

D. C. THOMSON & COMPANY LIMITED AND SUBSIDIARY COMPANIES

Group Profit and Loss Account for year ended 31st March 1976

1975	1976		1975	1976
£'000	£'000		£'000	£'000
14		Trading Profit (Note 3)		3,899
20		Investment Income (Note 5)		1,859
				<hr/>
9,954		INCOME FOR YEAR BEFORE TAXATION		5,758
2,667		Less - Taxation (Note 6)		2,901
				<hr/>
287		INCOME FOR YEAR AFTER TAXATION		2,857
210		Extraordinary Items (Note 7)		288
				<hr/>
563				3,145
3,491		Amount Brought Forward	3,476	
252		Prior year adjustment (Note 6)	282	
			<hr/>	<hr/>
3,239				3,194
				<hr/>
4,802				6,339
		Less - Dividends paid and proposed -		
		Interim (paid since date of Balance Sheet)	375	
		Final (proposed)	785	
			<hr/>	<hr/>
1,058				1,160
				<hr/>
3,744		Less - Transfer to Reserve Fund	900	
		Transfer to Staff Benefit and Pension Fund	600	
			<hr/>	<hr/>
550				1,500
				<hr/>
3,194		Amount Carried Forward		3,679
		In Parent Company	3,176	
		In Subsidiaries	503	
			<hr/>	<hr/>
3,194				3,679
				<hr/>

The Notes on pages 8 to 12 form part of these Accounts.

Group Balance Sheet1975
£'0001976
£'000 £'000Capital and ReservesCapitalAuthorised, Issued and Fully Paid

6,000

Ordinary Shares of £1 each

6,000

Reserves

1,214

Capital

1,214

7,705

Reserve Fund

8,605

2,562

Staff Benefit and Pension Fund

3,162

900

Stock Reserve

900

3,194

Profit and Loss Account

3,679

15,575

17,560

21,575

23,500

131

Government Grants (Note 8)

233

2,397

Deferred Taxation (Note 9)

2,970

Current Liabilities

1,318

Trade and other Creditors

1,452

-

Corporation Tax

1,067

533

Other Taxation

753

375

Interim Dividend paid since date of

683

Balance Sheet

375

Proposed Final Dividend

785

2,909

4,437

27,012

31,195

M.L.

The Notes on pages 8 to 12 form part of these Accounts

March 1976

<u>1975</u> <u>£'000</u>		<u>1976</u> <u>£'000</u>	<u>£'000</u>
<u>Fixed Assets (Note 10)</u>			
<u>Heritable Properties</u>			
6,664	Cost	6,850	
2,381	Less - Depreciation	3,116	
<u>3,783</u>			3,734
<u>Plant and Equipment</u>			
596	Cost	10,235	
1,464	Less - Depreciation	8,149	
<u>2,132</u>			2,136
<u>5,915</u>			5,870
<u>Investments at or under cost (Note 11)</u>			
6,003	Quoted	9,978	
617	Unquoted	617	
<u>6,620</u>			10,595
<u>Current Assets</u>			
8,310	Stock and Work in Progress	9,316	
3,373	Trade and other Debtors	3,244	
273	Taxation Recoverable	61	
1,214	Tax Reserve Certificates	-	
1,124	Temporary Deposits	1,763	
178	Cash in Bank and on Hand	346	
<u>14,477</u>			14,730
<u>27,012</u>			31,195

Md.

Lucian Wharm Director

Gerard Thomas Director

Balance Sheet at

<u>1975</u>		<u>1976</u>
<u>£'000</u>		<u>£'000</u> <u>£'000</u>
<u>Capital and Reserves</u>		
<u>Capital</u>		
<u>Authorised, Issued and Fully Paid</u>		
6,000	Ordinary Shares of £1 each	6,000
<u>Reserves</u>		
1,214	Capital	1,214
7,705	Reserve Fund	8,605
2,562	Staff Benefit and Pension Fund	3,162
900	Stock Reserve	900
2,711	Profit and Loss Account	3,176
15,092		<u>17,057</u>
<u>21,092</u>		<u>23,057</u>
<u>131</u>	<u>Government Grants (Note 8)</u>	233
<u>2,394</u>	<u>Deferred Taxation (Note 9)</u>	2,970
<u>Current Liabilities</u>		
1,305	Trade and other Creditors	1,442
-	Corporation Tax	1,054
513	Other Taxation	733
375	Interim Dividend paid since date of	
683	Balance Sheet	375
	Proposed Final Dividend	785
<u>2,876</u>		<u>4,389</u>
<u><u>26,493</u></u>		<u><u>30,649</u></u>

Mr. G. J. H.

The Notes on pages 8 to 12 form part of these Accounts.

COMPANY LIMITED

31st March 1976

1975
£'000

1976
£'000 £'000

Fixed Assets (Note 10)

Heritable Properties

6,600 Cost
2,858 Less - Depreciation
3,742

6,850
3,116
— 3,734

Plant and Equipment

9,585 Cost
7,456 Less - Depreciation
2,129

10,273
8,144
— 2,134

5,871

5,868

Subsidiary Companies (Note 12)

804 Shares at cost, less amount written off
56 Sums due
860

804
—
— 804

Investments at or under Cost (Note 11)

4,839 Quoted
517 Unquoted
5,356

8,814
517
— 9,331

Current Assets

2,273 Stock and Work in Progress
1,354 Trade and other Debtors
283 Taxation Recoverable
1,214 Tax Reserve Certificates
1,124 Temporary Deposits
158 Cash in Bank and on Hand

9,287
3,227
61
—
1,763
308

4,406

14,641

26,493

30,641

Eric J. H. H. H. Director

Perceval H. H. H. Director

71

NOTES ON THE ACCOUNTS

1. Accounting Policies

(i) Depreciation of fixed assets

Depreciation is written off fixed assets on a reducing balance basis over the estimated useful life of these assets. Depreciation on assets attracting capital expenditure grants is calculated on the full amount of the qualifying expenditure.

(ii) Government Grants on Capital Expenditure

These are credited to Profit and Loss Account over the estimated useful life of the fixed assets to which they relate. The Government Grants shown in the Balance Sheet represent Regional Development Grants received or receivable since 1 April 1974 less the amount so far credited to profits.

(iii) Stock and Work-in-Progress

Stock and Work-in-Progress is valued at the lower of cost, including overheads, and net realisable value.

(iv) Deferred Taxation

Provision is made in the accounts for taxation at current rates on the excess of the net book value of fixed assets eligible for capital allowances over the written down value of such fixed assets for taxation purposes. Taxation deferred by stock appreciation relief is also held at current rates on deferred taxation account.

(v) Franked Investment Income

Franked Investment Income received includes related tax credits.

2. Turnover

<u>1975</u> <u>£'000</u>		<u>1976</u> <u>£'000</u>
25,024	Sales and advertising revenue for the year amounted to	28,172

3. Trading Profit

The Trading Profit has been arrived at after charging

<u>1975</u> <u>£'000</u>		<u>1976</u> <u>£'000</u>
1,024	Depreciation of Fixed Assets	1,025
95	Remuneration of Directors (Note 4)	95
6	Audit Fee	7

and after crediting:

<u>44</u>	Regional Development Grants	<u>77</u>
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Remuneration of Directors of the Company

1975
£'000

85	Management Remuneration
10	Pension Scheme Contribution
<u>95</u>	

1975
£'000

81
14
<u>95</u>

The figures for 1975 include remuneration and pension scheme contributions for the year to 31 March 1975 in respect of four employees who were appointed Directors of the Company on 11 November 1974.

Particulars of Directors' Management Remuneration for the year are as follows:

	<u>1976</u>	<u>1975</u>
Pre-tax emoluments of the holder of Office of Chairman		
From 1st April 1975 to 31st March 1976	16,654	
From 1st April 1974 to 11th November 1974	-	6,537
From 12th November 1974 to 31st March 1975	-	6,081
	<u>16,654</u>	<u>12,418</u>
Pre-tax emoluments of highest paid director (1976 - Chairman)	<u>16,654</u>	<u>15,854</u>

The pre-tax emoluments of all directors including the above, were in the following scale

£1 - £2,500	1	-
£10,001 - £12,500	3	5
£12,501 - £15,000	1	-
£15,001 - £17,500	2	2
	<u>=</u>	<u>=</u>

5. Investment Income

1975
£'000

1,281	Income from Investments -
224	Quoted
93	Unquoted
122	Income from deposits
	Interest on Tax Reserve Certificates
<u>1,720</u>	

1976
£'000

1,334
270
172
83
<u>1,859</u>

6. Taxation

<u>1975</u>			<u>1976</u>	
<u>£'000</u>	<u>£'000</u>		<u>£'000</u>	<u>£'000</u>
-		(i) On Income for year -		
		Corporation Tax @ 52% (after relief in		1,785
		respect of Provident Fund contributions)		
1,444		Transfer to Deferred Taxation		391
<u>1,444</u>				<u>2,176</u>
		Income Tax on franked investment		
		Income		
	316	Company	372	
	105	Subsidiary	118	490
421				<u>2,666</u>
<u>1,865</u>				
		(ii) Adjustments of prior years -		
		Surtax in respect of two years		
	17	ended 31st March 1971	-	
		Provision for surtax in respect		
	533	of two years ended 31st March 1973	-	
		Schedule F Income Tax in respect		
	274	of year ended 31st March 1973	-	
		Provision for Higher Rate Taxation in		
	-	respect of year ended 31st March 1974	220	
		Prior year adjustments in respect of		
	(22)	Corporation Tax	15	235
802				<u>2,901</u>
<u>2,667</u>				

The adjustments for Schedule F Income Tax, Surtax and Higher Rate Taxation in paragraph (ii) above arise from a "shortfall" in distributions in the accounting period stated. No provision has been made in these Accounts for Higher rate taxation for the two years ended 31st March 1976. Whilst these liabilities have not been finally determined, it is estimated that they will amount approximately to £290,000 which wholly relates to the year ended 31st March 1976. No shortfall arose in 1975 because of relief available in respect of stock appreciation. A withdrawal of stock relief in subsequent years could have the effect of restoring shortfall liabilities in whole or in part.

Timing differences in respect of depreciation on industrial buildings and corresponding capital allowances for taxation have now been recognised in the Accounts. This change in accounting policy results in a transfer to deferred taxation account as follows:

	<u>£'000</u>
In respect of years to 31 March 1974	252
respect of the year ended 31 March 1975	<u>30</u>

7. Extraordinary Items

1975
£'000

1976
£'000

496	Gain on Sale of Heritable Property	217
(220)	Gain (1975 - Loss) on Sale of Investments	71
<u>276</u>		<u>288</u>

8. Government Grants

At 31st March 1975 - Company
Estimated Regional Development Grants for year

131
179

Transferred to Profit and Loss Account

310
77

At 31st March 1976 - Company

233

9. Deferred Taxation

1975
Company Group
£'000 £'000

1976
Company Group
£'000 £'000

852	852	Deferred in respect of capital allowances on fixed assets	959	959
1,724	1,727	Deferred by stock appreciation relief	2,011	2,011
(182)	(182)	Advance Corporation Tax recoverable	-	-
<u>2,394</u>	<u>2,397</u>		<u>2,970</u>	<u>2,970</u>

10. Fixed Assets

	<u>Heritable Properties</u>		<u>Plant and Equipment</u>	
	<u>Company</u>	<u>Group</u>	<u>Company</u>	<u>Group</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Cost 31 March 1975	6,600	6,664	9,585	9,596
Additions	258	258	740	740
Disposals	(72)	(72)	(51)	(51)
Inter group transfers	64	-	4	-
Cost 31 March 1976	6,850	6,850	10,278	10,285
Accumulated depreciation to 31 March 1976	3,116	3,116	8,144	8,149
Book amount at 31 March 1976	<u>3,734</u>	<u>3,734</u>	<u>2,134</u>	<u>2,136</u>
Book amount at 31 March 1975	<u>3,742</u>	<u>3,783</u>	<u>2,129</u>	<u>2,132</u>

	<u>1975</u>	<u>1976</u>
	<u>£'000</u>	<u>£'000</u>

Included in heritable properties are leaseholds of over 50 year duration -

Cost to 31 March 1976	13	13
Accumulated depreciation to 31 March 1976	12	12
	<u>1</u>	<u>1</u>
	<u>==</u>	<u>==</u>

11. Investments

(i) The quoted investments include a holding by the Company of 27.15% of the issued ordinary share capital of Clyde Paper Company Limited, since sold.

The unquoted investments include a holding by the Company of 24.8% of the issued ordinary share capital of Southern Television Limited, a company registered in England.

The Directors do not consider that the above Companies are "associated companies" in terms of current accounting practice and accordingly, the Group's share of the earnings and net assets of these Companies have not been consolidated.

1975
£'000

1976
£'000

(ii) Value of Investments

Group -

27,721	Quoted - Market Value	37,147
876	Unquoted - Directors' Valuation	802
<u>==</u>		<u>==</u>

Company -

20,728	Quoted - Market Value	28,803
776	Unquoted - Directors' Valuation	702
<u>==</u>		<u>==</u>

No provision has been made for the taxation liability estimated to amount to £1,586,000 (1975 - £719,000) in the Group and £1,269,000 (1975 - £578,000) in the Company on chargeable gains which would have arisen had the Investments been realised at the values stated at 31st March 1976.

12. Subsidiary Companies

The Company owns the whole issued share capital, consisting of Ordinary Shares of John Leng & Company Limited, Frank Russell (Booksellers) Limited (since sold), Scots Magazine Limited and Radio Dundee Limited.

13. Future Capital Expenditure of the Company and the Group

1975
£'000

1976
£'000

Contracts for capital expenditure at 31st March 1976 not provided for in the Accounts amounted approximately to

538

453

Further capital expenditure authorised or contracted for after 31st March 1976

95

Contracts

Forward Contracts for the purchase of newsprint have been entered into by the Company to the extent of

12,000

D. C. THOMSON & COMPANY LIMITED AND SUBSIDIARY COMPANIES

Statement of Source and Application of Funds
for year ended 31 March 1976

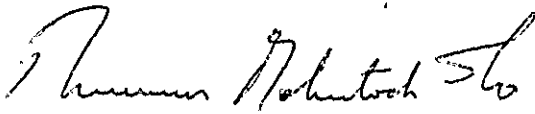
	<u>1976</u> <u>£'000</u>	<u>1975</u> <u>£'000</u>
SOURCE OF FUNDS		
Profit before tax and extraordinary items	5,758	3,954
Extraordinary items	288	276
	<u>6,046</u>	<u>4,230</u>
Adjustment for item not involving the movement of funds:		
Depreciation of fixed assets	1,025	1,024
TOTAL GENERATED FROM OPERATIONS	<u>7,071</u>	<u>5,254</u>
Funds from other sources:		
Government Grants on capital expenditure	102	131
	<u>7,173</u>	<u>5,385</u>
APPLICATION OF FUNDS		
Purchase of fixed assets, less disposals	980	1,398
Taxation paid	829	1,553
Dividends paid	1,058	1,058
Investments made, less realisations	3,975	(1,955)
	<u>6,842</u>	<u>2,454</u>
	331	2,931
INCREASE (DECREASE) IN WORKING CAPITAL		
Increase in Stocks	1,006	2,990
Decrease in Debtors	(134)	633
Increase in Creditors	(134)	10
	<u>738</u>	<u>3,633</u>
Decrease in cash and other liquid balances	407	702
	<u>331</u>	<u>2,931</u>

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REPORT OF THE AUDITORS TO THE MEMBERS OF
D. C. THOMSON & COMPANY LIMITED

We have audited the books and records of D. C. Thomson & Company Limited for the year ended 31st March 1976. The Accounts of the subsidiary companies have been audited by us.

In our opinion the Accounts on pages 3 to 13 inclusive which are stated using the historical cost convention, comply with the Companies Acts 1948 and 1967 and give on the basis of that convention a true and fair view of the state of affairs of the Company and of the state of affairs and of the profit and source and application of funds of the Group.



Chartered Accountants
Dundee

13th October 1976.