

Express & Star Limited

Report and Financial Statements

Period Ended

29 December 2012

Company Number 18718

FRIDAY

COMPANIES HOUSE



A2ED23Q3

A09

09/08/2013

#212

Express & Star Limited

Report and financial statements for the period ended 29 December 2012

Contents

Page:

1	Report of the directors
5	Independent auditor's report
7	Profit and loss account
8	Balance sheet
9	Notes forming part of the financial statements

Directors

M G Douglas Graham
E Alan Graham
G W Evers
D J Hughes
G P Clifford
A Couchman

Secretary and registered office

D J Hughes, 50 & 51 Queen Street, Wolverhampton, WV1 1ES

Company number

18718

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Express & Star Limited

Report of the directors for the period ended 29 December 2012

The directors present their report together with the audited financial statements for the period ended 29 December 2012

Results and dividends

The profit and loss account is set out on page 7 and shows the loss for the period

The Directors paid an interim dividend of £Nil (2011 - £1,000,000) They do not propose the payment of a final dividend (2011 - £Nil)

Principal activities, review of business and future developments

The principal activity of the company has continued to be that of newspaper publishers

Performance of the business during the period and business KPI's

Against a backdrop of unfavourable economic conditions, the company has taken positive steps to ensure it remains the leading media business for local readers and advertisers across the West Midlands. It has launched new titles, invested in staff development and built upon its tradition of industry innovation by claiming a number of digital technology firsts. The advertising department has been reorganised to place the focus firmly on customer relationship management, while the editorial products have been modernised to further engage with readers. With the economic uncertainty expected to continue, the business will continue to evolve to shape a confident new future within the changing media landscape.

The challenging economic climate resulted in another difficult trading year. A decline in advertising spend and the continued fall of evening title sales, issues faced by all regional newspaper groups, meant the company remained under pressure throughout 2012 resulting in the focus on cost control by management continuing to be of the up most importance.

Key performance indicators include revenue, gross margins, operating profits and capital expenditure

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Revenue	26,026,266	28,213,498
Operating loss	(5,001,876)	(8,333,457)
Capital expenditure	257,164	267,973

Nature, objectives and strategies

The company's business is the publication of a daily paid for evening newspaper, together with the distribution of weekly free newspapers serving much of the West Midlands.

The company's objective is to be the leading provider of media services in the areas which it serves.

Margins

Gross margins excluding the exceptional item decreased in the period due to the decline in revenue. The gross margin percentage improved despite the increase in our key consumable newsprint, due to costs saving measures implemented in the printing process.

Express & Star Limited

Report of the directors for the period ended 29 December 2012 (continued)

Operating Expenses

Operating expenses decreased in the year by £5,519,000 as the company reduced costs to reflect the lower revenues. Operating expenses included exceptional items of £1,270,000.

Balance Sheet

The control of capital expenditure has resulted in the net book value of tangible fixed assets declining by £1,087,000.

The movement in current debtors and creditors, a decrease of £1,951,640, is affected by group accounts, as excluding group accounts net current assets decreased by £1,709,579.

Relationships

The major external relationships of the business are the key advertising agencies and multiple retailers, as well as suppliers. All advertising agencies and multiple retailers are visited on a regular basis by senior management.

Principal risks and uncertainties

The Group manages competitive trading risk by providing an unrivalled service to its advertisers, however, the performance of the Group is dependant on the local economy. Circulation risk is managed by producing a quality product which is considered to be the primary source for news.

The Group is exposed to movement in the price of its key consumable, newsprint.

Financial Instruments

The company is financed by a combination of loans from its immediate parent and the group's bankers.

As highlighted in note 21 to the financial statements, the company is party to group banking facilities. These facilities are made available to the company to meet its day to day working capital requirements. The overdraft facility is due for renewal in July 2013 and the group are in advanced discussions to renew this facility and expect renewed facilities to be concluded during August 2013. The group also has a term loan facility until September 2017.

During the year the group completed a re-financing, splitting its facilities between operations located in the UK and those located in the Channel Islands under the Gorton Group. This resulted in a reduction in the company's exposure to the group's net debt as disclosed in note 21 to the accounts.

To manage interest risk, during the year, the group companies took out a fixed rate to floating rate LIBOR interest swap on £4m of the £8m fixed term loan taken out with Lloyds TSB in July 2012. The fair value of the interest rate swap at 29 December 2012 was £56k.

The current economic conditions create uncertainty particularly with regard to the level of demand for products and services and the cost of raw materials. However, the group's forecasts and projections, taking account of changes in trading performance, show that the group should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Express & Star Limited

Report of the directors for the period ended 29 December 2012 (*continued*)

Employee participation

The directors recognise the importance of good communications and relations with staff members. During the year a group wide intranet site was launched together with an annual staff survey. Annual performance reviews with all members of staff are undertaken. The group is proud of its employment policies and of the guidance it gives to those approaching retirement.

Environmental matters

The company takes its environmental responsibilities seriously and recognises that business activities inevitably have an impact on the natural environment. It is committed to minimising this impact and uses recycled newsprint, its largest consumable, wherever possible.

Outlook for current year

With many commentators predicting that consumer confidence may not be restored until the end of 2014, the economic uncertainty is expected to continue. But the company will continue to develop, adapting to meet the changing needs of advertisers and readers.

The launch of an improved Saturday newspaper, backed by a high impact promotional campaign, is expected to improve the company's cash flow.

Future developments

The company is investigating other revenue streams within the media landscape to achieve growth following the decline reported in recent years.

Employment of disabled people

The company supports the principle of employing disabled people wherever possible, through recruitment, by retention of those who become disabled during their employment and generally through training, career development and promotion.

Directors

The directors of the company during the period were

M G Douglas Graham (Chairman)
E Alan Graham
G W Evers
D J Hughes
A G Harris (Resigned 2nd January 2013)
A Faber (Resigned 2nd April 2013)
G P Clifford
A Couchman

Express & Star Limited

Report of the directors for the period ended 29 December 2012 (*continued*)

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 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.

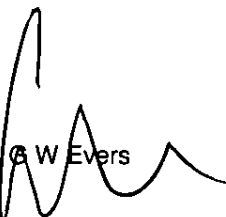
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



Director

24 July 2013

Express & Star Limited

Independent auditor's report

To the members of Express & Star Limited

We have audited the financial statements of Express & Star Limited for the 52 week period ended 29 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 29 December 2012 and of its loss for the period 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 the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Express & Star Limited

Independent auditor's report (*continued*)

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

BDO LLP

Mark Anslow (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

30 07 13

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Express & Star Limited

Profit and loss account for the period ended 29 December 2012

	Note	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Turnover	2	26,026,266	28,213,498
Net operating expenses - including exceptional costs of £1,270,492 (2011 - £1,397,273)		31,028,142	36,546,955
Gross loss		(5,001,876)	(8,333,457)
Other interest receivable and similar income	7	2,153,527	2,045,089
Interest payable and similar charges	8	(390,000)	-
Loss on ordinary activities before taxation		(3,238,349)	(6,288,368)
Taxation on loss on ordinary activities	9	(1,769,196)	(284,626)
Loss on ordinary activities after taxation		(5,007,545)	(6,572,994)

All amounts relate to continuing activities

All recognised gains and losses in the current and prior period are included in the profit and loss account

The notes on pages 9 to 22 form part of these financial statements

Express & Star Limited

Balance sheet at 29 December 2012

<i>Company number 18718</i>	<i>Note</i>	29 December 2012 £	29 December 2012 £	31 December 2011 £	31 December 2011 £
Fixed assets					
Intangible assets	11		5,949,055		7,932,055
Tangible assets	12		3,338,229		4,425,205
			<u>9,287,284</u>		<u>12,357,260</u>
Current assets					
Stocks	14	94,588		163,404	
Debtors - due within one year	15	20,308,675		21,432,366	
Debtors - due after more than one year	15	30,000,000		30,000,000	
Total debtors		<u>50,308,675</u>		<u>51,432,366</u>	
Cash at bank and in hand		318,787		7,910	
		<u>50,722,050</u>		<u>51,603,680</u>	
Creditors: amounts falling due within one year	16	<u>11,524,316</u>		<u>10,696,367</u>	
Net current assets			<u>39,197,734</u>		<u>40,907,313</u>
Total assets less current liabilities			<u>48,485,018</u>		<u>53,264,573</u>
Provisions for liabilities	17		337,990		110,000
			<u>48,147,028</u>		<u>53,154,573</u>
Capital and reserves					
Called up share capital	18		977,683		977,683
Other reserves	19		35,949,055		37,932,055
Profit and loss account	19		11,220,290		14,244,835
Shareholders' funds	20		<u>48,147,028</u>		<u>53,154,573</u>

The financial statements were approved by the board of directors and authorised for issue on 24 July 2013

G W Evers
Director

The notes on pages 9 to 22 form part of these financial statements

Express & Star Limited

Notes forming part of the financial statements for the period ended 29 December 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They incorporate the results for the 52 weeks ended 29 December 2012 (2011 - 52 weeks ended 31 December 2011).

The following principal accounting policies have been applied:

Fundamental accounting concept

The financial statements have been prepared on the going concern basis. As detailed in the Directors Report on page 1, the Directors have considered the principal risks and uncertainties that apply to the business and believe that it is appropriate to continue to prepare the accounts on this basis.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by The Midland News Association Limited and the company is included in consolidated financial statements.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Advertising revenue is recognised upon publication and circulation revenue is recognised upon delivery.

Intangible Assets - Licence Fees

Intangible assets, shown at cost of acquisition, are amortised on a straight line basis over their estimated useful life up to a maximum of 20 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks which are comprised principally of newsprint and consumable stores are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	- 2% per annum
Plant and machinery	- 5% - 20% per annum
Fixtures and fittings	- 7.5% - 33% per annum

Freehold land is not depreciated.

Assets in the course of construction are not depreciated until they are completed. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Express & Star Limited

Notes forming part of the financial statements for the period ended 29 December 2012 (*continued*)

1 Accounting policies (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Defined contribution pension scheme

Pension costs for the company's defined contribution pension schemes are recognised within operating loss at an amount equal to the contributions payable to the scheme for the period. Any prepaid or outstanding contributions at the balance sheet date are recognised respectively as assets or liabilities within prepayments or accruals.

Defined benefit pension schemes

The company participates in a group defined benefit pension scheme which is funded, with the assets of the scheme held separately from those of the company and group in separate trustee administered funds. The company's contributions are affected by the surplus/deficit in the scheme. However, it is not possible to identify the company's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

Therefore, in accordance with the FRS 17 multi-employer exemption, the scheme is accounted for as if it were a defined contribution scheme (see below).

The latest available information relating to the scheme and the implications for the company are detailed in Note 24 to the accounts.

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 *(continued)*

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

3 Operating loss

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
This is arrived at after charging/(crediting)		
Hire of plant and machinery - operating leases	33,435	50,543
Hire of other assets - operating leases	1,432,868	1,432,868
- fees payable to the company's auditor for the auditing of the company's annual accounts	16,830	16,830
- taxation services	4,300	4,300
- other services	-	83,528
Profit on disposal of fixed assets	(32,747)	(40,515)

4 Net operating expenses

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Raw materials and consumables	4,580,058	5,835,200
Staff costs (see note 6)	12,493,085	14,102,805
Depreciation of tangible fixed assets	1,343,313	1,384,725
Amortisation of intangible fixed assets	1,983,000	4,400,000
Other operating charges	9,678,039	9,830,104
Other operating income	(319,845)	(403,152)
Exceptional items	1,270,492	1,397,273
	31,028,142	36,546,955

Exceptional items relate to redundancy costs during the period and writing off of irrecoverable intercompany balances

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (continued)

5 Employees

Staff costs (including directors) consist of

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Wages and salaries	10,391,494	11,772,568
Social security costs	1,100,150	1,167,838
Other pension costs (Note 24)	1,001,441	1,162,399
	<u>12,493,085</u>	<u>14,102,805</u>

The average number of employees (including directors) during the period was as follows

	52 weeks ended 29 December 2012 Number	52 weeks ended 31 December 2011 Number
Sales and administration	299	288
Production and distribution	128	224
	<u>427</u>	<u>512</u>

6 Directors' remuneration

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Directors' emoluments	845,504	776,664
Company contributions to money purchase pension schemes	60,831	158,162

The total amount payable to the highest paid director in respect of emoluments was £191,833 (2011 - £205,392) Company pension contributions of £Nil (2011 - £Nil) were made to a money purchase scheme on their behalf

There are 3 (2011 - 3) Directors to whom retirement benefits are accruing under this scheme

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

7 Other interest receivable and similar income

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Bank deposits	7,145	-
Loans to group companies	2,146,382	2,045,089
	<u>2,153,527</u>	<u>2,045,089</u>

8 Interest payable and similar charges

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Other interest	390,000	-
	<u>390,000</u>	<u>-</u>

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

9 Taxation on loss on ordinary activities

Adjustments in respect of prior periods Prior year tax returns between 2005 and 2008 have been revised during the current year to reflect the company's current estimate of its corporation and deferred tax position

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
<i>UK Corporation tax - adjustments in respect of previous periods</i>		
Corporation tax and group relief	2,155,000	-
Deferred tax losses recognised	(270,000)	-
	<hr/>	<hr/>
Total current tax	1,885,000	-
	<hr/>	<hr/>
<i>Deferred tax - adjustments in respect of previous periods</i>		
Movement on capital allowances and depreciation	(373,121)	606,139
	<hr/>	<hr/>
<i>Deferred tax - adjustments in respect of current period</i>		
Movement on capital allowances and depreciation	343,839	(351,983)
Effect of changes in tax rate	(86,522)	30,470
	<hr/>	<hr/>
Movement in deferred tax provision	(115,804)	284,626
	<hr/>	<hr/>
Taxation on loss on ordinary activities	1,769,196	284,626
	<hr/>	<hr/>

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (continued)

9 Taxation on loss on ordinary activities (continued)

The tax assessed for the period is different to the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below.

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Loss on ordinary activities before tax	(3,238,349)	(6,288,368)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24% (2011 - 26%)	(777,204)	(1,634,976)
Effect of		
Expenses not deductible for tax purposes	645,039	1,190,421
Depreciation for period in excess of capital allowances	313,270	343,786
Utilisation of tax losses	(270,000)	-
Adjustment to tax charge in respect of previous periods	2,155,000	-
Short term timing differences	110,710	22,276
Transfer pricing adjustment	-	13,123
Group relief surrendered/(received) for nil payment	(291,815)	582,860
Loss carried forward	-	27,356
Worldwide debt cap exemption	-	(544,846)
Current tax charge for the period	1,885,000	-

10 Dividends

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Ordinary shares		
Interim paid of £nil (2011 - £1.02) per share	-	1,000,000

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

11 Intangible fixed assets

	Licence fees £
<i>Cost</i>	
At 1 January 2012 and 29 December 2012	44,000,000
<i>Amortisation</i>	
At 1 January 2012	36,067,945
Provided for the period	1,983,000
At 29 December 2012	38,050,945
<i>Net book value</i>	
At 29 December 2012	5,949,055
At 31 December 2011	7,932,055

Licence fees were previously being amortised over a 10 year licence period. However due to the current economic conditions the owner of the mastheads provided an extension to the current licence period and therefore the licence fees are now being amortised over a 12 year licence period.

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

12 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 January 2012	271,110	37,107,822	3,006,773	40,385,705
Additions	-	257,164	-	257,164
Disposals	-	(319,360)	-	(319,360)
At 29 December 2012	271,110	37,045,626	3,006,773	40,323,509
<i>Depreciation</i>				
At 1 January 2012	75,222	33,135,955	2,749,323	35,960,500
Provided for the period	5,422	1,284,789	53,102	1,343,313
Disposals	-	(318,533)	-	(318,533)
At 29 December 2012	80,644	34,102,211	2,802,425	36,985,280
<i>Net book value</i>				
At 29 December 2012	190,466	2,943,415	204,348	3,338,229
At 31 December 2011	195,888	3,971,867	257,450	4,425,205

The net book value of leasehold land and buildings may be further analysed as follows

	29 December 2012 £	31 December 2011 £
Freeholds	186,115	191,147
Long Leaseholds	4,351	4,741
	190,466	195,888

The aggregate amount of capital expenditure authorised and contracted for by the Directors at 29 December 2012 was £2,000 (2011 - £Nil)

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

13 Fixed asset investments

The Company owns 60,000 unlisted Ordinary shares of £1 each in The Press Association Limited which are included in the balance sheet at £Nil cost

14 Stocks

	29 December 2012 £	31 December 2011 £
Raw materials	42,767	83,000
Consumable stocks	51,821	80,404
	<u>94,588</u>	<u>163,404</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

15 Debtors

	29 December 2012 £	31 December 2011 £
Amounts receivable within one year		
Trade debtors	829,986	747,061
Amounts owed by group undertakings	17,857,322	19,127,323
Other debtors	2,380	1,300
Prepayments and accrued income	770,330	822,968
Loans for employees' share purchase	-	863
Deferred taxation	848,657	732,851
	<u>20,308,675</u>	<u>21,432,366</u>
Amounts receivable after more than one year		
Amounts owed by group undertakings - interest bearing	30,000,000	30,000,000
	<u>50,308,675</u>	<u>51,432,366</u>
Total debtors		

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

15 Debtors (*continued*)

The interest bearing loan is unsecured and interest is charged at 4.85% for the first 10 years and thereafter 0.5% above the yield on 10 year treasury gilts available at that time. The loan is repayable on 21 October 2023.

	Deferred taxation £
At 1 January 2012	732,851
Credited to profit and loss account	115,806
	<hr/>
At 29 December 2012	848,657
	<hr/>

Deferred taxation

	29 December 2012 £	31 December 2011 £
The amount of deferred tax provided for is as follows		
Accelerated depreciation	674,642	659,030
Sundry timing differences	174,015	73,821
	<hr/>	<hr/>
	848,657	732,851
	<hr/>	<hr/>

As at 29 December 2012, the company had unrecognised cumulative corporation tax losses of £1,008,685 (2011 - £1,008,685) to relieve against future trading profits.

16 Creditors amounts falling due within one year

	29 December 2012 £	31 December 2011 £
Bank loans and overdrafts (secured)	-	1,378,046
Trade creditors	1,453,286	1,392,839
Amounts owed to group undertakings	6,303,116	6,958,864
Corporation tax	1,110,000	-
Other taxation and social security	458,176	480,540
Group relief payable	775,000	-
Accruals and deferred income	1,424,738	486,078
	<hr/>	<hr/>
	11,524,316	10,696,367
	<hr/>	<hr/>

The overdraft is secured by a fixed and floating charge over the assets of the group (see Note 20).

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

17 Provisions for liabilities

	Dilapidations Provision £
At 1 January 2012	110,000
Charged to profit and loss account	227,990
	<hr/>
At 29 December 2012	337,990
	<hr/>

18 Share capital

	29 December 2012 £	31 December 2011 £
<i>Allotted, called up and fully paid</i>		
977,683 Ordinary shares of £1 each	977,683	977,683
	<hr/>	<hr/>

19 Reserves

	Other reserves £	Profit and loss account £
At 1 January 2012	37,932,055	14,244,835
Loss for the period	-	(5,007,545)
Transfers	(1,983,000)	1,983,000
	<hr/>	<hr/>
At 29 December 2012	35,949,055	11,220,290
	<hr/>	<hr/>

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (continued)

20 Reconciliation of movements in shareholders' funds

	29 December 2012 £	31 December 2011 £
Loss for the period	(5,007,545)	(6,572,994)
Dividends	-	(1,000,000)
Net deductions from shareholders' funds	(5,007,545)	(7,572,994)
Opening shareholders' funds	53,154,573	60,727,567
Closing shareholders' funds	48,147,028	53,154,573

21 Contingent liabilities

During the year the company was party to cross guarantees in respect of group banking facilities. These facilities were made available to the company to meet its day to day working capital requirements. The facilities are secured by a fixed and floating charge over the assets of the group.

As at 29th December 2012, the group's net debt under the above facilities totalled £6.4m (2011 – £16.4m).

22 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 29 December 2012 £	Other 29 December 2012 £	Land and buildings 31 December 2011 £	Other 31 December 2011 £
Operating leases which expire				
Within one year	-	-	23,273	79,018
In two to five years	14,000	364,988	16,500	241,867
After five years	1,495,123	-	1,485,123	-
	1,509,123	364,988	1,524,896	320,885

23 Related party disclosures

The company has taken advantage of the exemption in FRS8 as a wholly owned subsidiary not to disclose details of related party transactions as required by the standard.

Express & Star Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

24 Ultimate parent company and parent undertaking of larger group

The largest group in which the results of the company are consolidated is that headed by Claverley Holdings Limited, incorporated in England and Wales. The smallest group in which they are consolidated is that headed by The Midland News Association, incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from the registered office.

The ultimate parent undertaking is Claverley Holdings Limited, registered in England and Wales.

25 Pension arrangements

The company participated in two group defined benefit schemes and a defined contribution scheme up until the 1st April 2008. On that date the assets and liabilities of the defined benefit schemes were consolidated into one scheme. The defined benefit scheme is closed to new members and future accrual. It is not possible to identify the company's share of assets and liabilities in the defined benefit scheme on a consistent and reasonable basis. Therefore, in accordance with FRS17 paragraph 9 (b) (multi-employer exemption), the scheme is accounted for as if it was a defined contribution scheme.

The total pension charge and contributions payable to the defined contribution scheme for the year amounted to £1,001,441 (2011- £1,162,399).

The most recent formal valuation of the scheme was carried out as at 5th April 2011 using the projected unit method.

In order to provide information about the funding position of the scheme, a separate valuation at 29 December 2012, using the projected unit method, as required by FRS17 has been obtained and is disclosed in the accounts of the Claverley Group Limited.

The valuation of the two schemes at 29 December 2012, calculated by the actuary on an FRS17 basis, shows a deficit on the schemes of £25,050,000 (2011 - £13,460,000).

For the purpose of these accounts, these figures are illustrative only and do not impact on the result or the balance sheet of the company. It should also be noted that these figures include a proportion of pension assets and liabilities relating to other group companies which also participate in the scheme. It has not been possible to identify the share of the deficits which relates solely to Express & Star Limited. Full details of the pension schemes are given in the accounts of the ultimate parent company.

The measurement bases required by FRS17 are likely to give rise to significant fluctuations in the reported annual amounts of the defined benefit scheme's assets and liabilities from year to year and do not necessarily give rise to a change in the contributions payable into the scheme, which are recommended by the independent actuaries using long term assumptions.