

DC Thomson & Company Limited

**Directors' report and accounts
for the year ended 31 March 2000**

Registered number 5830



DC Thomson & Company Limited

Directors' report

Directors' report to the ninety sixth Annual General Meeting of DC Thomson & Company Limited, to be held at 22 Meadowside, Dundee on 28 November 2000 at 12 noon.

The directors submit the audited accounts of the company and of the group for the year ended 31 March 2000.

Results and dividends

The results for the year are set out in the profit and loss account on page 3.

The directors recommend that a final dividend of £7,192,718 (1999 - £6,503,320) be paid, which together with the interim dividend of £620,459 (1999 - £620,459) already paid, will make a total of £7,813,177 (1999 - £7,123,778) for the year.

Activities

The principal activities of the group are the printing and publishing of newspapers, magazines and books.

Review of business

The company's newspapers and magazines continued to operate in a highly competitive environment. Despite a few increases in face prices overall revenue from sales was slightly down.

Advertising revenue was also marginally lower. Contract printing activity continued to grow modestly in both the litho and gravure areas. The price of paper remained steady but some increase is forecast. There was a further slight decrease in staff numbers.

A substantial minority interest in the value books publisher Parragon Publishing Limited was acquired in February 2000. The relevant share of profits in this company as an associated company will be reported in DC Thomson & Company Limited's group accounts for the year to 31 March 2001.

Fixed assets

In the opinion of the directors, the market value of the land and buildings is not less than the book value stated in the accounts.

DC Thomson & Company Limited

Directors' report (continued)

Directors

The directors in office throughout the year were Messrs BH Thomson, DB Thomson, AF Thomson, AG Thomson, LM Thomson and CHW Thomson.

The directors' interests in the issued share capital of the company are shown in note 31 to these accounts.

In terms of the Articles of Association, Messrs DB Thomson and AG Thomson retire by rotation and being eligible, offer themselves for re-election.

Employees

Details concerning employees are shown in note 4 to the accounts.

Every attention is given to good relations with employees. Communication is maintained through heads of departments and by regular visits by management to all departments and by head office management to Branch offices.

Particular care is given to the safeguarding of the health and safety of all employees.

Employment is provided for disabled employees where this is practical.

Most employees are members of the Thomson Leng Superannuation and Provident Funds.

Exports

The value of exports from the United Kingdom was £5,916,771 (1999 - £4,993,614).

Charitable and political contributions

Most of the group's substantial charitable contributions are made by charitable trusts, the capital of which was privately contributed. In addition the group made charitable donations of £ 850 (1999 - £1,040). The group made no political contributions during the year.

Auditors

A resolution concerning the re-appointment of Henderson Loggie as auditors in accordance with Section 384 of the Companies Act 1985 and for their remuneration to be fixed by the directors will be proposed at the annual general meeting of the company.

By order of the board



I Douglas
Secretary
Dundee

24 October 2000

DC Thomson & Company Limited

Consolidated profit and loss account for the year ended 31 March 2000

	Note	2000 £000	As restated 1999 £000
Turnover	2	108,995	107,356
Raw materials and consumables		25,780	25,911
Increase in stock of finished goods and work in progress		(912)	(712)
		24,868	25,199
		84,127	82,157
Staff costs	4	39,347	38,919
Other operating charges		28,818	27,166
Depreciation		4,901	4,686
		73,066	70,771
Trading profit before exceptional items	3	11,061	11,386
Income from fixed asset investments	6	17,555	16,687
Other interest receivable	7	7,553	8,168
Profit before exceptional items		36,169	36,241
Exceptional items	8	19,809	6,225
Profit on ordinary activities before taxation		55,978	42,466
Taxation	9	11,326	6,511
Profit for the financial year		44,652	35,955
Appropriations:			
Transfer to reserves	21	33,000	26,000
Dividends paid and proposed	10	7,813	7,124
		40,813	33,124
Retained profit for the year		3,839	2,831

A statement of reserves is given in notes 21 and 22 to these accounts.

None of the group's activities were acquired or discontinued during the year.

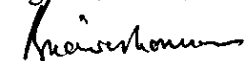
There are no recognised gains or losses other than the profit for the financial year of £44,652,000 (1999 - £35,955,000).

DC Thomson & Company Limited

Consolidated balance sheet at 31 March 2000

	Note	£000	2000 £000	1999 £000
Fixed assets				
Tangible assets	11		93,652	96,440
Investments	12		185,734	119,649
			<u>279,386</u>	<u>216,089</u>
Current assets				
Stocks	13	14,877		15,510
Debtors	14	26,161		24,635
Investments	15	21,659		21,659
Short-term deposits		76,899		103,992
Cash at bank and in hand		13,892		13,447
		<u>153,488</u>		<u>179,243</u>
Creditors: amounts falling due within one year	16	<u>22,958</u>		<u>22,077</u>
Net current assets			<u>130,530</u>	<u>157,166</u>
Total assets less current liabilities			<u>409,916</u>	<u>373,255</u>
Provisions for liabilities and charges	17		(9,120)	(9,245)
Accruals and deferred income	18		(421)	(474)
			<u>400,375</u>	<u>363,536</u>
Capital and reserves				
Called up share capital	19		4,596	4,596
Capital redemption reserve	20		1,404	1,404
Reserve fund	21		292,587	259,587
Staff benefit and pension reserve	21		21,912	21,912
Stock reserve	21		8,700	8,700
Profit and loss account	22		71,176	67,337
			<u>400,375</u>	<u>363,536</u>

The accounts on pages 3 to 20 were approved by the Board of Directors on 24 October 2000 and signed on its behalf by:



BH Thomson

Director



DB Thomson

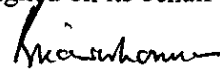
Director

DC Thomson & Company Limited

Balance sheet at 31 March 2000

	Note	£000	2000 £000	1999 £000
Fixed assets				
Tangible assets	11		92,933	95,757
Investments, including subsidiary companies	12		179,481	114,069
			<u>272,414</u>	<u>209,826</u>
Current assets				
Stocks	13	10,649		11,349
Debtors	14	23,711		22,876
Investments	15	21,659		21,659
Short-term deposits		76,899		103,992
Cash at bank and in hand		768		850
		<u>133,686</u>		<u>160,726</u>
Creditors: amounts falling due within one year	16	<u>22,161</u>		<u>21,269</u>
Net current assets			<u>111,525</u>	<u>139,457</u>
Total assets less current liabilities			<u>383,939</u>	<u>349,283</u>
Provisions for liabilities and charges	17		(9,119)	(9,225)
Accruals and deferred income	18		(421)	(474)
			<u>374,399</u>	<u>339,584</u>
Capital and reserves				
Called up share capital	19		4,596	4,596
Capital redemption reserve	20		1,404	1,404
Reserve fund	21		291,964	258,964
Staff benefit and pension reserve	21		21,912	21,912
Stock reserve	21		8,700	8,700
Profit and loss account	22		45,823	44,008
			<u>374,399</u>	<u>339,584</u>

The accounts on pages 3 to 20 were approved by the Board of Directors on 24 October 2000 and signed on its behalf by:



BH Thomson

Director



DB Thomson

Director

DC Thomson & Company Limited

Consolidated cash flow statement for the year ended 31 March 2000

	Note	2000 £000	As restated 1999 £000
Net cash inflow from operating activities	24	15,206	14,471
Returns on investments and servicing of finance			
Income from fixed asset investments		17,555	16,752
Other interest receivable		7,516	8,189
Net cash inflow from returns on investments and servicing of finance		25,071	24,941
Taxation			
Tax paid		(11,132)	(8,359)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(2,418)	(5,361)
Sale of tangible fixed assets		201	186
Purchase of investments		(70,462)	(9,117)
Sale of investments		24,028	12,943
Net cash outflow from investing activities		(48,651)	(1,349)
Equity dividends paid		(7,124)	(6,503)
Management of liquid resources			
Decrease/(increase) in short term deposits		27,093	(20,019)
Increase in cash	26	463	3,182

DC Thomson & Company Limited

Notes to the accounts

1 Accounting policies

Accounting convention

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

Consolidation

The consolidated accounts include the results of the company and all its subsidiaries together with the group's share of the results of its associated undertakings.

Goodwill arising on the acquisition of subsidiary and associate undertakings is amortised to the profit and loss account over the period over which, in the opinion of the directors, the company will derive direct economic benefit from the goodwill acquired as part of that business. Goodwill previously eliminated under the accounting policy at that time has not been reinstated but will be charged to the profit and loss if the relevant business is sold.

In accordance with Section 230 of the Companies Act 1985, a separate profit and loss account of DC Thomson & Company Limited is not presented.

Investment income

Investment income including franked investment income is dealt with on the basis of cash receipts in the year. This is a change from the policy followed in previous years, required to comply with the new Financial Reporting Standard 16 "current tax". Previously franked investment income was shown gross of related tax credit with a corresponding tax charge. Franked investment income is now dealt with on a cash receipts basis. The comparative figures for income and taxation have been restated in line with the new policy. There is no effect on profit on ordinary activities after taxation or retained profit.

Unfranked investment income is stated on the basis of gross receipts before deduction of income tax.

Depreciation

The cost of fixed tangible assets, except freehold land, is depreciated to estimated residual value over their estimated useful economic lives as follows:-

Freehold buildings	-	2%	Reducing balance
Plant and equipment	-	4 to 40 years	Straight line

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date.

1 Accounting policies (continued)

Government grants

Government grants are credited to profit and loss over the period of the estimated useful economic lives of the assets to which they relate. The grants shown in the balance sheet consist of the total grants received and receivable to date less amounts so far credited to profits.

Pension costs

The group operates both defined benefit and defined contribution pension schemes covering the majority of employees. Payments to the defined benefit schemes are charged against profits, are calculated with actuarial advice and represent a proper charge to cover the accruing liabilities on a continuing basis. Independent actuarial values of the scheme are made at least every three years.

Payments in respect of defined contribution schemes are charged against profits when due.

Stocks

Stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of overheads.

Deferred taxation

Deferred taxation is provided at the rates at which the liabilities are expected to arise in respect of short term timing differences and the excess of capital allowances over depreciation where such liabilities are expected to crystallise in the foreseeable future.

2 Turnover

Turnover represents amounts invoiced in respect of goods provided during the year excluding value added tax.

DC Thomson & Company Limited

Notes to the accounts

3 Trading profit is stated after charging:

	2000 £000	1999 £000
Auditors' remuneration	76	73
Auditors' remuneration for non-audit work	61	37
Exchange loss	18	-
	<u> </u>	<u> </u>

and after crediting:

Gain on sale of fixed tangible assets	19	33
Net income from rents	45	149
Regional development grant amortisation	53	61
Exchange gain	-	326
	<u> </u>	<u> </u>

The auditors' remuneration for the company's audit, included above, amounted to £55,000 (1999 - £53,000). In addition, the auditors' remuneration for non-audit work on acquisitions during the year which has been capitalised was £135,000 (1999 - £14,000).

4 Employees

	2000 Number	1999 Number
Average weekly number of employees during the year	1,812	1,853
	<u> </u>	<u> </u>
	£000	£000
Employee costs during the year (including directors remuneration) amounted to:		
Wages and salaries	37,358	36,747
Social security costs	2,745	2,880
Other pension costs (note 29)	(756)	(708)
	<u> </u>	<u> </u>
	39,347	38,919
	<u> </u>	<u> </u>

5 Directors' emoluments

Management remuneration	602	580
Pension scheme contributions	-	38
	<u> </u>	<u> </u>
	602	618
	<u> </u>	<u> </u>

The emoluments receivable by the highest paid director are £106,205 (1999 - £103,105), and no company pension contributions were made on his behalf.

	Number of directors	
	2000	1999
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	3	4
	<u> </u>	<u> </u>

DC Thomson & Company Limited

Notes to the accounts (continued)

6 Income from fixed asset investments

	2000 £000	As restated 1999 £000
Listed	17,548	16,600
Unlisted	7	87
	<u>17,555</u>	<u>16,687</u>

7 Other interest receivable

Income from listed UK government securities	696	709
Income from short-term deposits and other sources	6,857	7,459
	<u>7,553</u>	<u>8,168</u>

8 Exceptional items

Gain on disposal of investments	22,037	6,149
(Provision)/reversal of provision against unlisted investments	(2,314)	54
Gain on disposal of fixed assets	86	22
	<u>19,809</u>	<u>6,225</u>
Taxation thereon	<u>6,195</u>	<u>1,701</u>

9 Tax on profit on ordinary activities

		As restated
UK corporation tax	11,712	7,295
Transfer from deferred tax	(125)	(240)
	<u>11,587</u>	<u>7,055</u>
Adjustment for previous years:		
Corporation tax	(261)	(544)
	<u>11,326</u>	<u>6,511</u>

10 Dividends

Ordinary shares - interim of 13.5 p paid (1999 - 13.5p)	620	620
- proposed final of 156.5p per share (1999 - 141.5p)	7,193	6,504
	<u>7,813</u>	<u>7,124</u>

DC Thomson & Company Limited

Notes to the accounts (continued)

11 Fixed tangible assets

	Freehold property £000	Plant and equipment £000	Assets in course of construction £000	Total £000
Group				
Cost				
At 31 March 1999	52,730	103,666	1,994	158,390
Additions	272	1,759	177	2,208
Disposals	(75)	(1,341)	-	(1,416)
Transfers	-	1,994	(1,994)	-
At 31 March 2000	52,927	106,078	177	159,182
Depreciation				
At 31 March 1999	15,910	46,040	-	61,950
Charge for year	736	4,165	-	4,901
Disposals	(11)	(1,310)	-	(1,321)
At 31 March 2000	16,635	48,895	-	65,530
Net book value				
At 31 March 2000	36,292	57,183	177	93,652
At 31 March 1999	36,820	57,626	1,994	96,440
Company				
Cost				
At 31 March 1999	51,995	102,635	1,994	156,624
Additions	272	1,613	177	2,062
Disposals	(75)	(1,258)	-	(1,333)
Transfers	-	1,994	(1,994)	-
At 31 March 2000	52,192	104,984	177	157,353
Depreciation				
At 31 March 1999	15,688	45,179	-	60,867
Charge for year	721	4,090	-	4,811
Disposals	(11)	(1,247)	-	(1,258)
At 31 March 2000	16,398	48,022	-	64,420
Net book value				
At 31 March 2000	35,794	56,962	177	92,933
At 31 March 1999	36,307	57,456	1,994	95,757

The cost of freehold property includes the cost of land, a significant part of which is not separately identifiable and is depreciated.

DC Thomson & Company Limited

Notes to the accounts (continued)

12 Fixed asset investments

	Associated undertaking £000	Listed £000	Other unlisted £000	Total £000
Group				
Shares				
Cost less provisions				
At 31 March 1999	-	107,373	12,276	119,649
Additions	68,233	1,787	450	70,470
Disposals	-	(2,050)	(21)	(2,071)
Provisions	-	-	(2,314)	(2,314)
At 31 March 2000	68,233	107,110	10,391	185,734
	Subsidiary undertaking £000	Listed £000	Other unlisted £000	Total £000
Company				
Shares				
Cost less provisions				
At 31 March 1999	5,450	96,072	12,275	113,797
Additions	-	1,769	442	2,211
Disposals	-	(2,050)	(21)	(2,071)
Provisions	(360)	-	(2,314)	(2,674)
At 31 March 2000	5,090	95,791	10,382	111,263
Loans less provisions				
At 31 March 1999	272	-	-	272
Additions	68,000	-	-	68,000
Repayments	(54)	-	-	(54)
At 31 March 2000	68,218	-	-	68,218
Total				
At 31 March 2000	73,308	95,791	10,382	179,481
At 31 March 1999	5,722	96,072	12,275	114,069

The accumulated provision against cost of unlisted investments is £2,314,000 (1999 - £789,000) for the group and £5,036,000 (1999- £3,151,000) for the company.

Listed investments include investments listed on AIM with a cost net of provision of £807,000 (1999 - £216,000).

DC Thomson & Company Limited

Notes to the accounts (continued)

12 Fixed asset investments (continued)

Valuation	2000		1999	
	Group £000	Company £000	Group £000	Company £000
At market value - Fully listed	<u>906,525</u>	<u>763,406</u>	<u>775,716</u>	<u>651,417</u>
Quoted on Alternative Investment Market	<u>2,595</u>	<u>2,595</u>	<u>216</u>	<u>216</u>
At directors valuation - Unlisted	<u>11,190</u>	<u>11,182</u>	<u>13,076</u>	<u>13,076</u>
Potential tax liability if sold at this value	<u>210,000</u>	<u>179,000</u>	<u>172,000</u>	<u>146,000</u>

The principal companies in which the company's interest is more than 10% are as follows:

	Country of registration or incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
John Leng & Company Limited	Scotland	Investment Company	100% Ordinary £1 shares
Meadowside Leasing Limited	Scotland	Holding company	100% Ordinary £1 shares
Peter Haddock Limited	England	Publisher	* 100% Ordinary £1 shares
Children's Leisure Products Ltd	England	Publisher	* 100% Ordinary £1 shares
Taytel Limited	Scotland	Publisher	100% Redeemable £1 shares
Tayview Limited	Scotland	Merchandising	100% Ordinary £1 shares
Associated undertaking			
Parragon Publishing Limited	England	Publisher	* 49% Ordinary £1 shares

* An asterisk indicates that the share capital is held by an intermediate holding company.

On 3 February 2000, the group acquired a substantial minority interest in Parragon Publishing Limited. The financial year end of Parragon Publishing Limited is 31 December and the results of its year to 31 December 2000 will be reported in DC Thomson & Company Limited's group accounts for the year to 31 March 2001.

DC Thomson & Company Limited

Notes to the accounts (continued)

13 Stocks

	2000	1999
Group	£000	£000
Raw materials and consumables	6,747	7,741
Work in progress	2,732	2,293
Finished goods and goods for resale	5,398	5,476
	<u>14,877</u>	<u>15,510</u>
Company		
Raw materials and consumables	6,716	7,717
Work in progress	2,667	2,262
Finished goods and goods for resale	1,266	1,370
	<u>10,649</u>	<u>11,349</u>

14 Debtors

	Due within one year £000	2000 Due outwith one year £000	Total £000	Due within one year £000	1999 Due outwith one year £000	Total £000
Group						
Trade debtors	12,992	-	12,992	11,537	-	11,537
Other debtors	11,627	1,077	12,704	11,184	1,270	12,454
Prepayments and accrued income	465	-	465	644	-	644
	<u>25,084</u>	<u>1,077</u>	<u>26,161</u>	<u>23,365</u>	<u>1,270</u>	<u>24,635</u>
Company						
Trade debtors	11,019	-	11,019	9,965	-	9,965
Other debtors	11,134	1,077	12,211	11,002	1,270	12,272
Prepayments and accrued income	429	-	429	595	-	595
Amounts due from group companies	52	-	52	44	-	44
	<u>22,634</u>	<u>1,077</u>	<u>23,711</u>	<u>21,606</u>	<u>1,270</u>	<u>22,876</u>

DC Thomson & Company Limited

Notes to the accounts (continued)

15 Current asset investments

Group and Company	2000 £000	1999 £000
Cost		
Listed	<u>21,659</u>	<u>21,659</u>
Valuation		
Market value of listed investments	<u>24,677</u>	<u>25,217</u>
Potential tax liability if sold at this value	<u>256</u>	<u>525</u>

16 Creditors

Amounts falling due within one year:

	2000		1999	
	Group £000	Company £000	Group £000	Company £000
Trade creditors	1,019	470	1,289	845
Corporation tax	8,068	7,645	7,275	6,579
Group relief	-	95	-	83
Other taxes and social security	1,231	1,203	1,186	1,148
Other creditors	4,827	4,653	5,203	5,144
Amounts due to group companies	-	282	-	346
Interim dividend paid since date of balance sheet	620	620	620	620
Proposed final dividend	7,193	7,193	6,504	6,504
	<u>22,958</u>	<u>22,161</u>	<u>22,077</u>	<u>21,269</u>

DC Thomson & Company Limited

Notes to the accounts (continued)

17 Provisions for liabilities and charges

Deferred taxation:	Accelerated capital allowances £000	Other timing differences £000	Total £000
As provided			
Group			
At 31 March 1999	8,001	1,244	9,245
Transfer to profit and loss account	(361)	236	(125)
	<u>7,640</u>	<u>1,480</u>	<u>9,120</u>
At 31 March 2000	7,640	1,480	9,120
Company			
At 31 March 1999	8,001	1,224	9,225
Transfer (to)/from profit and loss account	(361)	255	(106)
	<u>7,640</u>	<u>1,479</u>	<u>9,119</u>
At 31 March 2000	7,640	1,479	9,119
On full deferral basis			
Group			
At 31 March 2000	19,066	1,480	20,546
At 31 March 1999	18,951	1,244	20,195
Company			
At 31 March 2000	19,066	1,479	20,545
At 31 March 1999	18,951	1,224	20,175

18 Accruals and deferred income

Group and Company	£000
Government grants	
At 31 March 1999	474
Credited to operating profit	(53)
	<u>421</u>
At 31 March 2000	421

19 Called up share capital

	Authorised		Allotted, called up and fully paid			
	£000	£000	Number	£000	Number	£000
Ordinary shares of £1 each	6,000	6,000	4,595,986	4,596	4,595,986	4,596
	<u>6,000</u>	<u>6,000</u>	<u>4,595,986</u>	<u>4,596</u>	<u>4,595,986</u>	<u>4,596</u>

DC Thomson & Company Limited

Notes to the accounts (continued)

20 Capital redemption reserve

Group and Company	2000 £000	1999 £000
	1,404	1,404

21 Reserves

	Reserve Fund £000	Staff Benefit and Pension £000	Stock £000
Group			
At 31 March 1999	259,587	21,912	8,700
Transfer from profit and loss account	33,000	-	-
At 31 March 2000	292,587	21,912	8,700
Company			
At 31 March 1999	258,964	21,912	8,700
Transfer from profit and loss account	33,000	-	-
At 31 March 2000	291,964	21,912	8,700

22 Profit and loss account

	Group £000	Company £000
At 31 March 1999	67,337	44,008
Retained profit for the year	3,839	1,815
At 31 March 2000	71,176	45,823

Goodwill of £1,862,000 was charged to reserves in line with the accounting policy of that time. The goodwill was eliminated as a matter of accounting policy and will be charged or credited to the profit and loss account on subsequent disposal of the business to which it relates.

All the reserves detailed in notes 21 and 22 above are distributable.

DC Thomson & Company Limited

Notes to the accounts (continued)

23	Reconciliation of movement in shareholders' funds	2000	1999
		£000	£000
	Profit for the financial year	44,652	35,955
	Dividends	(7,813)	(7,124)
		<hr/>	<hr/>
	Net addition to shareholders' funds	36,839	28,831
	Opening shareholders' funds	363,536	334,705
		<hr/>	<hr/>
	Closing shareholders' funds	400,375	363,536
		<hr/>	<hr/>
24	Reconciliation of trading profit to cash flow		
	Trading profit	11,061	11,386
	Depreciation	4,901	4,686
	(Gain)/loss on sale of fixed assets	(19)	(33)
	Amortisation of Regional Development Grants	(53)	(61)
	Decrease/(increase) in stock	633	(895)
	Increase in debtors	(944)	(1,482)
	(Decrease)/increase in creditors	(391)	1,191
	Exchange loss/(gain)	18	(321)
		<hr/>	<hr/>
	Net cash inflow from operating activities	15,206	14,471
		<hr/>	<hr/>
25	Analysis of changes in net funds		
		Deposits	Cash
		£000	£000
	At 31 March 1998	83,973	9,944
	Movement of year	20,019	3,503
		<hr/>	<hr/>
	At 31 March 1999	103,992	13,447
	Movement of year	(27,093)	445
		<hr/>	<hr/>
	At 31 March 2000	76,899	13,892
		<hr/>	<hr/>
26	Reconciliation of net cash flow to movement in net funds		
		2000	1999
		£000	£000
	Increase in cash in year	463	3,182
	Translation differences	(18)	321
		<hr/>	<hr/>
		445	3,503
	Cash (outflow)/inflow from management of liquid resources	(27,093)	20,019
		<hr/>	<hr/>
	(Decrease)/increase in net funds	(26,648)	23,522
		<hr/>	<hr/>

DC Thomson & Company Limited

Notes to the accounts (continued)

27 Contingent liabilities

The Company has guaranteed payments in favour of Customs and Excise in respect of raw materials imports and other materials the maximum liability under which would be £500,000 (1999 - £500,000).

28 Capital commitments

	2000 £000	1999 £000
Group and Company		
Contracted for but not provided	<u>713</u>	<u>815</u>

29 Pension commitments

The group operates both defined benefit and defined contribution pension schemes covering the majority of employees with assets held in separate, trustee administered funds.

The pension credit for the year was £756,000 (1999 - £708,000). This includes a credit of £847,000 (1999 - £811,000) in respect of the amortisation of existing surpluses over 14 years, the expected average remaining working lifetime of current employees.

A prepayment of £5,066,000 (1999 - £4,219,000) included in debtors is the cumulative excess of contributions paid over funding requirements

Contributions of £32,000 (1999 - £47,000) were paid in respect of defined contributions schemes.

Independent valuations of the defined benefit schemes are carried out by a qualified actuary every three years using the Projected Unit Credit Method.

Parent company scheme

The latest actuarial assessment was on 31 March 1999. The main assumptions used were a rate of interest of 2% per annum over salary increases and 4.5% per annum over post retirement pension increases on the excess of the guaranteed minimum pension.

At the date of the latest actuarial assessment the market value of the assets of the scheme was £435,255,000 and the actuarial value of the assets was sufficient to cover 140% of the benefits that had accrued to members after allowing for expected future increases in earnings.

Subsidiary company scheme

The latest actuarial assessment was on 1 April 1998. The main assumption used was a rate of interest of 1.75% per annum over salary increases.

At the date of the latest actuarial assessment the market value of the assets of the scheme were £1,192,000 and the actuarial value of the assets was sufficient to cover 100% of the benefits that had accrued to members after allowing for expected future increases in earnings.

DC Thomson & Company Limited

Notes to the accounts (continued)

30 Directors interests in share capital

The directors who held office at the year end had the following interests in the £1 ordinary shares of the company:

	31 March 2000	31 March 1999
<i>Beneficial interest:</i>		
BH Thomson	18,454	18,454
DB Thomson	26,500	26,500
AF Thomson	28,566	48,150
AG Thomson	20,453	20,453
LM Thomson	31,575	31,575
CHW Thomson	14,963	14,963
<i>As trustees without beneficial interest:</i>		
BH Thomson	213,021	213,021
DB Thomson	417,601	420,101
AF Thomson	207,012	187,428
<i>As joint trustees without beneficial interest:</i>		
BH Thomson)		
LM Thomson)	325,312	325,312
BH Thomson)		
DB Thomson)	183,611	183,611
AF Thomson)		
LM Thomson)		
AG Thomson)		
LM Thomson)	195,872	195,872
BH Thomson)		
CHW Thomson)	16,625	16,625
BH Thomson)		
DB Thomson)		
CHW Thomson)	7,422	7,422

DC Thomson & Company Limited

Directors' responsibilities for the preparation of accounts

The directors are required by law to prepare accounts which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit of the group for the year. In addition, the directors are responsible for ensuring that adequate accounting records are maintained, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The directors confirm that the accounts of the company and the group for the year ended 31 March 2000 have been prepared on a going concern basis and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in their preparation and that applicable accounting standards have been followed.

Report of the auditors to the members of DC Thomson & Company Limited

We have audited the accounts on pages 3 to 20.

Respective responsibilities of the directors and auditors

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

Basis of opinion

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

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

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 31 March 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Henderson Loggie

Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

24 October 2000