

The Cumberland News **News & Star**

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CUMBRIAN NEWSPAPERS LIMITED

Audited Abbreviated Financial Statements for the year ended
31 December 2009

Company Registration Number 2729

THURSDAY



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COMPANIES HOUSE



Saint & Co

Chartered Accountants & Registered Auditors

CUMBRIAN NEWSPAPERS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2009

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CUMBRIAN NEWSPAPERS LIMITED

COMPANY INFORMATION

The board of directors

Mr R L F Burgess
Mr T Hall
Mr G Beattie
Mr A J Swanston
Mr T S Johnston
Mr C Edgar
Mr N R Hodgkinson

Company secretary

Mr A J Swanston

Registered office

PO Box 7
Newspaper House
Dalston Road
Carlisle
CA2 5UA

Auditor

Saint & Co
Chartered Accountants
& Statutory Auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

Bankers

HSBC Bank PLC
PO Box 5
29 English Street
Carlisle
Cumbria
CA3 8JT

CUMBRIAN NEWSPAPERS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of newspaper publishers and printers

A full review of the years activities can be found in the annual report of the parent company

RESULTS AND DIVIDENDS

The loss for the year amounted to £333,430 The directors have not recommended a dividend

DIRECTORS

The directors who served the company during the year were as follows

Mr R L F Burgess
Mr T Hall
Mr G Beattie
Mr A J Swanston
Mr T S Johnston
Mr C Edgar
Mr N R Hodgkinson

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and

CUMBRIAN NEWSPAPERS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

DISABLED EMPLOYEES

Disabled persons are employed by the company when they appear to be suited to a particular vacancy. It is the company's policy to continue, where possible, to employ persons who become disabled during their employment.

EMPLOYEE INVOLVEMENT

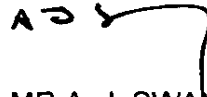
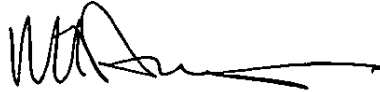
The company maintains a system of briefing and consultation to inform all employees of the company's performance.

AUDITOR

Saint & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office
PO Box 7
Newspaper House
Dalston Road
Carlisle
CA2 5UA

Signed by order of the directors



MR A J SWANSTON
Company Secretary

Approved by the directors on 26 March 2010

CUMBRIAN NEWSPAPERS LIMITED
INDEPENDENT AUDITOR'S REPORT TO CUMBRIAN NEWSPAPERS
LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 5 to 166, together with the financial statements of Cumbrian Newspapers Limited for the year ended 31 December 2009 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section

*

Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

26 March 2010

PETER BOOTHROYD (Senior
Statutory Auditor)
For and on behalf of
SAINT & CO
Chartered Accountants
& Statutory Auditor

CUMBRIAN NEWSPAPERS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
TURNOVER		18,730,532	20,202,325
OPERATING COSTS:			
Raw materials and consumables		(3,605,848)	(3,868,945)
Other external charges		(96,800)	(112,054)
Staff costs	2	(9,333,830)	(10,903,838)
Depreciation written off fixed assets	3	(1,121,582)	(1,108,402)
Other operating charges		(4,751,982)	(5,100,169)
OPERATING LOSS	3	(179,520)	(891,083)
Cost of restructuring the company		(315,740)	(442,864)
		(495,260)	(1,333,947)
Income from fixed asset investments	5	15,848	36,054
Interest receivable and similar income		24,609	44,059
Interest payable and similar charges	6	–	(2,227)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(454,803)	(1,256,061)
Tax on loss on ordinary activities	7	121,373	370,595
LOSS FOR THE FINANCIAL YEAR		<u>(333,430)</u>	<u>(885,466)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 7 to 16 form part of these abbreviated accounts

CUMBRIAN NEWSPAPERS LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	9	6,007,035	6,972,988
Investments	10	5,429	5,429
		<u>6,012,464</u>	<u>6,978,417</u>
CURRENT ASSETS			
Stocks	11	262,585	472,120
Debtors	12	3,213,362	3,730,794
Cash at bank and in hand		610,599	412,377
		<u>4,086,546</u>	<u>4,615,291</u>
CREDITORS: Amounts falling due within one year	13	<u>(3,073,333)</u>	<u>(4,103,319)</u>
NET CURRENT ASSETS		<u>1,013,213</u>	<u>511,972</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,025,677</u>	<u>7,490,389</u>
CREDITORS: Amounts falling due after more than one year	14	–	(9,909)
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	(840,226)	(961,599)
		<u>6,185,451</u>	<u>6,518,881</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	212,079	212,079
Profit and loss account	20	5,973,372	6,306,802
SHAREHOLDERS' FUNDS	21	<u>6,185,451</u>	<u>6,518,881</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 26 March 2010, and are signed on their behalf by



MR R L F BURGESS



MR A J SWANSTON

Company Registration Number 2729

The notes on pages 7 to 16 form part of these abbreviated accounts

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & Machinery - 5-33 33% per annum on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company participates in a defined benefit multi-employer pension scheme. The assets and liabilities of which are held independently from the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme, in accordance with the exemptions provided in FRS 17 as if it were a defined contribution scheme. The annual amounts payable are charged to the profit and loss account. The defined benefit scheme is accounted for under FRS 17 in the consolidated accounts of CN Group Limited and any available information about the surplus or deficit in the scheme is shown in these accounts.

The company also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

2. PARTICULARS OF EMPLOYEES

The average headcount of staff employed by the company during the financial year (previously F T E and comparatives adjusted accordingly) amounted to

	2009	2008
	No	No
Number of production staff	423	448
Number of administrative staff	14	16
	<u>437</u>	<u>464</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	7,910,051	8,938,842
Social security costs	712,122	801,159
Defined benefit pension costs	342,216	753,360
Defined contribution pension costs	369,441	410,477
	<u>9,333,830</u>	<u>10,903,838</u>

3. OPERATING LOSS

Operating loss is stated after charging

	2009	2008
	£	£
Depreciation of owned fixed assets	1,109,667	1,080,214
Depreciation of assets held under hire purchase agreements	11,915	27,400
Loss on disposal of fixed assets	—	788
Auditor's remuneration		
- as auditor	9,750	9,750
- for other services	7,606	7,098
Hire of equipment	8,855	19,178
Operating lease costs		
- Plant and equipment	19,258	11,911
- Other	<u>729,519</u>	<u>758,899</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Remuneration receivable	356,133	358,016
Value of company pension contributions to defined contribution schemes	<u>72,976</u>	<u>72,975</u>
	<u>429,109</u>	<u>430,991</u>

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

4. DIRECTORS' REMUNERATION *(continued)*

Remuneration of highest paid director:

	2009	2008
	£	£
Total remuneration (excluding pension contributions)	107,315	106,995
Value of company pension contributions to money purchase schemes	28,500	28,500
	<u>135,815</u>	<u>135,495</u>

Benefits are accruing under defined benefits and defined contribution pension schemes and, at the year end the accrued pension amounted to £26,282 (2008 - £24,641)

The number of directors who accrued benefits under company pension schemes was as follows

	2009	2008
	No	No
Money purchase schemes	5	5
Defined benefit schemes	<u>5</u>	<u>5</u>

5. INCOME FROM FIXED ASSET INVESTMENTS

	2009	2008
	£	£
Income from unlisted investments	<u>15,848</u>	<u>36,054</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Interest payable on bank borrowing	<u>-</u>	<u>2,227</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax		
Corporation tax	-	-
Over/under provision in prior year	-	(182,599)
Group relief	-	(16,310)
Total current tax	-	(198,909)
Deferred tax		
Origination and reversal of timing differences	<u>(121,373)</u>	<u>(171,686)</u>
Tax on loss on ordinary activities	<u>(121,373)</u>	<u>(370,595)</u>

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 28%)

	2009	2008
	£	£
Loss on ordinary activities before taxation	(454,803)	(1,256,061)
Loss on ordinary activities by rate of tax	(127,345)	(351,697)
Expenses not deductible for tax purposes	10,217	6,781
Non-taxable income	(4,437)	(10,095)
Capital allowances for the period in excess of depreciation	124,281	76,046
Movements on provisions	(70,625)	48,225
Utilisation of tax losses	67,909	214,430
Adjustments to the tax charge in respect of prior periods	-	(182,599)
Total current tax (note 7(a))	-	(198,909)

8. DIVIDENDS

Equity dividends

	2009	2008
	£	£
Paid		
Equity dividends on ordinary shares	-	194,881

9. TANGIBLE FIXED ASSETS

	Plant & Machinery
	£
COST	
At 1 January 2009	19,494,602
Additions	155,629
At 31 December 2009	19,650,231
DEPRECIATION	
At 1 January 2009	12,521,614
Charge for the year	1,121,582
At 31 December 2009	13,643,196
NET BOOK VALUE	
At 31 December 2009	6,007,035
At 31 December 2008	6,972,988

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

9. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £6,007,035 is £37,732 (2008 - £32,176) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £11,915 (2008 - £27,400)

Capital commitments

	2009 £	2008 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>144,413</u>

10. INVESTMENTS

	Unlisted Investments £
COST	
At 1 January 2009 and 31 December 2009	<u>5,429</u>
NET BOOK VALUE	
At 31 December 2009 and 31 December 2008	<u>5,429</u>

11. STOCKS

	2009 £	2008 £
Raw materials	<u>262,585</u>	<u>472,120</u>

12. DEBTORS

	2009 £	2008 £
Trade debtors	2,400,972	2,598,519
Amounts owed by group undertakings	422,904	637,176
Corporation tax repayable	-	17,783
Other debtors	70,948	114,928
Prepayments and accrued income	318,538	362,388
	<u>3,213,362</u>	<u>3,730,794</u>

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

13. CREDITORS: Amounts falling due within one year

	2009	2008
	£	£
Bank loans	5,335	7,968
Trade creditors	308,948	688,504
Amounts owed to group undertakings	2,042,102	2,317,032
Taxation and social security	418,819	472,005
Hire purchase agreements	9,909	19,819
Other creditors	6,804	65,985
Accruals and deferred income	281,416	532,006
	<u>3,073,333</u>	<u>4,103,319</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2009	2008
	£	£
Bank loans	5,335	7,968
Hire purchase agreements	9,909	19,819
	<u>15,244</u>	<u>27,787</u>

The company has a first fixed charge over all book and other debts dated 20 January 1986. There is also a chattels mortgage over plant & machinery dated 19 May 2009.

14. CREDITORS: Amounts falling due after more than one year

	2009	2008
	£	£
Hire purchase agreements	—	9,909

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2009	2008
	£	£
Hire purchase agreements	—	9,909

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2009	2008
	£	£
Amounts payable within 1 year	9,909	19,819
Amounts payable between 2 to 5 years	—	9,909
	<u>9,909</u>	<u>29,728</u>

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

16. PENSIONS

The company participates in a defined benefit multi-employer pension scheme, the assets and liabilities of which are held independently from the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme, in accordance with the exemptions provided in FRS 17, as if it were a defined contribution scheme. The annual amounts payable are charged to the profit and loss account. The defined benefit scheme is accounted for under FRS 17 in the consolidated accounts of CN Group Limited and any available information about the surplus or deficit in the scheme is shown in these accounts.

During 2007 the defined benefit arrangements were closed to future service accrual and, following the actuarial valuation at 31 March 2007, a deficit recovery plan has been agreed with the schemes' Trustees which aims to eliminate the deficit by 2017. The pension charge for the year was £342,216 (2008 - £753,360).

In addition to the defined benefit schemes the company contributed £369,441 (2008 - £410,477) in the year to the defined contribution arrangement.

Particulars of the actuarial valuation of the scheme are contained in the financial statements of the holding company, CN Group Limited.

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2009 £	2008 £
Provision brought forward	961,599	1,133,285
Profit and loss account movement arising during the year	(121,373)	(171,686)
Provision carried forward	<u>840,226</u>	<u>961,599</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	951,439	1,079,671
Tax losses available	(97,213)	(33,447)
General provisions	(14,000)	(84,625)
	<u>840,226</u>	<u>961,599</u>

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	76,145	-	49,375
Within 2 to 5 years	324,900	176,920	322,400	305,842
After more than 5 years	20,000	-	20,000	-
	<u>344,900</u>	<u>253,065</u>	<u>342,400</u>	<u>355,217</u>

19. SHARE CAPITAL

Authorised share capital:

	2009 £	2008 £
253,000 Ordinary shares of £1 each	<u>253,000</u>	<u>253,000</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
212,079 Ordinary shares of £1 each	<u>212,079</u>	<u>212,079</u>	<u>212,079</u>	<u>212,079</u>

20. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
Balance brought forward	6,306,802	7,387,149
Loss for the financial year	(333,430)	(885,466)
Equity dividends	-	(194,881)
Balance carried forward	<u>5,973,372</u>	<u>6,306,802</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Loss for the financial year	(333,430)	(885,466)
Equity dividends	-	(194,881)
Net reduction to shareholders' funds	<u>(333,430)</u>	<u>(1,080,347)</u>
Opening shareholders' funds	6,518,881	7,599,228
Closing shareholders' funds	<u>6,185,451</u>	<u>6,518,881</u>

CUMBRIAN NEWSPAPERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

22. ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary of CN Group Limited, Newspaper House, Dalston Road, Carlisle, CA2 5UA, which is incorporated in England and Wales

The company has taken advantage of the exemption conferred by FRS 8 from disclosing related party transactions as the details of the Company are included in the consolidated financial statements of the Parent

23. CONTINGENT LIABILITY

The company is party to an unlimited cross guarantee entered into to secure any bank borrowings within the group