

Company Registration No. SC376510 (Scotland)

D.C. Thomson Consumer Products Limited

Annual report and financial statements

for the year ended 31 March 2020



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**D.C. Thomson Consumer Products Limited**

**Company information**

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<b>Directors</b>	AF Thomson CHW Thomson DHE Thomson RP Daly P Taylor
<b>Secretary</b>	S Evans
<b>Company number</b>	SC376510
<b>Registered office</b>	The Courier Buildings 2 Albert Square Dundee Tayside DD1 9QJ
<b>Auditor</b>	MHA Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB

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**D.C. Thomson Consumer Products Limited**

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**D.C. Thomson Consumer Products Limited**

**Strategic report**

**for the year ended 31 March 2020**

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The directors present the strategic report for the year ended 31 March 2020.

**Fair review of the business**

The principal activity of the company continued to be that of a holding company.

In June 2020, the decision was taken to close the Wild & Wolf business because of a significant fall in retail activity in the company's main markets, exacerbated significantly by the Covid-19 pandemic and its impact on the retail sector. Following that decision, the directors have actioned various measures to realise value from the intellectual property of the business and its remaining stock.

As a result of the significant downturn in Wild & Wolf in the lead up to 31 March 2020 and since the year-end, the carrying value of investments has been reassessed and an impairment of £21,690,180 has been recognised as a result.

In addition, the remaining activity of Parragon Books Limited, being the profitable publication of DC Thomson Annuals, was transferred during the year to another group company outwith the DC Thomson Consumer Products sub-group. As a result, the remaining investment in Parragon Publishing Limited of £7,658,638 has now been written off in the DC Thomson Consumer Products financial statements.

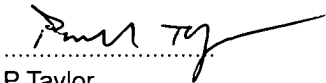
**Principal risks and uncertainties**

The principal risk facing the company is the potential for further major write-downs of the carrying value of investments and any intercompany balances.

**Key performance indicators**

The company has no formal KPIs but continually monitors the performance of its investments throughout the closure process.

On behalf of the board



P Taylor

Director

30/10/20

**D.C. Thomson Consumer Products Limited**

**Directors' report**

**for the year ended 31 March 2020**

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The directors present their annual report and financial statements for the year ended 31 March 2020.

**Principal activities**

The principal activity of the company is that of a holding company.

**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  
RP Daly  
P Taylor

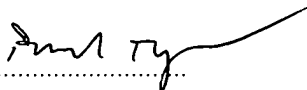
**Results and dividends**

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

**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



P Taylor  
Director

Date: 30/10/20

**D.C. Thomson Consumer Products Limited**

**Directors' responsibilities statement**

**for the year ended 31 March 2020**

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The directors are responsible for preparing the annual 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## **D.C. Thomson Consumer Products Limited**

### **Independent auditor's report**

**to the members of D.C. Thomson Consumer Products Limited**

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#### **Opinion**

We have audited the financial statements of D.C. Thomson Consumer Products Limited (the 'company') for the year ended 31 March 2020 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss 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.
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**D.C. Thomson Consumer Products Limited**

**Independent auditor's report (continued)**

**to the members of D.C. Thomson Consumer Products Limited**

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**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.



**D.C. Thomson Consumer Products Limited**

**Independent auditor's report (continued)**

**to the members of D.C. Thomson Consumer Products Limited**

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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.



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

30/10/20

**Chartered Accountants**  
**Statutory Auditor**

The Vision Building  
20 Greenmarket  
Dundee  
DD1 4QB

MHA Henderson Loggie is a trading name of Henderson Loggie LLP.

**D.C. Thomson Consumer Products Limited**

**Statement of comprehensive income**

**for the year ended 31 March 2020**

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	2020 £	2019 £
Amounts written off investments	(29,348,818)	-
<b>Loss before taxation</b>	<b>(29,348,818)</b>	-
Tax on loss	-	-
<b>Loss for the financial year</b>	<b>(29,348,818)</b>	-

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

**D.C. Thomson Consumer Products Limited**

**Balance sheet**

**as at 31 March 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Investments	3	3,200,003	32,548,821
<b>Current assets</b>			
Debtors	5	100	100
<b>Net current assets</b>		100	100
<b>Total assets less current liabilities</b>		3,200,103	32,548,921
<b>Creditors: amounts falling due after more than one year</b>	6	(18,579,053)	(18,579,053)
<b>Net (liabilities)/assets</b>		(15,378,950)	13,969,868
<b>Capital and reserves</b>			
Called up share capital	8	13,970,868	13,970,868
Profit and loss reserves	9	(29,349,818)	(1,000)
<b>Total equity</b>		(15,378,950)	13,969,868

The financial statements were approved by the board of directors and authorised for issue on 30/10/20 and are signed on its behalf by:

  
P Taylor  
Director

Company Registration No. SC376510

**D.C. Thomson Consumer Products Limited**

**Statement of changes in equity**

**for the year ended 31 March 2020**

	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2018</b>	13,970,868	(1,000)	13,969,868
<b>Year ended 31 March 2019:</b>			
Profit and total comprehensive income for the year	-	-	-
<b>Balance at 31 March 2019</b>	13,970,868	(1,000)	13,969,868
<b>Year ended 31 March 2020:</b>			
Loss and total comprehensive income for the year		- (29,348,818)	(29,348,818)
<b>Balance at 31 March 2020</b>	<b>13,970,868</b>	<b>(29,349,818)</b>	<b>(15,378,950)</b>

## **D.C. Thomson Consumer Products Limited**

### **Notes to the financial statements**

**for the year ended 31 March 2020**

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#### **1 Accounting policies**

##### **Company information**

D.C. Thomson Consumer Products 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.

On the basis that the consolidated financial statements of the parent provide disclosures which are equivalent to FRS 102, the financial statements of D.C. Thomson Consumer Products Limited have adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes: and
- related party transaction disclosures for transactions entered into between one or two members of the group on the basis that all parties are wholly owned within the group.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

D.C. Thomson Consumer Products Limited is a wholly owned subsidiary of D.C. Thomson & Company Limited and the results of D.C. Thomson Consumer Products Limited are included in the consolidated financial statements of D.C. Thomson & Company Limited.

##### **1.2 Going concern**

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have considered the financial position of the company, including the impact of COVID-19, and support available from its parent company D.C. Thomson & Company Limited, and believe the going concern basis to be appropriate.

##### **1.3 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

**D.C. Thomson Consumer Products Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 March 2020**

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**1 Accounting policies (continued)**

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

**1.4 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.

**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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

**1.5 Equity instruments**

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**D.C. Thomson Consumer Products Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 March 2020**

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**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.

**Carrying value of investments in subsidiaries**

The company initially recognises investments in subsidiaries at cost. The Board perform regular reviews of the current and expected future trading performance of subsidiaries and considers any adverse impact on the carrying value of investments in subsidiaries. Any impairment losses are recognised through the profit and loss account. The expected future trading performance involves an element of judgement and actual results may differ materially, impacting the assessment of the carrying value of investments in subsidiaries.

**D.C. Thomson Consumer Products Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 March 2020**

**3 Fixed asset investments**

	Notes	2020 £	2019 £
Investments in subsidiaries	4	3,200,003	32,548,821

Investments in subsidiary undertakings are held at cost in accordance with FRS 102.

**Movements in fixed asset investments**

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2019 and 31 March 2020	32,548,821
<b>Impairment</b>	
At 1 April 2019	-
Impairment losses	29,348,818
At 31 March 2020	29,348,818
<b>Carrying amount</b>	
At 31 March 2020	3,200,003
At 31 March 2019	32,548,821

In June 2020, the decision was taken to close the Wild & Wolf business because of a significant fall in retail activity in the company's main markets, exacerbated significantly by the Covid-19 pandemic and its impact on the retail sector. Following that decision, the directors have actioned various measures to realise value from the intellectual property of the business and its remaining stock.

As a result of the significant downturn in Wild & Wolf in the lead up to 31 March 2020 and since the year-end, the carrying value of investments has been reassessed and an impairment of £21,690,180 has been recognised as a result.

In addition, the remaining activity of Parragon Books Limited, being the profitable publication of DC Thomson Annuals, was transferred during the year to another group company outwith the DC Thomson Consumer Products sub-group. As a result, the remaining investment in Parragon Publishing Limited of £7,658,638 has now been written off in the DC Thomson Consumer Products financial statements.



**D.C. Thomson Consumer Products Limited****Notes to the financial statements (continued)****for the year ended 31 March 2020****4 Subsidiaries**

These financial statements are separate company financial statements for D.C. Thomson Consumer Products Limited.

Details of the company's subsidiaries at 31 March 2020 are as follows:

<b>Name of undertaking</b>	<b>Country of incorporation</b>	<b>Nature of business</b>	<b>Class of shareholding</b>	<b>% Held</b>
D.C. Thomson Consumer Products (UK) Limited	UK	Supply and print sourcing for group companies	Ordinary	100.00
D.C. Thomson Developments Limited	UK	Holding company and realisation of growth opportunities for the group	Ordinary	100.00
Meadowside & Gullane Limited	UK	Sale of group publishing rights	Ordinary	100.00
Parragon Publishing Limited	UK	Holding company	Ordinary	100.00
Peter Haddock Limited	UK	Dormant	Ordinary	100.00

**5 Debtors**

	<b>2020</b>	<b>2019</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Other debtors	<b>100</b>	<b>100</b>

**6 Creditors: amounts falling due after more than one year**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Other borrowings	<b>7</b>	<b>18,579,053</b>	<b>18,579,053</b>

**7 Loans and overdrafts**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loans from group undertakings	<b>18,579,053</b>	<b>18,579,053</b>
Payable after one year	<b>18,579,053</b>	<b>18,579,053</b>

The long term loan from group relates to an amount due to ultimate parent company, D.C. Thomson & Company Limited, and no interest applies.

**D.C. Thomson Consumer Products Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 March 2020**

**8 Share capital**

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
13,970,768 Ordinary shares of £1 each	13,970,768	13,970,768
10,000 E Ordinary shares of 1p each	100	100
	<u>13,970,868</u>	<u>13,970,868</u>

**Ordinary shares**

Each ordinary shares carries one vote and is entitled to participate pari passu with other ordinary shares (excluding E ordinary shares) in any dividend or capital distribution. On liquidation, surplus assets are to be distributed among the ordinary shares and E ordinary shares in the ratio 75:25 until the E shares have received their E share value. The ordinary shares are not redeemable at the option of the company or the holder.

**E ordinary shares**

E ordinary shares carry no right to vote (except on changes to class rights) or to participate in dividends. On liquidation, surplus assets are to be distributed among the ordinary shares and E ordinary shares in the ratio of 75:25 until the E ordinary shares have received their E share value (being a value determined by a formula based on the amount by which the surplus assets exceed a hurdle amount). E ordinary shares are not redeemable at the option of the company or the holder.

**9 Profit and loss reserves**

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

**10 Parent company**

The company is a wholly owned subsidiary of Meadowside Leasing Limited, a company incorporated in Great Britain and registered in Scotland.

The ultimate parent company is 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.