

Registrar's Copy

# The Cumberland News News & Star

## Times & Star

The Weekly Paper with a Local Appeal



## CUMBRIAN NEWSPAPERS LIMITED

Audited Financial Statements for the year ended  
31 December 2015

Company Registration Number 00002729

SATURDAY



\*A5EROL76\*

A15

03/09/2016

#19

COMPANIES HOUSE

**SAINT & CO**  
CHARTERED ACCOUNTANTS

# **Cumbrian Newspapers Limited**

## **Financial Statements**

**Year ended 31 December 2015**

---

<b>Contents</b>	<b>Pages</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Directors report	<b>3 to 4</b>
Independent auditor's report to the shareholders	<b>5 to 6</b>
Statement of income and retained earnings	<b>7</b>
Statement of financial position	<b>8</b>
Notes to the financial statements	<b>9 to 16</b>

---

# **Cumbrian Newspapers Limited**

## **Officers and Professional Advisers**

---

**The board of directors**

Mr R L F Burgess  
Mr T S Johnston  
Mr C Edgar  
Mr D A Helliwell  
Mr A M Fox  
Mr M Hogg

**Company secretary**

Mr A M Fox

**Registered office**

PO Box 7  
Newspaper House  
Dalston Road  
Carlisle  
CA2 5UA

**Auditor**

Saint & Co  
Chartered accountant & 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

## Strategic Report

Year ended 31 December 2015

---

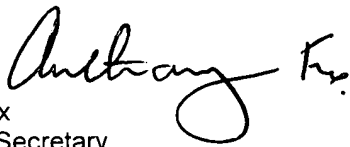
### Business Model

The main activities of the Company are focussed on serving local communities, delivering news, information and entertainment through newspaper, magazines, digital platforms and other associated activities. The trading operations comprise two divisions; publishing and printing. The prime strategic objective is to improve profit and cash flow thereby generating value for the shareholder. This will be achieved by successfully adapting to the continuing changing market place through building audiences across print and digital media. The revenue focus is on optimising advertising and circulation revenues, growing digital income and external printing work and developing new business streams. These revenues represent the key financial performance indicators for the Company. A review of the Company's performance and activities during the period is contained within the Annual Report of the parent company. The strategy includes a continuing focus on reviewing all activities and generating efficiencies together with improving the engagement and effectiveness of all employees.

### Risk and Uncertainties

The Company is heavily reliant on advertising and circulation revenues and any change in levels of advertising spend could have marked effect on the Company's profitability as could a trend of spending away from traditional media in excess of the Company's ability to extend it's brands onto new media platforms. The contract print market can be extremely volatile. Defined benefit pension schemes are currently in deficit and deficit funding payments are made to the schemes as agreed with the Trustees taking account of cash flow forecasts. Business continuity plans are in place covering the main activities and locations aimed at minimising the impact of a major occurrence.

This report was approved by the board of directors on 8 April 2016 and signed on behalf of the board by:



Mr A M Fox  
Company Secretary

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

# Cumbrian Newspapers Limited

## Directors Report

Year ended 31 December 2015

---

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

### Directors

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

Mr R L F Burgess

Mr T S Johnston

Mr C Edgar

Mr D A Helliwell

Mr A M Fox

Mr M Hogg

(Appointed 3 August 2015)

### Dividends

The directors do not recommend the payment of a dividend.

### Employment of disabled persons

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.

### Disclosure of information in the strategic report

A full review of the year's activities can be found in the annual report of the parent company. The annual report is publicly available from Companies House.

### Directors responsibilities statement

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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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

---

# Cumbrian Newspapers Limited

## Directors Report *(continued)*

Year ended 31 December 2015

---

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.

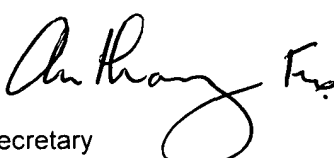
### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

A resolution to reappoint Saint & Co as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on ..... 8 April ..... 2016 and signed on behalf of the board by:

  
Mr A M Fox  
Company Secretary

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

# **Cumbrian Newspapers Limited**

## **Independent Auditor's Report to the Shareholders of Cumbrian Newspapers Limited**

**Year ended 31 December 2015**

---

We have audited the financial statements of Cumbrian Newspapers Limited for the year ended 31 December 2015, on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report has been prepared in accordance with applicable legal requirements.

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 directors report.

# Cumbrian Newspapers Limited

## Independent Auditor's Report to the Shareholders of Cumbrian Newspapers Limited *(continued)*

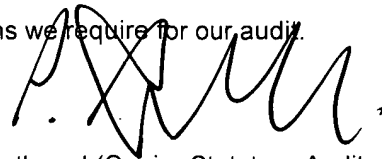
Year ended 31 December 2015

---

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Peter Boothroyd (Senior Statutory Auditor)

For and on behalf of  
Saint & Co  
Chartered accountant & statutory auditor

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

13-04-2016



**Cumbrian Newspapers Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 December 2015**

	Note	2015 £	2014 £
<b>Turnover</b>	<b>3</b>	<b>16,501,058</b>	17,253,580
Raw material and consumables		(3,508,206)	(3,716,228)
Other external charges		(310,416)	(331,702)
Staff costs	<b>6</b>	<b>(8,208,181)</b>	(8,285,102)
Depreciation and other amounts written off tangible and intangible fixed assets		(788,708)	(817,207)
Other operating charges		(4,306,950)	(4,008,569)
<b>(Loss)/Profit before exceptional operating costs</b>		<b>(621,403)</b>	94,772
Exceptional operating costs	<b>8</b>	<b>(262,126)</b>	(386,674)
<b>Operating loss</b>	<b>4</b>	<b>(883,529)</b>	(291,902)
Income from other fixed asset investments	<b>9</b>	<b>5,943</b>	4,754
Other interest receivable and similar income		<b>7,678</b>	6,945
Interest payable and similar charges	<b>10</b>	<b>—</b>	(24)
<b>Loss on ordinary activities before taxation</b>		<b>(869,908)</b>	(280,227)
Tax on loss on ordinary activities	<b>11</b>	<b>93,686</b>	52,757
<b>Loss for the financial year and total comprehensive income</b>		<b>(776,222)</b>	(227,470)
<b>Retained earnings at the start of the year</b>		<b>3,518,826</b>	3,746,296
<b>Retained earnings at the end of the year</b>		<b>2,742,604</b>	3,518,826

All the activities of the company are from continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

# Cumbrian Newspapers Limited

## Statement of Financial Position

31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	12	1,668,264	2,197,787
Investments	13	5,429	5,429
		<u>1,673,693</u>	<u>2,203,216</u>
<b>Current assets</b>			
Stocks	14	251,989	246,443
Debtors	15	2,971,463	2,978,764
Cash at bank and in hand		1,856,900	1,714,040
		<u>5,080,352</u>	<u>4,939,247</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(3,799,362)</u>	<u>(3,374,426)</u>
<b>Net current assets</b>		<u>1,280,990</u>	<u>1,564,821</u>
<b>Total assets less current liabilities</b>		<u>2,954,683</u>	<u>3,768,037</u>
<b>Provisions</b>			
Taxation including deferred tax	18	—	(37,132)
<b>Net assets</b>		<u>2,954,683</u>	<u>3,730,905</u>
<b>Capital and reserves</b>			
Called up share capital	20	212,079	212,079
Profit and loss account	21	2,742,604	3,518,826
<b>Shareholders funds</b>		<u>2,954,683</u>	<u>3,730,905</u>

These financial statements were approved by the board of directors and authorised for issue on 8 April 2016, and are signed on behalf of the board by:

Mr R L F Burgess  
Director



Mr A M Fox  
Director



Company registration number: 00002729

The notes on pages 9 to 16 form part of these financial statements.

# Cumbrian Newspapers Limited

## Notes to the Financial Statements

Year ended 31 December 2015

---

### 1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 2. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 27.

#### Disclosure exemptions

The directors have taken advantage of the exemption in paragraph 1.11 and 1.12 of Financial Reporting Standard 102 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent, CN Group Limited, publishes a consolidated cash flow statement. Group accounts can be obtained from CN Group Limited, Newspaper House, Dalston Road, Carlisle, CA2 5UA.

#### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

#### Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

**Cumbrian Newspapers Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2015**

---

**2. Accounting policies** *(continued)*

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

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.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

**Depreciation**

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

Plant and machinery                      -     5% - 33.33% per annum

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

**Stocks**

Stocks are measured at cost. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Pension schemes**

The company's staff are members of the defined contribution pension scheme and/or the defined benefit pension scheme. Details of the schemes are given in note 19 to the financial statements.

# Cumbrian Newspapers Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 3. Turnover

Turnover arises from:

	2015 £	2014 £
Circulation revenue	3,798,209	3,843,570
Advertising revenue	7,652,651	8,204,836
Printing revenue	3,501,296	3,539,975
Other Income	1,548,902	1,665,199
	<u>16,501,058</u>	<u>17,253,580</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 4. Operating profit

Operating profit or loss is stated after charging:

	2015 £	2014 £
Loss on disposal of tangible assets	8,818	7,833
Operating lease rentals	271,989	330,910
Defined contribution and defined benefit plans expense	1,244,780	1,109,016
Depreciation of owned fixed assets	<u>779,890</u>	<u>809,374</u>

### 5. Auditor's remuneration

	2015 £	2014 £
Fees payable for the audit of the financial statements	<u>10,500</u>	<u>9,450</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>8,350</u>	<u>15,270</u>

### 6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2015 No	2014 No
Production staff	286	314
Administrative staff	<u>9</u>	<u>9</u>
	<u>295</u>	<u>323</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015 £	2014 £
Wages and salaries	6,402,111	6,613,070
Social security costs	561,290	563,016
Other pension costs	1,244,780	1,109,016
	<u>8,208,181</u>	<u>8,285,102</u>

# Cumbrian Newspapers Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2015 £	2014 £
Remuneration	193,569	187,649
Company contributions to defined contribution pension plans	19,500	19,500
	<u>213,069</u>	<u>207,149</u>

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

	2015 No	2014 No
Defined contribution plans	3	3
Defined benefit plans	<u>2</u>	<u>2</u>

### 8. Exceptional items

	2015 £	2014 £
Additional defined benefit pension scheme deficit funding	234,290	269,212
Redundancy and re-organisation costs	27,836	117,462
	<u>262,126</u>	<u>386,674</u>

### 9. Income from other fixed asset investments

	2015 £	2014 £
Income from unlisted investments	<u>(5,943)</u>	<u>(4,754)</u>

### 10. Interest payable and similar charges

	2015 £	2014 £
Other interest payable and similar charges	<u>—</u>	<u>24</u>

### 11. Tax on loss on ordinary activities

#### Major components of tax income

	2015 £	2014 £
<b>Current tax:</b>		
Group relief	(56,554)	965
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(37,132)</u>	<u>(53,722)</u>
<b>Tax on loss on ordinary activities</b>	<u>(93,686)</u>	<u>(52,757)</u>

# Cumbrian Newspapers Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 11. Tax on loss on ordinary activities *(continued)*

#### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK of 20% (2014: 21%).

	2015 £	2014 £
Loss on ordinary activities before taxation	<u>(869,908)</u>	<u>(280,227)</u>
Loss on ordinary activities by rate of tax	(173,982)	(58,848)
Effect of expenses not deductible for tax purposes	23	16,845
Effect of capital allowances and depreciation	105,497	43,343
Effect of revenue exempt from tax	(1,189)	(998)
Unused tax losses	11,963	–
Movement in short term timing differences	1,134	623
Movement in deferred tax provision	<u>(37,132)</u>	<u>(53,722)</u>
Tax on loss on ordinary activities	<u>(93,686)</u>	<u>(52,757)</u>

### 12. Tangible assets

	Plant and machinery £
<b>Cost</b>	
At 1 January 2015	15,862,689
Additions	259,184
Disposals	<u>(248,546)</u>
<b>At 31 December 2015</b>	<u>15,873,327</u>
<b>Depreciation</b>	
At 1 January 2015	13,664,902
Charge for the year	779,890
Disposals	<u>(239,729)</u>
<b>At 31 December 2015</b>	<u>14,205,063</u>
<b>Carrying amount</b>	
<b>At 31 December 2015</b>	<u>1,668,264</u>
At 31 December 2014	<u>2,197,787</u>

### 13. Investments

	Other investments other than loans £
<b>Cost</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>5,429</u>
<b>Impairment</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>–</u>
<b>Carrying amount</b>	
<b>At 31 December 2015</b>	<u>5,429</u>

# Cumbrian Newspapers Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 13. Investments *(continued)*

The company holds 7,924 £1 shares in Cumberland and Westmorland Herald Limited, which amounts to a 10.8% holding of the total share capital. Since there is no active market upon which these shares are traded, the holding is valued at cost less provisions as the fair value cannot be reliably measured.

### 14. Stocks

	2015 £	2014 £
Raw materials and consumables	<u>251,989</u>	<u>246,443</u>

### 15. Debtors

	2015 £	2014 £
Trade debtors	1,879,499	2,048,389
Amounts owed by group undertakings	418,846	309,980
Prepayments and accrued income	471,361	358,139
Other debtors	201,757	262,256
	<u>2,971,463</u>	<u>2,978,764</u>

### 16. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	555,252	424,939
Amounts owed to group undertakings	2,322,929	2,006,444
Accruals and deferred income	639,744	575,281
Social security and other taxes	226,284	317,071
Other creditors	55,153	50,691
	<u>3,799,362</u>	<u>3,374,426</u>

### 17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2015 £	2014 £
Included in provisions (note 18)	<u>-</u>	<u>37,132</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Accelerated capital allowances	36,104	141,602
Unused tax losses	(25,688)	(95,189)
Deferred tax - short term timing differences	(10,416)	(9,281)
	<u>-</u>	<u>37,132</u>

### 18. Provisions

	Total £
At 1 January 2015	37,132
Charge against provision	<u>(37,132)</u>
At 31 December 2015	<u>-</u>



# Cumbrian Newspapers Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

### 19. Employee benefits

#### Defined contribution plans

The company participates in a defined benefit group pension scheme. The assets and liabilities of which are held independently from the group. As it is a group pension scheme under FRS102 it has been treated in the company's accounts as if it were a defined contribution scheme. The annual amounts payable, which comprise amounts due in accordance with an agreed deficit funding plan, are charged to the profit and loss account. The defined benefit scheme is accounted for under FRS102 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. A revised deficit recovery plan has been agreed with the Trustees following the 31 March 2013 actuarial valuation. During 2015 the responsibility for the pension liability of Furness Newspapers Limited was assumed by Cumbrian Newspapers Limited, therefore all pension contributions, including Pension deficit contributions and scheme expenses paid after 31st March 2015 are now dealt with in the accounts of Cumbrian Newspapers Limited.

The pension charge for the year was £919,133 (2014: £807,928) comprising agreed deficit recovery plan contributions of £684,843 (2014: £538,716) together with an additional amount of £234,290 (2014: £269,212).

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

In addition to the defined benefit schemes the company contributed £559,937 (2014: £570,300) in the year to the defined contribution arrangement. At the balance sheet date there were outstanding contributions of £46,078 (2014: £46,406) owing to the scheme.

### 20. Called up share capital

#### Authorised share capital

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>253,000</u>	<u>253,000</u>	<u>253,000</u>	<u>253,000</u>

#### Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>212,079</u>	<u>212,079</u>	<u>212,079</u>	<u>212,079</u>

The Company has one class of ordinary shares which carry no right to fixed income.

### 21. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 22. Status and principal activities

Cumbrian Newspapers Limited is a company limited by shares, incorporated in England and Wales. Its registered office is at PO Box 7, Dalston Road, Carlisle, CA2 5UA.

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

# Cumbrian Newspapers Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

---

### 23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Not later than 1 year	175,569	232,232
Later than 1 year and not later than 5 years	253,635	183,544
	<u>429,204</u>	<u>415,776</u>

### 24. Contingencies

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

### 25. Related party transactions

Included within other debtors is £121,285 (2014: £120,923), being the amounts owed by CN Group Pension Fund reimbursing pension payments that are processed through Cumbrian newspapers payroll but are the liabilities of the Pension Fund.

The total remuneration for key management personnel is disclosed within the group accounts of CN Group Limited.

### 26. Controlling party

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 in section 33 of FRS 102 from disclosing related party transactions as the details of the Company are included in the consolidated financial statements of the Parent.

### 27. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.

There have been no material changes to accounting policies following the transition to FRS102.

### 28. Going concern

The ultimate parent company has indicated that it will continue to support the company for the foreseeable future.