

1983/14

THE SWANSEA PRESS LIMITED

ACCOUNTS
FOR THE YEAR ENDED
30 SEPTEMBER 1983

Coopers
& Lybrand



THE SWANSEA PRESS LIMITED

Report of the directors
for the year ended 30 September 1983

1 The directors present herewith the audited accounts for the year ended 30 September 1983.

Review of business development and activities

2 The principal activity of the company is the printing and publishing of newspapers and has remained unchanged since last year. Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividend and reserves

3 The directors recommend the payment of a dividend of £604,550, in respect of the year ended 30 September 1983.

Changes in fixed assets

4 The movements in fixed assets during the year are set out in note 7 to the accounts. Certain of the company's freehold and leasehold properties were revalued at 30 September 1979 and this valuation has been incorporated in the accounts.

Directors

5 The directors of the company at 30 September 1983 were:-

I G Park (Chairman)
A N Dyer
R J Harris
J Gibb
F A Kempton
I J Lewis
M D Greatbanks

The directors listed above have served throughout the year, with the exception of Mr M D Greatbanks who was appointed a director of the company on 29 November 1982. In accordance with the Articles of Association, Mr R J Harris and Mr A N Dyer retire by rotation and, being eligible, offer themselves for re-election.

Directors' interests in shares

6 Those directors at 30 September 1983, who were not also directors of a holding company, had no interests in shares or loan stock of this company or other group companies during the year to 30 September 1983 nor during the previous year to 30 September 1982.

THE SWANSEA PRESS LIMITED

Report of the directors
for the year ended 30 September 1983 (continued)

Disabled persons

7 It is the company's policy to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person.

Auditors

8 A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD


Secretary

20 JANUARY 1984

Report of the auditors to the members of
THE SWANSEA PRESS LIMITED

We have audited the accounts on pages 4 to 13 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 September 1983 and of the profit for the year then ended and comply with the Companies Acts 1948 to 1981.

The accounts do not specify the manner in which the operations of the company have been financed or in which its financial resources have been used during the year, as required by Statement of Standard Accounting Practice No 10.

Coopers & Lybrand

COOPERS & LYBRAND
Chartered Accountants

Swansea, 20 January 1984

THE SWANSEA PRESS LIMITEDProfit and loss account for
the year ended 30 September 1983

	<u>Notes</u>	<u>1983</u> £	<u>1982</u> £
Turnover	1(d)	5,203,054	4,783,842
Operating expenses	2	(4,087,631)	(3,892,347)
Operating profit		1,115,423	891,495
Income from shares in subsidiary companies		81,853	45,579
Profit on ordinary activities before taxation		1,197,276	937,074
Tax on profit on ordinary activities	5	(592,635)	(457,247)
Profit on ordinary activities after taxation		604,641	479,827
Dividends proposed	6	(604,550)	(479,800)
Profit for the financial year		91	27

STATEMENT OF RETAINED PROFITS

Retained profits at 1 October 1982	177,157	177,130
Profit for the financial year	91	27
Retained profits at 30 September 1983	177,248	177,157

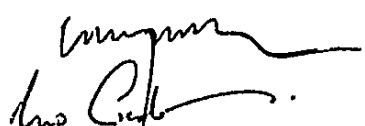
The notes on pages 6 to 13 form part of these accounts

Auditors' report page 3

THE SWANSEA PRESS LIMITED
Balance sheet - 30 September 1983

	Notes	1983		1982	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		956,811		965,722
Investments:					
Shares in subsidiary companies	8		260,619		260,621
			<u>1,217,430</u>		<u>1,226,343</u>
CURRENT ASSETS					
Stocks	9	180,450		183,668	
Debtors	10	1,544,985		1,155,372	
Cash at bank and in hand		54,096		106,379	
		<u>1,779,531</u>		<u>1,445,419</u>	
CREDITORS: amounts falling due within one year					
Other creditors	11	1,018,201		721,336	
Taxation		498,793		235,831	
		<u>1,516,994</u>		<u>957,167</u>	
NET CURRENT ASSETS			<u>262,537</u>		<u>488,252</u>
Total assets less current liabilities			1,479,967		1,714,595
CREDITORS: amounts falling due after more than one year					
Taxation		580,000		930,165	
Loans due to subsidiary companies		255,140		98,640	
		<u>835,140</u>		<u>1,028,805</u>	
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation provision	12(a)	198,540		247,304	
Other provisions	12(b)	78,303		70,593	
		<u>276,843</u>		<u>317,897</u>	
			<u>(1,111,983)</u>		<u>(1,346,702)</u>
			<u>367,984</u>		<u>367,893</u>
CAPITAL AND RESERVES					
Called up share capital	13		36,500		36,500
Share premium account			22,135		22,135
Revaluation reserve	14		132,101		132,101
Profit and loss account			177,248		177,157
			<u>367,984</u>		<u>367,893</u>

These accounts were approved by the board on 20 JANUARY 1984

)
) Directors
)

The notes on pages 6 to 13 form part of these accounts

Auditors' report page 3

Notes to the accounts - 30 September 1983Principal accounting policies

1 A summary of the more important accounting policies of the company, which have been applied consistently, is set out below. The accounts have been prepared in accordance with the historical cost convention, as modified by the revaluation of certain assets and in compliance with the format and disclosure requirements of the Companies Act 1981.

(a) Tangible fixed assets

Land and buildings are stated at valuation on the basis described in note 7. Other tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Provision for depreciation is made so as to write off the cost or valuation of tangible fixed assets on a straight line basis over the expected useful economic life of the assets concerned. The principal annual rates used for this purpose are:-

%

Plant, equipment and machinery	8 1/3% - 25% (12 1/2% average)
--------------------------------	--------------------------------

Leasehold land and buildings are amortized over 50 years or the period of the lease, whichever is the less. Freehold buildings are depreciated over their remaining economic useful lives. Freehold land is not depreciated.

(b) Stocks

Stocks are stated at the lower of cost and net realisable value. In general cost is determined on a first in, first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolete, slow moving and defective stocks.

(c) Deferred tax

Provision is made for deferred tax at the rate of corporation tax ruling at the year end (the liability method) except in respect of any timing differences which are unlikely to result in a tax liability in the foreseeable future.

THE SWANSEA PRESS LIMITEDNotes to the accounts - 30 September 1983 (continued)Principal accounting policies (continued)(d) Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied after deduction of trade discounts and commission.

(e) Regional development grants

Grants received on qualifying expenditure are applied in reduction of the cost of fixed assets to which the grants relate. As a result, grants are effectively credited to revenue over the expected useful lives of the related assets.

Operating expenses

2

	<u>1983</u>		<u>1982</u>	
	£	£	£	£
Raw materials and consumables		829,958		855,585
Other external charges		166,201		154,807
		<u>996,159</u>		<u>1,010,392</u>
Staff costs (including directors' emoluments - note 3):-				
Wages and salaries	1,887,995		1,748,255	
Social security costs	162,405		182,776	
Other pension contributions	144,983		124,405	
		<u>2,195,383</u>		<u>2,055,436</u>
Depreciation		134,931		146,363
Group charges		71,300		62,700
Auditors' remuneration		5,500		5,100
Other operating charges		684,358		612,356
		<u>4,087,631</u>		<u>3,892,347</u>

Directors' emoluments

3 (a)

	<u>1983</u>	<u>1982</u>
	£	£
Emoluments of directors for management services (including pension contributions)	<u>36,038</u>	<u>32,455</u>
Pensions paid to former directors	<u>352</u>	<u>333</u>

Notes to the accounts - 30 September 1983 (continued)Directors' emoluments (continued)

3 (b) Particulars of directors' emoluments (excluding pension contributions), disclosed in accordance with sections 6 and 7 of the Companies Act 1967, are as follows:-

	<u>1983</u>	<u>1982</u>
	£	£
Emoluments of the chairman	NIL	NIL
Emoluments of the highest paid director	17,269	15,805
Number of directors (including those above) whose emoluments were within the ranges:-		
Nil to £5,000	5	3
£5,001 to £10,000	-	1
£10,001 to £15,000	1	-
£15,001 to £20,000	1	1

Employee information

	<u>1983</u>	<u>1982</u>
4		
Average number of persons employed by the company (including executive directors)	285	283

Tax on profit on ordinary activities

5 The tax charge is based on the profit on ordinary activities for the year and comprises:-

	<u>1983</u>	<u>1982</u>
	£	£
On profits of the year:-		
United Kingdom corporation tax at 52% (1982 52%)	580,000	514,950
Transfer from deferred tax	(291)	(57,668)
	<u>579,709</u>	<u>457,282</u>
Prior years items:-		
United Kingdom corporation tax	61,399	(35)
Deferred tax	(48,473)	-
	<u>592,635</u>	<u>457,247</u>

Dividends

	<u>1983</u>	<u>1982</u>
	£	£
6		
Proposed dividend on ordinary shares	<u>604,550</u>	<u>479,800</u>

Notes to the accounts - 30 September 1983 (continued)Tangible fixed assets

7

	Freehold land and buildings	Leasehold land and buildings Long leases	Plant equipment and machinery	Total
	£	£	£	£
Cost or valuation (see below)				
At 1 October 1982	17,844	478,996	1,404,923	1,901,763
Expenditure	-	-	126,026	126,026
Group transfers	-	-	2,820	2,820
Disposals	-	-	(12,261)	(12,261)
At 30 September 1983	17,844	478,996	1,521,508	2,018,348
Depreciation				
At 1 October 1982	2,673	27,819	905,549	936,041
Charge for year	891	9,273	124,767	134,931
Group transfers	-	-	2,820	2,820
Disposals	-	-	(12,255)	(12,255)
At 30 September 1983	3,564	37,092	1,020,881	1,061,537
Net book value at 30 September 1983	14,280	441,904	500,627	956,811
Net book value at 30 September 1982	15,171	451,177	499,374	965,722

Certain land and buildings are included at a valuation. The historical cost and related depreciation of these properties are set out below:-

	Freehold land and buildings	Leasehold land and buildings Long leases
	£	£
Cost		
At 30 September 1983	7,819	356,920
Depreciation		
At 1 October 1982	1,143	22,122
Charge for year	381	7,374
At 30 September 1983	1,524	29,496
Net book value at 30 September 1983	6,295	327,424
Net book value at 30 September 1982	6,676	334,798

Notes to the accounts - 30 September 1983 (continued)Fixed asset investments

8

	<u>1983</u>	<u>1982</u>
	£	£
Shares in subsidiary companies	260,619	260,621
	<u>260,619</u>	<u>260,621</u>

Shares in subsidiary companies comprise the cost of investments in subsidiary companies. In the opinion of the directors there has been no permanent diminution in the value of the investments.

Details of the subsidiary companies are as follows:-

<u>Name</u>	<u>Description and amount of shares held</u>	<u>Proportion of nominal value of issued shares held</u>
The Journal Company Limited	13,790 ordinary shares of £1 each 2,700 Preference shares of £1 each	99.94
Llanelli Star Limited	2,000 ordinary shares of £1 each	100.00
Auto Garages (Northern) Limited	7,500 ordinary shares of £1 each	100.00

- (a) The principal activity of both The Journal Company Limited and Llanelli Star Limited is the printing and publishing of newspapers. The other company did not trade during the year.
- (b) Group accounts have not been prepared because the company is a wholly owned subsidiary of another company incorporated in Great Britain.

Stocks

9 Stocks comprise raw materials and consumables. In the opinion of the directors there is no significant difference between the replacement cost and the historical cost of stocks.

Notes to the accounts - 30 September 1983 (continued)Debtors

10	<u>1983</u>	<u>1982</u>
	£	£
Trade debtors	563,462	456,187
Amounts owed by group companies:		
Holding company and fellow subsidiary companies	787,967	535,707
Subsidiaries	81,853	45,579
Other debtors	90,565	82,158
Prepayments and accrued income	21,138	35,741
	<u>1,544,985</u>	<u>1,155,372</u>

All the above amounts are due within one year of the balance sheet date.

Creditors: amounts falling due within one year

11	<u>1983</u>	<u>1982</u>
	£	£
Trade creditors	232,421	50,514
Amounts owed to holding company and fellow subsidiary companies	46,739	85,673
Other creditors including social security	35,163	56,564
Proposed dividend	604,550	479,800
Accruals and deferred income	99,328	48,785
	<u>1,018,201</u>	<u>721,336</u>

Provisions for liabilities and charges12 (a) Deferred taxation

	<u>1983</u>		<u>1982</u>	
	Provision made	Full potential liability	Provision made	Full potential liability
	£	£	£	£
Accelerated capital allowances	262,617	262,617	297,758	297,758
Other timing differences	(64,077)	(64,077)	(50,454)	(50,454)
	<u>198,540</u>	<u>198,540</u>	<u>247,304</u>	<u>247,304</u>

The accounting policy for deferred taxation is set out on page 6. The directors do not consider that there is sufficient certainty that timing differences will continue without reversal. Accordingly provision has been made for the amount of the potential liability.

Notes to the accounts - 30 September 1983 (continued)

Provisions for liabilities and charges (continued)12 (a) Deferred taxation (continued)

Movements on the provision for deferred taxation are:-

	<u>1983</u>	<u>1982</u>
	£	£
At 1 October 1982	247,304	304,972
Transferred (to) profit and loss account	<u>(48,764)</u>	<u>(57,668)</u>
At 30 September 1983	<u>198,540</u>	<u>247,304</u>

No liability has been included in the accounts for the maximum potential corporation tax liability, of approximately £27,000, that would arise if the properties were to be sold at their revalued amounts. In the opinion of the directors all properties are expected to be subject to roll-over relief or to be disposed of at net book value to fellow group companies, consequently no liability to tax is expected to arise.

(b) Other provisions

	<u>Deferred repairs</u>	<u>Legal costs insurance and other</u>	<u>Total</u>
	£	£	£
At 1 October 1982	30,443	40,150	70,593
Charged against profits	<u>3,210</u>	<u>4,500</u>	<u>7,710</u>
At 30 September 1983	<u>33,653</u>	<u>44,650</u>	<u>78,303</u>

Called up share capital

	<u>1983</u>	<u>1982</u>
	£	£
13		
Authorised: 40,000 ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>
Issued and full paid: 36,500 ordinary shares of £1 each	<u>36,500</u>	<u>36,500</u>

Revaluation reserve

	<u>1983</u>	<u>1982</u>
	£	£
14		
Revaluation reserve	<u>132,101</u>	<u>132,101</u>

Of the total revaluation reserves, £122,465 (1982 £124,874) is considered not to be available for distribution.

THE SWANSEA PRESS LIMITEDNotes to the accounts - 30 September 1983 (continued)Commitments and contingent liabilities

15 <u>Capital expenditure</u>	<u>1983</u>	<u>1982</u>
	<u>£</u>	<u>£</u>
Expenditure contracted for	2,760	-
Expenditure authorised by directors but not yet contracted for	<u>316,300</u>	<u>250,200</u>
	<u>319,060</u>	<u>250,200</u>

Ultimate holding company

16 The Swansea Press Limited is a wholly owned subsidiary of Associated Newspapers Holdings plc which is incorporated in Great Britain.