

Company Registration No. SC015256 (Scotland)

Aberdeen Journals Limited

Directors' report and financial statements

for the year ended 31 March 2015

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Aberdeen Journals Limited

Company information

Directors

AF Thomson
CHW Thomson
DHE Thomson
E Watson

Company number

SC015256

Registered office

Lang Stracht
Mastrick
Aberdeen
AB15 6DF

Auditor

Henderson Loggie
The Vision Building
20 Greenmarket
Dundee
DD1 4QB

Bankers

Bank of Scotland
2 West Marketgait
Dundee
DD1 1QN

Solicitors

James & George Collie
1 East Craibstone Street
Aberdeen
AB11 6YQ

Aberdeen Journals Limited

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Aberdeen Journals Limited

Strategic report

for the year ended 31 March 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

The operating profitability of the company before taxation continued to improve in comparison with the previous year. Revenues were down by 2.3% but costs were also lower, specifically in print production and overhead.

Circulation revenues were ahead of last year as face price increases more than compensated for volume declines. Advertising revenues fell by 8.9% as the effects of the oil price falls started during the year.

Principal risks and uncertainties

The outlook for future trading remains challenging. Uncertainty, both globally and nationally, continues to have an impact on our performance. Our industry is responding to lower advertising and circulation and is undergoing a significant amount of change. The company remains committed to investing in our digital platforms with new websites launched during and since the year end.

The company continues to devote appropriate resources to manage risks arising but also to exploit opportunities. The main commodity price risk the company faces is that of paper. The company enters into various arrangements as appropriate for their particular industry to manage effectively the cost of paper.

There is competition in the market in which the company operates. The challenges facing the company and competitors alike is to respond to the change in the industry. The company continues to seek innovate ways of attracting new revenues whilst at the same time ensuring control is exercising over the cost base. The internet offers the company, its competitors and the business segments it operates in a range of opportunities and threats.

The company continues to place considerable emphasis on environmental compliance and not only seeks to ensure on-going compliance with relevant legislation but also strives to ensure that environmental best practice is incorporated into its key processes. Wherever possible we will seek to eliminate use of hazardous chemicals. The company devotes management time to and reports on key environmental matters including specific energy consumption and packing waste. No chemicals are discharged through the public waste system. Any effluent is removed by environmental recovery specialists.

The company monitors forthcoming legislation regularly and continues to manage proactively the operational and reporting requirements arising from legislation and an increasingly regulatory regime throughout its operations.

Aberdeen Journals Limited

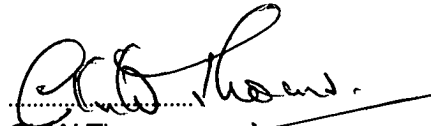
Strategic report (continued)

for the year ended 31 March 2015

KPI's

The company's staff resources are vital to its operational success and performance indicators are closely monitored including the number of accidents and time lost from injury, illness and otherwise. The company takes the safety of its staff very seriously and these indicators along with regular safety training and similar initiatives help ensure standards are maintained. During the year there were no reportable incidents in the company (2014 - 2).

On behalf of the board



CHW Thomson

Director

20/10/15.....

Aberdeen Journals Limited

Directors' report

for the year ended 31 March 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities

The company is a wholly owned subsidiary of DC Thomson & Company Limited. The company's principal activities are the printing and publishing of newspapers in Aberdeen and the North of Scotland.

Results and dividends

The results for the year are set out on page 7.

Directors

The following directors have held office since 1 April 2014:

AF Thomson
CHW Thomson
DHE Thomson
E Watson

Employee involvement

It is the responsibility of management to encourage the involvement and participation of the employees in the company. Management make every effort to ensure regular contact and exchange of information with staff.

Disabled persons

It is the company's policy to give full and fair consideration to suitable applications from disabled persons for employment. Where employees become disabled in the course of their employment, they will continue to be employed, wherever practicable, in the same job. If this is not practicable, every effort will be made to find suitable alternative employment and to provide appropriate training.

Aberdeen Journals Limited

Directors' report (continued)

for the year ended 31 March 2015

Statement of directors' responsibilities

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 that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

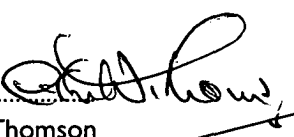
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


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CHW Thomson

Director

2011.01.15

Aberdeen Journals Limited

Independent auditor's report

to the members of Aberdeen Journals Limited

We have audited the financial statements of Aberdeen Journals Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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, 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 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 Annual 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Aberdeen Journals Limited

Independent auditor's report (continued)
to the members of Aberdeen Journals Limited

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

G Black

Gavin Black (Senior Statutory Auditor)
for and on behalf of Henderson Loggie

21 October 2015

Chartered Accountants
Statutory Auditor

The Vision Building
20 Greenmarket
Dundee
DD1 4QB

Aberdeen Journals Limited**Profit and loss account****for the year ended 31 March 2015**

		2015	2014
	Notes	£000	£000
Turnover	2	29,478	30,186
Raw materials and other consumables		3,256	3,435
Other external charges		1,128	1,054
Staff costs		8,804	9,332
Depreciation and amortisation		354	481
Other operating charges		6,999	7,150
		20,541	21,452
Operating profit	3	8,937	8,734
Other interest receivable and similar income	6	35	50
Interest payable and similar charges	7	-	(5)
Profit on ordinary activities before taxation		8,972	8,779
Tax on profit on ordinary activities	8	(1,896)	(2,092)
Profit for the year	15	7,076	6,687

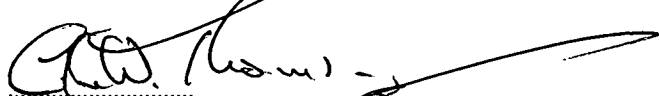
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Aberdeen Journals Limited**Balance sheet****as at 31 March 2015**

		2015		2014	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	9		2,306		2,513
Current assets					
Stocks	10	3		3	
Debtors	11	12,478		5,438	
Cash at bank and in hand		5,399		5,895	
		17,880		11,336	
Creditors: amounts falling due within one year	12	(2,891)		(3,629)	
Net current assets			14,989		7,707
Total assets less current liabilities			17,295		10,220
			17,295		10,220
Capital and reserves					
Called up share capital	14		10		10
Profit and loss account	15		17,285		10,210
Shareholders' funds	16		17,295		10,220

Approved by the Board and authorised for issue on ...20/10/15...

CHW Thomson
Director**Company Registration No. SC015256**

Aberdeen Journals Limited

Notes to the financial statements

for the year ended 31 March 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary of D.C. Thomson & Company Limited which produces one which deals with the cash flows of the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of sales related taxes and discounts. Advertising revenue is recognised on the date of publication and sales revenue is recognised at point of sale less provisions for levels of expected returns.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	25 years straight line
Plant & Machinery	20 to 25 years straight line
Computer equipment	3 to 10 years straight line
Fixtures, fittings & equipment	3 to 10 years straight line
Motor Vehicles	4 years straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stocks are valued at the lower of cost and net realisable value. Where necessary, provision has been made for obsolete, slow-moving and defective stocks. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

1.7 Pensions

The defined benefit pension scheme is accounted for in line with FRS17 Retirement Benefits.

The company is unable to identify its share of the underlying assets and liabilities in the defined benefit scheme since the scheme includes members from other companies within the DC Thomson & Company Limited group. Under FRS17 the scheme is therefore accounted for as a defined contribution scheme by the company. The pension cost charge represents contributions payable by the company to the funds during the year.

Aberdeen Journals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

1 Accounting policies (continued)

1.8 Taxation

The tax expense represents the sum of the corporation tax and deferred tax charge for the year.

The tax currently payable is based on taxable profit for the year. The company's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases, as used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available. Deferred tax is calculated at the average tax rates that are expected to apply in the periods when the liability is settled or the asset realised. Deferred tax is charged or credited in the profit and loss accounts, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.9 Foreign currency translation

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

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2015 £000	2014 £000
Operating profit is stated after charging:		
Depreciation of tangible assets	354	481
Loss on disposal of tangible assets	-	147
Loss on foreign exchange transactions	1	-
Operating lease rentals	210	201
Auditor's remuneration - audit	16	17
Auditor's remuneration - non-audit	14	11
and after crediting:		
Profit on disposal of tangible assets	(177)	-

Aberdeen Journals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

4 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Administration and publishing	301	280
Printing	-	33
	<u>301</u>	<u>313</u>

Employment costs

	2015 £000	2014 £000
Wages and salaries	7,901	8,386
Social security costs	630	676
Severance payments	273	270
	<u>8,804</u>	<u>9,332</u>

5 Directors' remuneration

	2015 £000	2014 £000
Remuneration for qualifying services	<u>62</u>	<u>98</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 0 (2014 - 1).

6 Investment income

	2015 £000	2014 £000
Bank interest	33	50
Other interest	2	-
	<u>35</u>	<u>50</u>

Aberdeen Journals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

7	Interest payable	2015	2014
		£000	£000
	Other interest	-	5
		<u></u>	<u></u>
8	Taxation	2015	2014
		£000	£000
	Domestic current year tax		
	U.K. corporation tax	1,828	2,046
	Adjustment for prior years	(2)	2
		<u></u>	<u></u>
	Total current tax	1,826	2,048
		<u></u>	<u></u>
	Deferred tax		
	Deferred tax charge/credit current year	68	26
	Effects of changes in tax rates and laws	-	52
	Deferred tax adjust re previous year	2	(34)
		<u></u>	<u></u>
		70	44
		<u></u>	<u></u>
		1,896	2,092
		<u></u>	<u></u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	8,972	8,779
		<u></u>	<u></u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2014 - 23%)	1,884	2,019
		<u></u>	<u></u>
	Effects of:		
	Disallowed expenses	12	20
	Capital allowances timing differences	(68)	7
	Adjustments to previous periods	(2)	2
		<u></u>	<u></u>
		(58)	29
		<u></u>	<u></u>
	Current tax charge for the year	1,826	2,048
		<u></u>	<u></u>

Aberdeen Journals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

9 Tangible fixed assets

	Land and buildings leasehold	Plant & Machinery	Fixtures, fittings & equipment	Motor Vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2014	3,252	637	1,149	893	5,931
Additions	-	170	3	-	173
Disposals	-	-	-	(733)	(733)
At 31 March 2015	3,252	807	1,152	160	5,371
Depreciation					
At 1 April 2014	1,305	517	793	803	3,418
On disposals	-	-	-	(707)	(707)
Charge for the year	141	103	55	55	354
At 31 March 2015	1,446	620	848	151	3,065
Net book value					
At 31 March 2015	1,806	187	304	9	2,306
At 31 March 2014	1,947	120	356	90	2,513

10 Stocks

	2015 £000	2014 £000
Raw materials and consumables	3	3

Aberdeen Journals Limited**Notes to the financial statements (continued)****for the year ended 31 March 2015**

11 Debtors	2015	2014
	£000	£000
Trade debtors	2,870	3,821
Amounts owed by group undertakings	8,779	652
Other debtors	4	-
Prepayments and accrued income	372	442
Deferred tax asset (see note 13)	453	523
	<hr/>	<hr/>
	12,478	5,438
	<hr/>	<hr/>
 12 Creditors: amounts falling due within one year	 2015	 2014
	£000	£000
Trade creditors	125	161
Amounts owed to group undertakings	670	230
Corporation tax	927	1,580
Other taxes and social security costs	331	525
Other creditors	173	166
Accruals and deferred income	665	967
	<hr/>	<hr/>
	2,891	3,629
	<hr/>	<hr/>

Aberdeen Journals Limited**Notes to the financial statements (continued)****for the year ended 31 March 2015****13 Provisions for liabilities**

The deferred tax asset (included in debtors, note 11) is made up as follows:

	2015 £000
Balance at 1 April 2014	(523)
Profit and loss account	70
	<hr/>
Balance at 31 March 2015	(453)
	<hr/>

	2015 £000	2014 £000
Decelerated capital allowances	(453)	(523)
	<hr/>	<hr/>

14 Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
10,001 Ordinary shares of £ each	10	10
	<hr/>	<hr/>

15 Statement of movements on profit and loss account

	Profit and loss account £000
Balance at 1 April 2014	10,209
Profit for the year	7,076
	<hr/>
Balance at 31 March 2015	17,285
	<hr/>

Aberdeen Journals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

16 Reconciliation of movements in shareholders' funds	2015	2014
	£000	£000
Profit for the financial year	7,076	6,687
Opening shareholders' funds	10,220	3,533
	<hr/>	<hr/>
Closing shareholders' funds	17,295	10,220
	<hr/>	<hr/>

17 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings	
	2015	2014
	£000	£000
Operating leases which expire:		
Within one year	9	9
Between two and five years	110	11
In over five years	93	181
	<hr/>	<hr/>
	212	201
	<hr/>	<hr/>

Aberdeen Journals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

18 Retirement benefits

Aberdeen Journals Limited is a participating employer in its parent company scheme. The actuary is unable to provide separate asset valuations for the parent and Aberdeen Journals Limited so, in accordance with FRS17, the scheme is accounted for as a defined contribution scheme in these accounts.

In accordance with FRS17, information on the funding position of the group scheme is presented below. The asset arises from the previous funding in the DC Thomson scheme rather than the company's scheme and contribution levels for the company are set based upon its own employee funding requirements rather than collectively as part of the group scheme.

There was no pension charge for the company in either year

	2015 £000	2014 £000
Change in benefit obligation		
Benefit obligation at beginning of year	460,700	489,000
Current service cost	4,400	5,300
Interest cost	20,200	20,000
Actuarial (gains)/losses	111,800	(25,700)
Contributions - employee	200	200
Benefits paid	(25,800)	(28,100)
Benefit obligation at end of year – wholly funded	571,500	460,700
Change in plan assets		
Fair value of plan assets at beginning of year	694,700	674,000
Expected return on plan assets	30,000	27,000
Actuarial losses/(gains)	32,400	21,600
Contributions - employee	200	200
Benefits paid	(25,800)	(28,100)
Fair value of plan assets at end of year	731,500	694,700
Retirement benefit surplus	160,000	234,000
	=====	=====

Aberdeen Journals Limited**Notes to the financial statements (continued)****for the year ended 31 March 2015****18 Retirement benefits (continued)****Plant assets**

The weighted average asset allocations at the year end were as follows:

	2015	2014
Asset category	%	%
Equities	84	81
Bonds	13	16
Cash and annuities	3	3
	100	100
	=====	=====
	£000	£000
Amounts included in the fair value of assets for:		
Equities	614,500	562,700
Bonds	95,100	111,200
Cash	21,900	20,800
	731,500	694,700
	=====	=====

Weighted average assumptions used to determine benefit obligations

	2015	2014
	%	%
Discount rate	3.30	4.50
Rate of salary increase	4.25	4.40
Inflation rate (RPI)	3.25	3.40
Inflation rate (CPI)	2.55	2.70

Life expectancy at age 65 is assumed at 23 years for males and 26 years for females.

Weighted average assumptions used to determine net pension cost for year

Discount rate	4.50	4.20
Expected long term return on plan assets	4.50	4.20
Rate of salary increase	4.40	4.40
Inflation rate (RPI)	3.40	3.40
Inflation rate (CPI)	2.70	2.70

Aberdeen Journals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

18 Retirement benefits (continued)

To develop the expected long term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for the future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long term rate of return on assets assumption to the portfolio. For the 2014 accounts this resulted in the selection of the 4.2% assumption.

History

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Benefit obligation at end of year	571,500	460,700	489,000	441,200	406,000
Fair value of plan assets at end of year	731,500	694,700	674,000	607,200	593,000
Surplus	<u>160,000</u> =====	<u>234,000</u> =====	<u>185,000</u> =====	<u>166,000</u> =====	<u>187,000</u> =====
Difference between expected and actual return on scheme assets:					
amount (£000)	(32,400)	(21,600)	(53,300)	4,300	13,900
percentage of scheme assets	4%	3%	8%	1%	2%
Experience gains and losses on scheme liabilities:					
amount (£000)	14,900	(900)	1,100	2,700	17,300
percentage of scheme liabilities	3%	0%	0%	1%	4%

Stakeholder pensions

The company provides access to a stakeholder pension plan for relevant employees who are not eligible for other pension schemes operated by the company.

Aberdeen Journals Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

19 Related party relationships and transactions

The company has taken advantage of the exemption under FRS8 Related Party Disclosure not to disclose related party transactions between companies which are wholly owned by the ultimate parent company during the year.

20 Control

The company is wholly owned by D.C. Thomson & Company Limited, the ultimate parent company, incorporated in Great Britain and registered in Scotland.

There is no individual controlling party.