

COMPANIES HOUSE COPY

Express & Star Limited

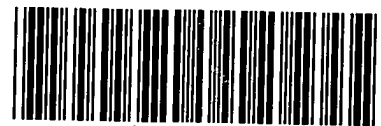
Report and Financial Statements

Period Ended

27 December 2014

Company Number 18718

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COMPANIES HOUSE

Express & Star Limited

Report and financial statements for the period ended 27 December 2014

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Directors

E Alan Graham
G W Evers
D J Hughes
P A Inman
G P Clifford

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

Strategic report for the period ended 27 December 2014

The directors present their strategic report together with the audited financial statements for the period ended 27 December 2014.

Principal activities

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

Business review

The company has continued to develop its print and digital portfolio to remain the leading local media business for readers and advertisers across the West Midlands.

It has launched new print products, unveiled fresh digital platforms and invested in developing its staff, to adapt to the changes in media consumption. With signs of improvement in the economy, the business will continue to meet the needs of its market and benefit from any further economic uplift.

A better performance than forecast resulted in an improved trading performance in comparison to the prior year. A decline in advertising spend and the combined fall of the evening title sales, issues faced by all regional newspapers, put the company under pressure in 2014. The focus on cost control by management continued to be of the utmost importance to offset the decline in revenues.

Principal risks and uncertainties

The company manages competitive trading risk by providing an unrivalled service to its customers; however the performance of the company is dependent on the local economy. Circulation risk is managed by providing a quality product which is considered to be one of the primary sources of news in the region.

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

Key performance indicators

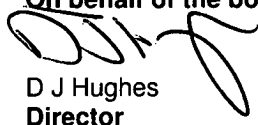
Key performance indicators include revenue, operating profits and capital expenditure.

	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
Revenue	23,861,692	25,225,148
Operating loss	3,391,173	3,854,622
Capital expenditure	469,632	276,602

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.

On behalf of the board


D J Hughes
Director

22 April 2015

Express & Star Limited

Report of the directors for the period ended 27 December 2014

The directors present their report together with the audited financial statements for the period ended 27 December 2014.

Strategic Report

The review of the business, key performance indicators, future developments and the principal risks and uncertainties are not shown in the directors report as they are shown in the strategic report in accordance with S414C(11) of the Companies Act 2006.

Results and dividends

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

The Directors do not propose the payment of a final dividend (2013 - £Nil).

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 2015. The group also has a term loan facility until September 2017.

The group also has a 2 year plant & machinery term loan agreement which will be fully repaid by June 2015 and a receivables finance agreement with Lloyds Bank Commercial Finance to provide additional working capital facilities of up to £6m, which is due for renewal in July 2015.

To manage interest risk, the group has 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 27 December 2014 was £19k (2013 £nil).

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.

Employee participation

The directors recognise the importance of good communications and relations with staff members. The company wide intranet site is used to regularly update staff on the progress of the company and other general information and an annual staff survey was undertaken during the period. The company is proud of its employment policies and of the guidance it gives to those approaching retirement.

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.

Express & Star Limited

Report of the directors for the period ended 27 December 2014 (*continued*)

Directors

The directors of the company during the period were:

M G Douglas Graham (Deceased 21 March 2015)
E Alan Graham
G W Evers (Chairman)
D J Hughes
P A Inman (Appointed 24 March 2015)
G P Clifford

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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.

Express & Star Limited

Report of the directors for the period ended 27 December 2014 (*continued*)

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



D.J. Hughes
Director

22 April 2015

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 27 December 2014 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 Financial Reporting Council's (FRC'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/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 27 December 2014 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and 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

*Stephen Hale (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom*

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

5 May 2015

Express & Star Limited

Profit and loss account for the period ended 27 December 2014

	Note	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
Turnover	2	23,861,692	25,225,148
Net operating expenses - including exceptional costs of £1,532,767 (2013 - £977,585)	3	27,704,845	29,160,750
Operating loss before income from fixed asset investments		(3,843,153)	(3,935,602)
Income from fixed asset investments		451,980	80,980
Operating loss	4	(3,391,173)	(3,854,622)
Other interest receivable and similar income	7	2,345,622	2,240,677
Interest payable and similar charges	8	(19,000)	(29,000)
Loss on ordinary activities before taxation		(1,064,551)	(1,642,945)
Taxation on loss on ordinary activities	9	85,426	47,479
Loss on ordinary activities after taxation		(979,125)	(1,595,466)

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 10 to 23 form part of these financial statements.

Express & Star Limited

Balance sheet at 27 December 2014

<i>Company number 18718</i>	Note	27 December 2014 £	27 December 2014 £	28 December 2013 £	28 December 2013 £
Fixed assets					
Intangible assets	10		1,983,055		3,966,055
Tangible assets	11		1,903,840		2,398,405
			<u>3,886,895</u>		<u>6,364,460</u>
Current assets					
Stocks	13	65,365		85,884	
Debtors - due within one year	14	25,937,573		24,224,707	
Debtors - due after more than one year	14	30,384,618		30,311,221	
Total debtors		<u>56,322,191</u>		<u>54,535,928</u>	
Cash at bank and in hand		<u>665,665</u>		<u>1,872,157</u>	
		57,053,221		56,493,969	
Creditors: amounts falling due within one year	15	<u>7,492,422</u>		<u>9,835,378</u>	
Net current assets			<u>49,560,799</u>		<u>46,658,591</u>
Total assets less current liabilities			<u>53,447,694</u>		<u>53,023,051</u>
Creditors: amounts falling due after more than one year	16	7,537,267		6,133,499	
Provisions for liabilities	17	<u>337,990</u>		<u>337,990</u>	
			<u>7,875,257</u>		<u>6,471,489</u>
			<u>45,572,437</u>		<u>46,551,562</u>

The notes on pages 10 to 23 form part of these financial statements.

Express & Star Limited

Balance sheet at 27 December 2014 (*continued*)

	Note	27 December 2014 £	27 December 2014 £	28 December 2013 £	28 December 2013 £
Capital and reserves					
Called up share capital	18		977,683		977,683
Other reserves	19		31,983,055		33,966,055
Profit and loss account	19		12,611,699		11,607,824
			<hr/>		<hr/>
Shareholders' funds	20		45,572,437		46,551,562
			<hr/>		<hr/>

The financial statements were approved by the board of directors and authorised for issue on 22 April 2015

G W Evers
Director

The notes on pages 10 to 23 form part of these financial statements.

Express & Star Limited

Notes forming part of the financial statements for the period ended 27 December 2014

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 27 December 2014 (2013 - 52 weeks ended 28 December 2013).

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 Strategic 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 Claverley Holdings 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.

Interest receivable

Group interest is recorded as interest accrues using the effective interest method.

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.

Express & Star Limited

Notes forming part of the financial statements for the period ended 27 December 2014 (*continued*)

1 Accounting policies (*continued*)

Depreciation

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

Freehold property	- 2% per annum
Plant and machinery	- 5% - 25% per annum
Fixtures and fittings	- 7.5% - 33% per annum

Freehold land is not depreciated.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Leased assets

Operating lease 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 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 23 to the accounts.

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.

Express & Star Limited

Notes forming part of the financial statements
for the period ended 27 December 2014 (*continued*)

2 Turnover

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

3 Net operating expenses

	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
Raw materials and consumables	3,866,542	4,161,408
Staff costs (see note 5)	12,033,736	12,405,526
Depreciation of tangible fixed assets	958,820	1,215,023
Amortisation of intangible fixed assets	1,983,000	1,983,000
Other operating charges	7,949,463	8,809,672
Other operating income	(619,483)	(391,464)
Exceptional items	1,532,767	977,585
	<u>27,704,845</u>	<u>29,160,750</u>

Exceptional items in the current period relate to redundancy costs and other compensation payments of £676,767 (2013 - £408,585) and past service pension costs of £856,000 (2013 - £569,000).

4 Operating loss

	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
This is arrived at after charging/(crediting):		
Hire of plant and machinery - operating leases	-	6,502
Hire of other assets - operating leases	1,405,376	1,414,369
Auditors' remuneration		
- fees payable to the company's auditor for the auditing of the company's annual accounts	18,300	17,853
- taxation services	5,895	5,751
Profit on disposal of fixed assets	(173,174)	(14,363)
	<u></u>	<u></u>

Express & Star Limited

Notes forming part of the financial statements
for the period ended 27 December 2014 (*continued*)

5 Employees

Staff costs (including directors) consist of:

	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
Wages and salaries	10,194,969	10,409,666
Social security costs	997,245	1,072,463
Other pension costs	841,522	923,397
	<u>12,033,736</u>	<u>12,405,526</u>

The average number of full time equivalent employees (including directors) during the period was as follows:

	52 weeks ended 27 December 2014 Number	52 weeks ended 28 December 2013 Number
Sales and administration	282	299
Production and distribution	80	89
	<u>362</u>	<u>388</u>

As detailed in note 3 exceptional staff related costs of £1,532,767 (2013 - £977,585) have also been incurred

6 Directors' remuneration

	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
Directors' emoluments	267,871	586,861
Company contributions to money purchase pension schemes	33,135	88,228
Compensation for loss of office	-	140,800
	<u></u>	<u></u>

The total amount payable to the highest paid director in respect of emoluments was £136,121 (2013 - £227,748). Company pension contributions of £16,035 (2013 - £21,650) were made to a money purchase scheme on their behalf. They are also a member of a defined benefit scheme, under which their accrued pension liability within the scheme totalled £37,907 (2013 - £39,907) per annum at the year end.

Express & Star Limited

Notes forming part of the financial statements for the period ended 27 December 2014 (*continued*)

6 Directors' remuneration (*continued*)

There are 2 (2013 - 4) Directors to whom retirement benefits are accruing under a defined contribution pension scheme.

There are 2 (2013 - 4) Directors to whom retirement benefits are accruing under a defined benefit pension scheme of which the highest paid director is a member.

The remuneration and pension contributions of certain directors were borne by other group companies. These are not disclosed here as it is not possible to apportion the share of their remunerations and pension costs attributable to this company.

7 Other interest receivable and similar income

	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
Loans to group companies	2,345,622	2,240,677

8 Interest payable and similar charges

	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
Other interest	19,000	29,000

Express & Star Limited

Notes forming part of the financial statements
for the period ended 27 December 2014 (*continued*)

9 Taxation on loss on ordinary activities

	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
<i>Deferred tax - adjustments in respect of previous periods</i>		
<i>Deferred tax - adjustments in respect of current period</i>		
Origination and reversal of timing differences	(85,426)	(161,772)
Effect of changes in tax rate	-	114,293
	<hr/>	<hr/>
Movement in deferred tax provision	(85,426)	(47,479)
	<hr/>	<hr/>

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

	52 weeks ended 27 December 2014 £	52 weeks ended 28 December 2013 £
Loss on ordinary activities before tax	(1,064,551)	(1,642,945)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21% (2013 - 23%)	(223,556)	(377,877)
Effect of:		
Expenses not deductible for tax purposes	414,031	465,657
Depreciation for period in excess of capital allowances	47,943	222,151
Utilisation of brought forward losses	(19,650)	-
Short term timing differences	41,148	(67,841)
Group relief surrendered/(received) for nil payment	327,581	280,986
Worldwide debt cap exemption	(492,581)	(504,451)
Income not taxable	(94,916)	(18,625)
	<hr/>	<hr/>
Current tax charge for the period	-	-
	<hr/>	<hr/>

Factors that may affect future tax charges

The Finance Act 2013 reduced the corporation tax rate to 20% to apply from 1 April 2015.

This announcement reduces the company's future current tax charge accordingly.

Express & Star Limited

Notes forming part of the financial statements
for the period ended 27 December 2014 (*continued*)

10 Intangible fixed assets

	Licence fees £
<i>Cost</i>	
At 29 December 2013 and 27 December 2014	44,000,000
	<hr/>
<i>Amortisation</i>	
At 29 December 2013	40,033,945
Provided for the period	1,983,000
	<hr/>
At 27 December 2014	42,016,945
	<hr/>
<i>Net book value</i>	
At 27 December 2014	1,983,055
	<hr/> <hr/>
At 28 December 2013	3,966,055
	<hr/> <hr/>

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 from 2012 onwards 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 27 December 2014 (*continued*)

11 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 29 December 2013	271,110	22,333,088	1,949,877	24,554,075
Additions	-	344,912	124,720	469,632
Disposals	(14,915)	(87,628)	-	(102,543)
	<u>256,195</u>	<u>22,590,372</u>	<u>2,074,597</u>	<u>24,921,164</u>
<i>Depreciation</i>				
At 29 December 2013	86,066	20,369,513	1,700,091	22,155,670
Provided for the period	5,124	894,666	59,030	958,820
Disposals	(11,330)	(85,836)	-	(97,166)
	<u>79,860</u>	<u>21,178,343</u>	<u>1,759,121</u>	<u>23,017,324</u>
<i>Net book value</i>				
At 27 December 2014	<u>176,335</u>	<u>1,412,029</u>	<u>315,476</u>	<u>1,903,840</u>
At 28 December 2013	<u>185,044</u>	<u>1,963,575</u>	<u>249,786</u>	<u>2,398,405</u>

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

	27 December 2014 £	28 December 2013 £
Freeholds	176,030	180,817
Long Leaseholds	305	4,227
	<u>176,335</u>	<u>185,044</u>

The aggregate amount of capital expenditure authorised and contracted for by the Directors at 27 December 2014 was £50,500 (2013 - £161,000).

Express & Star Limited

Notes forming part of the financial statements
for the period ended 27 December 2014 (*continued*)

12 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.

13 Stocks

	27 December 2014 £	28 December 2013 £
Raw materials	23,041	35,096
Consumable stocks	42,324	50,788
	<u>65,365</u>	<u>85,884</u>

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

14 Debtors

	27 December 2014 £	28 December 2013 £
Amounts receivable within one year		
Trade debtors	986,926	698,843
Amounts owed by group undertakings	23,179,886	21,882,374
Other debtors	1,407	1,407
Prepayments and accrued income	787,792	745,947
Deferred taxation	981,562	896,136
	<u>25,937,573</u>	<u>24,224,707</u>
Amounts receivable after more than one year		
Amounts owed by group undertakings - interest bearing	30,000,000	30,000,000
Amounts owed by group undertakings	384,618	311,221
	<u>30,384,618</u>	<u>30,311,221</u>
Total debtors	<u>56,322,191</u>	<u>54,535,928</u>

Express & Star Limited

Notes forming part of the financial statements for the period ended 27 December 2014 (*continued*)

14 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 29 December 2013	896,136
Effect of change in tax rate	578
Adjustments in respect of prior years	84,848
	<hr/>
At 27 December 2014	981,562
	<hr/>

Deferred taxation

	27 December 2014 £	28 December 2013 £
The amount of deferred tax provided for is as follows:		
Accelerated depreciation	826,192	779,955
Sundry timing differences	155,370	116,181
	<hr/>	<hr/>
	981,562	896,136
	<hr/>	<hr/>

As at 27 December 2014, the company had an unrecognised deferred tax asset of £201,737 (2013 - 201,737) in relation to cumulative corporation tax losses.

15 Creditors: amounts falling due within one year

	27 December 2014 £	28 December 2013 £
Trade creditors	765,336	824,719
Amounts owed to group undertakings	2,667,852	5,131,866
Corporation tax	1,110,000	1,110,000
Other taxation and social security	398,578	457,998
Accruals and deferred income	2,550,656	2,310,795
	<hr/>	<hr/>
	7,492,422	9,835,378
	<hr/>	<hr/>

Express & Star Limited

Notes forming part of the financial statements
for the period ended 27 December 2014 (*continued*)

16 Creditors: amounts falling due after more than one year

	27 December 2014 £	28 December 2013 £
Amounts owed to group undertakings	<u>7,537,267</u>	<u>6,133,499</u>

17 Provisions for liabilities

	Dilapidations Provision £
At 29 December 2013 and 27 December 2014	<u>337,990</u>

The dilapidations provision is expected to be utilised in 2-5 years, but this may vary dependent on lease renewals.

18 Share capital

	27 December 2014 £	28 December 2013 £
<i>Allotted, called up and fully paid</i>		
977,683 Ordinary shares of £1 each	<u>977,683</u>	<u>977,683</u>

19 Reserves

	Other reserves £	Profit and loss account £
At 29 December 2013	33,966,055	11,607,824
Loss for the period	-	(979,125)
Transfers	(1,983,000)	1,983,000
	<u>31,983,055</u>	<u>12,611,699</u>
At 27 December 2014	<u>31,983,055</u>	<u>12,611,699</u>

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Notes forming part of the financial statements for the period ended 27 December 2014 (continued)

20 Reconciliation of movements in shareholders' funds

	27 December 2014 £	28 December 2013 £
Loss for the period	(979,125)	(1,595,466)
Opening shareholders' funds	46,551,562	48,147,028
Closing shareholders' funds	45,572,437	46,551,562

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 27 December 2014, the group's net debt under the above facilities totalled £5.4m (2013 – £6.5m).

The company is party to an HMRC enquiry into the tax implications of transactions that were entered into in prior years. Similar transactions are the subject of litigation for another tax payer and the group is a follower of that case. That other case was lost at the Upper Tribunal in April 2014 with the prospect of an additional taxation liability which is regarded as double taxation for the relevant tax payer. Such double taxation would be unusual. An appeal to the Court of Appeal by the lead tax payer has been scheduled for 23 June 2015. The company has previously fully provided for tax and interest in connection with the transactions although this liability is contested and the basis for this is also part of the proposed appeal. As a consequence of the decision The Midland News Association group has decided to make a further central provision of £2.5m in the prior period for the additional contingent double taxation liability pending the determination of any appeal. A provision for interest in the current and prior period is also included. As it is not possible at this point to allocate amounts to individual subsidiaries this creates a contingent liability in this company should it be required to make a specific contribution to this liability in the future. Full consideration has also been given to the group's overall ability to settle such an amount should it fall due.

22 Commitments under operating leases

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

	Land and buildings 27 December 2014 £	Other 27 December 2014 £	Land and buildings 28 December 2013 £	Other 28 December 2013 £
Operating leases which expire:				
Within one year	-	169,013	-	-
In two to five years	54,000	137,230	14,000	318,320
After five years	1,495,123	-	1,495,123	-
	1,549,123	306,243	1,509,123	318,320

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Notes forming part of the financial statements for the period ended 27 December 2014 (*continued*)

23 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 £841,522 (2013- £923,397)

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 27 December 2014, 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 27 December 2014, calculated by the actuary on an FRS17 basis, shows a deficit on the schemes of £26,500,000 (2013 - £31,200,000).

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.

24 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Report Standard 8 "Related party disclosure" not to disclose transactions with members of the group headed by "Claverley Holdings Limited" provided that any subsidiary undertaking which is party to the transaction is a wholly owned member of that group.

The Midland News Association Limited is 99.3% owned by the Claverley Group Limited. During the period, aggregate sales to Claverley Group Limited and its fellow companies; Nurton Holdings Limited, Precision Colour Printing Limited; Press Computer Systems Limited and Roughton Insurances Limited were £Nil (2013: £Nil) and purchases from those companies were £733,000 (2013: £954,000).

As at 27 December 2014, the company owed £16,000 (2013 - £392,000) to Claverley Group Limited. It was also owed £35,000 (2013 - £43,000) from Precision Colour Printing Limited and £349,000 (2013 - £311,000) from Press Computer Systems Limited.

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**Notes forming part of the financial statements
for the period ended 27 December 2014 (*continued*)**

25 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 Limited, 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.