

Company Registration No. SC376510 (Scotland)

D.C. Thomson Consumer Products Limited

Annual report and financial statements

for the year ended 31 March 2018

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D.C. Thomson Consumer Products Limited

Company information

Directors	AF Thomson CHW Thomson DHE Thomson RP Daly P Taylor
Secretary	I Douglas
Company number	SC376510
Registered office	The Courier Buildings 2 Albert Square Dundee Tayside DD1 9QJ
Auditor	Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB

D.C. Thomson Consumer Products Limited

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D.C. Thomson Consumer Products 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

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

During the year, the decision was taken to close the Parragon group after the business had made consistent losses in the recent years despite our best efforts and that of the team. The market for Parragon's product, primarily in the promotional book sector, had declined and there were inherent structural issues which we could not see being resolved. The Parragon group has now ceased trading other than the continued and profitable publication of DC Thomson Annuals.

Principal risks and uncertainties

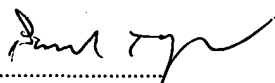
The principal risk facing the company would be a serious downturn in the trading position of its subsidiaries, potentially forcing a further major write-down of the carrying value of investments and any intercompany balances.

Last year, exceptional items for intercompany balances waiver and investment provision totalling £21,639,000 were credited through the Statement of Comprehensive Income. No further impairment is considered necessary this year despite the decision that has been taken regarding the future of Parragon group.

Key performance indicators

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

On behalf of the board



P Taylor

Director

3/10/18

D.C. Thomson Consumer Products 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 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	
JS Thomson	(Resigned 10 January 2018)
RP Daly	
R Durchfort	(Resigned 22 December 2017)
P Taylor	
S Bailey	(Resigned 16 April 2018)

Results and dividends


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

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
3/10/18
.....

D.C. Thomson Consumer Products Limited

Directors' responsibilities statement

for the year ended 31 March 2018

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

Opinion

We have audited the financial statements of D.C. Thomson Consumer Products 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.

D.C. Thomson Consumer Products Limited

Independent auditor's report (continued)

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

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.

D.C. Thomson Consumer Products Limited

Independent auditor's report (continued)

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

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.



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

D.C. Thomson Consumer Products Limited**Statement of comprehensive income****for the year ended 31 March 2018**

		2018	2017
	Notes	£000	£000
Waiver of group balances	2	-	89,399
Investment provision	2	-	(67,760)
		<hr/>	<hr/>
Profit before taxation		-	21,639
Tax on profit	3	-	-
		<hr/>	<hr/>
Profit for the financial year	9	-	21,639
		<hr/>	<hr/>

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

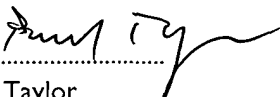
D.C. Thomson Consumer Products Limited

Balance sheet

as at 31 March 2018

	Notes	2018 £000	2017 £000
Fixed assets			
Investments	4	21,629	21,629
Creditors: amounts falling due after more than one year	6	(7,659)	(7,659)
Net assets		<u>13,970</u>	<u>13,970</u>
Capital and reserves			
Called up share capital	8	13,971	13,971
Profit and loss reserves	9	(1)	(1)
Total equity		<u>13,970</u>	<u>13,970</u>

The financial statements were approved by the board of directors and authorised for issue on 31/03/18 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 2018

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 1 April 2016		1	(21,640)	(21,639)
Year ended 31 March 2017:				
Profit and total comprehensive income for the year		-	21,639	21,639
Issue of share capital	8	13,970	-	13,970
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2017		13,971	(1)	13,970
Year ended 31 March 2018:				
Profit and total comprehensive income for the year		-	-	-
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2018		13,971	(1)	13,970
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

D.C. Thomson Consumer Products Limited

Notes to the financial statements

for the year ended 31 March 2018

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 £000.

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 accounts. 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

Having considered the financial position of the parent company and its ability to provide support, the directors believe that sufficient financial support will be available to the company and therefore it is appropriate for these financial statements to be prepared on the going concern basis.

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.

D.C. Thomson Consumer Products Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

1 Accounting policies (continued)

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.

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.

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.

D.C. Thomson Consumer Products Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

1 Accounting policies (continued)

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.

Derecognition of financial liabilities

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

1.5 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.

2 Waiver of group balances

	2018 £000	2017 £000
Intercompany balances waiver	-	(89,399)
Investment provision	-	67,760
	<u>-</u>	<u>(21,639)</u>

D.C. Thomson Consumer Products Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

3 Taxation

	2018	2017
	£000	£000

UK corporation tax on profits for the current period	-	-
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The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£000	£000
Profit before taxation	-	21,639
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2017: 20%)	-	4,328
Intercompany balances waiver not taxable	-	(17,880)
Investment provision not taxable	-	13,552
Taxation for the year	-	-

D.C. Thomson Consumer Products Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

4 Fixed asset investments

	Notes	2018 £000	2017 £000
Investments in subsidiaries	5	21,629	21,629

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

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 April 2017 and 31 March 2018	89,389
Impairment	
At 1 April 2017 and 31 March 2018	67,760
Carrying amount	
At 31 March 2018	21,629
At 31 March 2017	21,629

D.C. Thomson Consumer Products Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

5 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 2018 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shareholding	% Held
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

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £000	Capital and Reserves £000
D.C. Thomson Consumer Products (UK) Limited	-	-
D.C. Thomson Developments Limited	52	9,780
Meadowside & Gullane Limited	-	-
Parragon Publishing Limited	-	7,658
Peter Haddock Limited	-	230

6 Creditors: amounts falling due after more than one year

	Notes	2018 £000	2017 £000
Other borrowings	7	<u>7,659</u>	<u>7,659</u>

D.C. Thomson Consumer Products Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

7 Loans and overdrafts

	2018 £000	2017 £000
Loans from group undertakings	<u>7,659</u>	<u>7,659</u>
Payable after one year	<u>7,659</u>	<u>7,659</u>

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

8 Share capital

	2018 £000	2017 £000
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary shares of 1p each	13,971	13,971
10,000 E Ordinary shares of 1p each	-	-
	<u>13,971</u>	<u>13,971</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 75:20 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.

D.C. Thomson Consumer Products Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

10 Parent company

The company is a 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.