT a final dividend of 5p per share be paid

SPECIAL RESOLUTIONS

6 THAT the Archant 2011 Long-Term Incentive Plan (the '2011 LTIP'), be amended in the manner set out in Appendix 1 to the Shareholder's circular, such amendments to be effective from the date on which the Board of Directors or a duly constituted committee thereof adopts such amendments

7 THAT the rules of the Archant Share Incentive Plan be amended in the manner set out in Appendix 2 to the Shareholder's circular, such amendments to be effective from the date on which the Board of Directors or a duly constituted committee thereof adopts such amendments

8 THAT, subject to the passing of resolution 9, the directors be generally and unconditionally authorised pursuant to section 551 of the Company Act 2006 (the 'Act') to exercise all the powers of the Company to allot ordinary shares in the capital of the Company to any director and/or any senior employee of the Company or any of its subsidiary companies who does not hold any shares in the capital of the Company upon such terms as the directors shall at their complete discretion determine provided that

(a) the maximum aggregate amount of such shares that may be allotted under this authority to any individual is shares having an aggregate nominal value of £2,000,

(b) the maximum amount of such shares that may be allotted under this authority is shares having an aggregate nominal value of £20,000,

(c) the price at which such shares shall be allotted shall be not less than their market value as determined by the directors taking into account all material factors of which they are aware at the time of allotment, and

(d) this authority shall, unless it is (prior to its expiry) duly revoked or varied or is renewed, expire on the date five years following the date of this resolution, save that the Company may, before such expiry, make an offer or agreement which will or may require such shares to be allotted after such expiry

9 THAT, subject to the passing of resolution 8, the directors be generally empowered pursuant to section 569 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560 of the Act) pursuant to authority conferred by Resolution 8 as if section 561 of the Act and the pre-emption provisions of the Company's Articles of Association did not apply to such allotment

NOTICE OF ANNUAL GENERAL MEETING continued

10 THAT the Articles of Association of the Company be altered

(a) by the deletion of article 94 2 and the substitution for it of the following new article 94 2
'The directors shall procure (but as regards subsidiaries of the Company only in so far as by the exercise of voting and other rights and powers of control exercisable by the Company in relation to its subsidiaries the directors can procure) that the aggregate principal amount (together with any fixed or minimum premium payable on final repayment) at any one time outstanding of moneys borrowed or secured by the Company and its subsidiaries (exclusive of moneys outstanding in respect of borrowings by the Company from any such subsidiary or by any such subsidiary from another such subsidiary or from the Company) shall not, except with the prior consent or sanction of the Company in general meeting, exceed £35,000,000 ', and

(b) by the deletion of article 94 4

BY ORDER OF THE BOARD
BG McCarthy
Director
8 March 2016

Archant Limited, Prospect House, Rouen Road, Norwich NR1 1RE

Telephone 01603 772772
Facsimile 01603 613276
Email company secretary@archant co uk
Registered number 4126997

NOTES

1 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Annual General Meeting ('AGM') A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder A proxy need not be a shareholder of the Company A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Deputy Company Secretary on 01603 772802

2 To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no later than noon on Sunday 10 April 2016

3 The return of a completed proxy form will not prevent a shareholder attending the AGM and voting in person should they wish to do so

4 To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6pm on Sunday 10 April 2016 (or, in the event of any adjournment, at 6pm on the date which is two days before the time of the adjourned meeting) Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM

USEFUL INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING AND DIVIDEND CALENDAR

12 Aprıl	Annual General Meetıng
24 March	'On record' date for 2015 fınal dıvıdend
15 Aprıl	Payment of 2015 fınal dıvıdend

SHAREHOLDER WEBSITE

Shareholders can fınd the latest Annual Report, presentatıons from the prevıous Annual General Meetıng, useful shareholder ınformatıon (such as the most recent prıce at whıch shares traded) and other presentatıons/artıcles whıch may be of ınterest at www archant co uk *

REGISTRARS

Shareholders wıth questıons regardıng theır shareholdıng should contact the Company's regıstrars Equınıtı Lımıted, Aspect House, Spencer Road, Lancıng BN99 6DA

UK 0371 384 2641
Overseas +44 121 415 7047

Lınes are open from 8 30am to 5 30pm (UK tıme) Monday to Frıday, excludıng Englısh publıc holıdays

Shareholders are also able to manage theır shareholdıng onlıne ıncludıng vıewıng shareholdıngs, settıng up paper-free share communıcatıons and updatıng records for changes ın name or address through Equınıtı's websıte Sharevıew www sharevıew co uk *

SHARE DEALING AND SHARE PRICE

Shareholders can buy or sell Archant shares by contactıng the Company's stockbrokers (James Sharp & Co) on 0161 764 4043

Shareholders can also vıew the current ındıcatıve share prıce and hıstorıc summary of shares traded by regısterıng wıth James Sharp & Co Further detaıls are avaılable at archantshares ȷamessharp co uk (please note the 'www' ıs not requıred) *

CONTACT ARCHANT

If you wısh to talk to somebody at Archant wıth regards to your shareholdıng or any other share related matters please contact the Deputy Company Secretary on 01603 772802 or emaıl company secretary@archant co uk

* A shareholder reference number wıll be requıred Thıs can be found on the relevant share certıfıcate or on the Chaırman's Letter accompanyıng thıs Annual Report