Company Registration No. SC015256 (Scotland)

Aberdeen Journals Limited

Annual report and financial statements

for the year ended 31 March 2018

Aberdeen Journals Limited

Company information

Directors	AF Thomson CHW Thomson DHE Thomson E Watson
Secretary	I Douglas
Company number	SC015256
Registered office	The Courier Buildings 2 Albert Square Dundee Tayside DD1 9QJ
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

Contents

Aberdeen Journals Limited

Strategic report

for the year ended 31 March 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business

Total revenues were down by 4.7%. The combined effects of a continued oil industry downturn and national downward trend in adverting contributed to an 10.9% fall in advertising revenue. This was however a slowing of advertising declines from 11.6% last year.

Circulation revenues were slightly down on last year as face price increases compensated for volume declines.

Continued cost efficiencies continued to compensate for some of this decrease in revenue however there was still a resulting decrease in the profit before tax of 11.8% to £7.75m.

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 innovative ways of attracting new revenues whilst at the same time ensuring control is exercised 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 packaging 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.

Key performance indicators

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 accidents in the company (2017 - Nil).

On behalf of the board

....

CHW Thomson

Director

31/10/18.....

Aberdeen Journals Limited

Directors' report

for the year ended 31 March 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

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.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

AF Thomson
CHW Thomson
DHE Thomson
E Watson

Results and dividends
The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

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.

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.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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

....
CHW Thomson
Director
Date: 31/10/18

Directors' responsibilities statement

for the year ended 31 March 2018

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.

Opinion

We have audited the financial statements of Aberdeen Journals Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

GBlack

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

31\10\18

Chartered Accountants
Statutory Auditor

The Vision Building
20 Greenmarket
Dundee
DD1 4QB

Aberdeen Journals Limited

Statement of comprehensive income

for the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	3	**24,683,801**	25,896,785
Cost of sales		**(3,581,192)**	(3,798,697)
Gross profit		**21,102,609**	22,098,088
Administrative expenses		**(13,400,215)**	(13,373,125)
Other operating income		**43,000**	43,000
Operating profit	4	**7,745,394**	8,767,963
Interest receivable and similar income	6	**8,878**	25,638
Profit before taxation		**7,754,272**	8,793,601
Tax on profit	7	**(1,376,136)**	(1,793,376)
Profit for the financial year		**6,378,136**	7,000,225

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Aberdeen Journals Limited

Balance sheet

as at 31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	8		1,708,907		1,771,300
Current assets					
Stocks	9	7,160		7,316	
Debtors	10	39,361,008		30,897,743	
Cash at bank and in hand		996,818		897,955	
		40,364,986		31,803,014	
Creditors: amounts falling due within one year	11	(4,567,563)		(2,446,120)	
Net current assets			35,797,423		29,356,894
Total assets less current liabilities			37,506,330		31,128,194
Net assets			37,506,330		31,128,194
Capital and reserves					
Called up share capital	14		10,001		10,001
Profit and loss reserves	15		37,496,329		31,118,193
Total equity			37,506,330		31,128,194

The financial statements were approved by the board of directors and authorised for issue on 31/10/18 and are signed on its behalf by:

CHW Thomson
Director

Company Registration No. SC015256

Aberdeen Journals Limited

Statement of changes in equity

for the year ended 31 March 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2016	10,001	24,117,968	24,127,969
Year ended 31 March 2017:			
Profit and total comprehensive income for the year	-	7,000,225	7,000,225
Balance at 31 March 2017	10,001	31,118,193	31,128,194
Year ended 31 March 2018:			
Profit and total comprehensive income for the year	**-**	**6,378,136**	**6,378,136**
Balance at 31 March 2018	**10,001**	**37,496,329**	**37,506,330**

1 Accounting policies

Company information

Aberdeen Journals Limited is a private company limited by shares incorporated in Scotland. The registered office is The Courier Buildings, 2 Albert Square, Dundee, Tayside, DD1 9QJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel and disclosure of transactions entered into between one or two members of the group on the basis that all parties are wholly owned within the group.

The financial statements of the company are consolidated in the financial statements of D.C. Thomson & Company Limited. These consolidated financial statements are available from its registered office.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

Revenue from interest is recognised as interest accrues using the effective interest method.

1 Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies (continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies (continued)

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies (continued)

1.12 Retirement benefits

The pension scheme of which the company is a member is a defined benefit scheme operated by its parent company DC Thomson & Company Limited. As the parent company is legally responsible for the plan, it is accounted for as a defined contribution scheme by the company in accordance with section 28 of FRS 102. The pension cost charge represents contributions payable by the company to the scheme during the year.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Bad debt provisions

The bad debt provision is estimated using two methods. In line with company policy a 2% provision is applied to all trade debtors up to 2 months old, 15% for amounts between 2 and 3 months old and 50% on amounts greater that 3 months old. The year end debtors are then assessed to identify any specific customers or balances with particular recoverability issues.

Accruals and deferred income

Management estimate requirements for accruals and deferred income using post year end information and information available from detailed budgets. This identifies costs and income that are expected to be incurred or received for goods services provided by and to other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Newspapers	**14,915,602**	15,088,844
Advertising	**8,745,160**	9,818,902
Other income	**1,023,039**	989,039
	24,683,801	25,896,785

	2018	2017
	£	£
Other significant revenue		
Interest income	**8,878**	25,638

3 Turnover and other revenue (continued)

	2018	2017
	£	£
Turnover analysed by geographical market		
United Kingdom	**24,592,358**	25,709,527
Europe	**39,305**	136,285
Rest of the World	**52,138**	50,973
	24,683,801	25,896,785

4 Operating profit

	2018	2017
Operating profit for the year is stated after charging/(crediting):	**£**	£
Exchange losses	**831**	76
Fees payable to the company's auditor for the audit of the company's financial statements	**11,555**	11,275
Depreciation of owned tangible fixed assets	**187,999**	246,380
Profit on disposal of tangible fixed assets	**-**	(14,077)
Operating lease charges	**243,575**	262,000

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018	2017
	Number	Number
Administration and publishing	**264**	279

5 Employees (continued)

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	**6,773,724**	6,978,834
Social security costs	**646,816**	659,635
Pension costs	**28**	26
	7,420,568	7,638,495
Redundancy payments made or committed	**480,457**	15,540

6 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	**8,878**	25,638

7 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	**1,474,276**	1,741,539
Adjustments in respect of prior periods	**(158,849)**	(37,277)
Total current tax	**1,315,427**	1,704,262
Deferred tax		
Origination and reversal of timing differences	**60,709**	71,838
Changes in tax rates	**-**	64,338
Adjustment in respect of prior periods	**-**	(47,062)
Total deferred tax	**60,709**	89,114
Total tax charge	**1,376,136**	1,793,376

7 Taxation (continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£	£
Profit before taxation	**7,754,272**	8,793,601
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2017: 20%)	**1,473,312**	1,758,720
Tax effect of expenses that are not deductible in determining taxable profit	**33,702**	19,552
Adjustments in respect of prior years	**(158,849)**	1,343
Effect of change in corporation tax rate	**(7,142)**	51,661
Permanent capital allowances in excess of depreciation	**35,113**	47,782
Deferred tax adjustments in respect of prior years	**-**	(47,062)
Waiver of group relief	**-**	(38,620)
Taxation charge for the year	**1,376,136**	1,793,376

8 Tangible fixed assets

	Land and buildings leasehold	Assets under construction	Plant & Machinery	Fixtures, fittings & equipment	Computer equipment	Motor Vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2017	3,251,573	32,613	283,878	1,071,724	522,777	150,530	5,313,095
Additions	-	125,606	-	-	-	-	125,606
At 31 March 2018	3,251,573	158,219	283,878	1,071,724	522,777	150,530	5,438,701
Depreciation and impairment							
At 1 April 2017	1,729,112	-	274,827	865,539	521,787	150,530	3,541,795
Depreciation charged in the year	138,724	-	3,214	45,147	914	-	187,999
At 31 March 2018	1,867,836	-	278,041	910,686	522,701	150,530	3,729,794
Carrying amount							
At 31 March 2018	1,383,737	158,219	5,837	161,038	76	-	1,708,907
At 31 March 2017	1,522,461	32,613	9,051	206,185	990	-	1,771,300

9 Stocks

	2018	2017
	£	£
Raw materials and consumables	**7,160**	7,316

10 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	**2,834,200**	2,803,880
Amounts owed by group undertakings	**36,088,059**	27,421,212
Other debtors	**3,262**	3,903
Prepayments and accrued income	**203,452**	376,004
	39,128,973	30,604,999
Deferred tax asset (note 12)	**232,035**	292,744
	39,361,008	30,897,743

11 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	**219,227**	194,666
Amounts due to group undertakings	**399,878**	404,012
Corporation tax	**2,330,513**	1,056,086
Other taxation and social security	**290,062**	321,177
Other creditors	**7,582**	6,465
Accruals and deferred income	**1,320,301**	463,714
	4,567,563	2,446,120

12 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2018	Assets 2017
Balances:	**£**	£
Accelerated capital allowances	**219,707**	266,555
Provisions	**12,328**	26,189
	232,035	292,744

	2018
Movements in the year:	**£**
Liability/(Asset) at 1 April 2017	**(292,744)**
Charge to profit or loss	**60,709**
Liability/(Asset) at 31 March 2018	**(232,035)**

13 Retirement benefit schemes

	2018	2017
Defined contribution schemes	**£**	£
Charge to profit or loss in respect of defined contribution schemes	**28**	26

Aberdeen Journals Limited is a participating employer in its parent company scheme. D.C. Thomson & Company Limited is legally responsible for the scheme and there is no contractual agreement or stated policy for charging of costs associated with the scheme to Aberdeen Journals Limited. In accordance with section 28 of FRS 102, the scheme is therefore accounted for as a defined contribution scheme in these financial statements.

Contributions to the scheme are based on triennial valuations undertaken by a qualified actuary. Due to the surplus on the scheme there are currently no contributions required.

Aberdeen Journals Limited has taken advantage of the exemptions in section 28 of FRS 102 not to disclose details of the schemes assets and liabilities on the basis that these disclosures are included in the consolidated financial statements of the parent company D.C. Thomson & Company Limited, a copy of which can be obtained from its registered office.

14 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
10,001 Ordinary shares of £1 each	**10,001**	10,001
	10,001	10,001

Each ordinary share carries one vote and is entitled to participate pari passu with other ordinary shares in any dividend or capital distribution.

15 Profit and loss reserves

Profit and loss reserves include all current and prior period retained profits and losses.

16 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	**769,420**	223,427
Between two and five years	**2,557,247**	616,990
In over five years	**7,462,233**	4,783,475
	10,788,900	5,623,892

17 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018	2017
	£	£
Acquisition of tangible fixed assets	**1,679,127**	-

18 Controlling party

The company is a wholly owned subsidiary of D.C. Thomson & Company Limited, a company incorporated in Great Britain and registered in Scotland.

There is no individual controlling party of D.C. Thomson & Company Limited.