Financial Statements
NWN Media Limited

For the year ended 31 March 2012

FRIDAY

A1KCQY2Q
A42 26/10/2012 #153
COMPANIES HOUSE

Registered number: 00167825

Company Information

Directors	R W G Whitehair - Chairman D Faulkner H R Jones N P Woodward A J Moss G Hughes R J R Whitehair (resigned 31 March 2012) B Jones
Company number	00167825
Registered office	Mold Business Park Wrexham Road Mold Flintshire CH7 1XY
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS
Solicitors	Walker Smith Way 26 Nicholas Street Chester CH1 2PQ DTM Legal Archway House Station Road Chester CH1 3DR

Contents

Directors' Report

For the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

Principal activities

The company's principal activity continues to be the printing and publishing of newspapers with developing interests in other media

Business review

The profit and loss account for the year is set out on page 7 Both the level of business and the year-end financial position were satisfactory

The directors expect that the present level of trading activity will be sustained for the foreseeable future

NWN Media has worked within its agreed bank covenants during the year The directors believe they have built into the company's future profit and cash flow plans the financial flexibility to meet the market conditions

The press continues to provide an increasing contribution to the company's reserves with the expansion and development of a full range of services within the Contract Print market

The market remains fragile, though revenues have grown by 8 7% in the year, a very creditable performance within the industry Focussed selling, continual cost reductions are paramount and continue to be the basis for company development NWN Media continue to review any potential acquisitions

NWN Media Limited's titles continue to perform in the top quartile of regional newspapers as measured by the Audit Bureau of Circulation

Results

The profit for the year, after taxation, amounted to £559,630 (2011 - £428,562)

Key performance indicators

Profitability ratios
Return on total assets 3 4 %
Pre-tax profit margin 3 7 %
Return on total capital and reserves 6 5 %

Liquidity ratios
Quick ratio 1 32
Current ratio 1 46

The value of these ratios indicate that the liquidity of the company is more than adequate to cover its short term loans

Gearing
Total debt/net worth 51 5%

Directors' Report
For the year ended 31 March 2012

Financial risk management objectives and policies

The company uses various financial instruments, these include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken The main risks arising from the company's financial instruments are interest rate risk and credit risk The directors review and agree policies for managing each of these risks and they are summarised below These policies have remained unchanged from previous years

Interest rate risk
The company finances its operations through a mixture of retained profits and bank borrowings The company exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities At the year-end £4,212,731 of the borrowings were at fixed rates The company's directors are responsible for implementing its treasury policy by ensuring the availability of funds to meet the on-going activities of the company and managing interest rate and liquidity risk In that regard the company has entered into an interest rate hedge in respect of part of the company's long term borrowings of £4,212,731

Credit risk
The company's principal financial assets are cash and trade debtors The principal credit risk arises therefore from its trade debtors In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references Credit limits are reviewed by the credit control manager and the operational accountant on a regular basis in conjunction with debt ageing and collection history The company's financial instruments comprise borrowings, cash and liquid resources which arise directly from operations The main purpose of these financial instruments is to finance the cost of the company's operations

Directors

The directors who served during the year and their interests in the company's issued share capital were

	Ordinary A shares of £1 each	
	31/3/12	1/4/11
R W G Whitehair - Chairman	-	-
D Faulkner	-	-
H R Jones	**1,623**	1,623
N P Woodward	**915**	915
A J Moss	**1,623**	1,623
G Hughes	-	-
R J R Whitehair (resigned 31 March 2012)	-	-
B Jones	-	-

Fixed assets

The movements in fixed assets during the year are set out in the notes to the financial statements In conjunction with a professional valuation, the directors value the company's freehold land and buildings at £2,055,000 A calculation of the corporation tax payable should the property be disposed of has not been performed as no disposal is contemplated

Directors' Report
For the year ended 31 March 2012

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 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 judgments and 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

Employee involvement

Within the limitations of commercial confidentiality and security, it is the policy of the company to take employees' views into account when making decisions

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company performance

Disabled employees

It is the policy of the company that, within the limitations of the trading activities, disabled persons are employed on equal terms When employees become disabled, every effort is made to continue employment with retraining for alternative work, if necessary Opportunities for career development are available for disabled persons

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Directors' Report
For the year ended 31 March 2012

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 17/10/12 and signed on its behalf

D Faulkner
Director

Grant Thornton

Independent Auditor's Report to the Members of NWN Media Limited

We have audited the financial statements of NWN Media Limited for the year ended 31 March 2012, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet, the Cash flow statement 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 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 Auditing Practices Board's website at 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 March 2012 and of its profit 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 the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Grant Thornton

Independent Auditor's Report to the Members of NWN Media Limited

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

Grant Thornton UK LLP

Carl Williams (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

Liverpool
Date 19/10/12

Profit and Loss Account

For the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover	2	**16,571,804**	15,247,430
Cost of sales		**(5,295,963)**	(4,507,831)
Gross profit		**11,275,841**	10,739,599
Administrative expenses		**(10,432,409)**	(10,120,152)
Other operating income	3	**53,622**	18,174
Operating profit	4	**897,054**	637,621
Amounts written off investments	7	**-**	(4)
Interest payable and similar charges	8	**(287,369)**	(297,763)
Profit on ordinary activities before taxation		**609,685**	339,854
Tax on profit on ordinary activities	9	**(50,055)**	88,708
Profit for the financial year	20	**559,630**	428,562

All amounts relate to continuing operations

The notes on pages 11 to 26 form part of these financial statements

Statement of Total Recognised Gains and Losses
For the year ended 31 March 2012

	Note	2012 £	2011 £
Profit for the financial year		**559,630**	428,562
Actuarial losses on pension scheme	20	**(49,316)**	-
Total recognised gains and losses relating to the year		**510,314**	428,562

The notes on pages 11 to 26 form part of these financial statements

Balance Sheet
As at 31 March 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	10		**1,188,820**		1,318,820
Tangible assets	11		**12,716,894**		13,781,884
Investments	12		**10,016**		10,016
			13,915,730		15,110,720
Current assets					
Stocks	13	**382,026**		288,586	
Debtors	14	**2,445,060**		2,081,871	
Cash at bank		**1,162,118**		816,525	
		3,989,204		3,186,982	
Creditors amounts falling due within one year	15	**(2,736,688)**		(2,411,932)	
Net current assets			**1,252,516**		775,050
Total assets less current liabilities			**15,168,246**		15,885,770
Creditors amounts falling due after more than one year	16		**(4,489,114)**		(5,446,392)
Provisions for liabilities					
Deferred tax	18		**(1,340,972)**		(1,518,068)
Net assets			**9,338,160**		8,921,310
Capital and reserves					
Called up share capital	19		**37,541**		37,541
Share premium account			**6,264**		6,264
Other reserves	20		**108,591**		108,591
Profit and loss account	20		**9,185,764**		8,768,914
Shareholders' funds	22		**9,338,160**		8,921,310

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/10/12

D Faulkner
Director

Cash Flow Statement

For the year ended 31 March 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	24	**1,821,482**	990,126
Returns on investments and servicing of finance	25	**(287,369)**	(297,763)
Taxation		**13,530**	(2,864)
Capital expenditure and financial investment	25	**(181,111)**	(1,522,462)
Equity dividends paid		**(93,464)**	(147,182)
Cash inflow/(outflow) before financing		1,273,068	(980,145)
Financing	25	**(927,475)**	9,711
Increase/(decrease) in cash in the year		345,593	(970,434)

Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 March 2012

	2012 £	2011 £
Increase/(decrease) in cash in the year	**345,593**	(970,434)
Cash outflow from decrease in debt and lease financing	**927,475**	(44,711)
Movement in net debt in the year	**1,273,068**	(1,015,145)
Net debt at 1 April 2011	**(4,919,434)**	(3,904,289)
Net debt at 31 March 2012	(3,646,366)	(4,919,434)

The notes on pages 11 to 26 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2012

1. Accounting Policies

1 1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

1 2 Turnover

Turnover represents the invoiced value for sale of advertising space, newspapers, contract printing and promotional activities provided during the year exclusive of Value Added Taxes, less retail, wholesale and direct debit discounts Turnover is recognised on product or service delivery

1 3 Research and development

Research and development expenditure is written off in the year in which it is incurred

1 4 Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities It is amortised to the Profit and loss account over its estimated economic life

1 5 Amortisation

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

Goodwill	-	10% per annum

1 6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2 5% - 25%
Plant and machinery	-	5% - 50%

1 7 Stocks

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

1 8 Spares

Spares for the printing press are valued at the lower of cost and net realisable value

Notes to the Financial Statements

For the year ended 31 March 2012

1. Accounting Policies (continued)

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

1.10 Pension costs

The company operates a New Generation Group Pension Plan with both the company and the employee contributing into a personal fund for each individual employee Contributions paid in the year are charged to the profit and loss account

The company also had a final salary scheme, the North Wales Newspapers Limited Pension and Life Assurance Scheme All contributions have ceased and benefits were frozen when the money purchase plan was established The fund available, to provide a minimum defined level of pension to certain current and former employees, is valued on a regular basis by a professionally qualified independent actuary The directors consider the need for any additional accruals to be made to cover deficits identified within this fund, on the basis of these actuarial valuations

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.12 Derivative instruments

The company uses derivative financial instruments, primarily to manage exposures to fluctuations in interest rates Gains and losses arising on interest rate hedges in respect of borrowings are disclosed in the notes to the financial statements

Notes to the Financial Statements
For the year ended 31 March 2012

1. Accounting Policies (continued)

1.13 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities Shares containing such obligations are classified as financial liabilities

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities Dividends and distributions relating to equity instruments are debited directly to reserves

1.14 Consolidation

The directors consider that the subsidiary undertakings of the company taken together are not material and therefore consolidated financial statements are not required These financial statements present information about the company as an individual undertaking and not about its group

1.15 Capitalisation of finance costs and interest

Finance costs, including interest, incurred in relation to the acquisition of tangible fixed assets are capitalised and depreciated over the useful economic life of the asset in question Such costs are only capitalised when they specifically relate to the purchase of an asset, and cease to be capitalised when the asset has been made available for use The capitalised rate used to determine the amount of finance costs and interest capitalised is based on the funding mechanism used to purchase the asset

1.16 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.17 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned Other grants are credited to the Profit and loss account as the related expenditure is incurred

2. Turnover

The whole of the turnover is attributable to the principal activity of the company

All turnover arose within the United Kingdom

Notes to the Financial Statements
For the year ended 31 March 2012

3. Other operating income

	2012	2011
	£	£
Other operating income	53,622	18,174

4 Operating profit

The operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Amortisation - intangible fixed assets	130,000	15,000
Depreciation of tangible fixed assets		
- owned by the company	1,260,622	1,290,407
Auditors' remuneration	20,200	20,000
Auditors' remuneration - non-audit	11,071	25,709
Operating lease rentals		
- plant and machinery	295,226	228,398
- land and buildings	129,517	101,898
Profit on disposal of fixed assets	(14,521)	(10,000)

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	5,727,284	5,579,698
Social security costs	504,463	494,114
Other pension costs	139,360	132,114
	6,371,107	6,205,926

The average monthly number of employees, including the directors, during the year was as follows

	2012	2011
	No	No
Production staff	49	47
Distribution and sales staff	273	255
Administrative staff	18	17
Editorial staff	75	81
	415	400

Notes to the Financial Statements
For the year ended 31 March 2012

6. Directors' remuneration

	2012	2011
	£	£
Emoluments	**453,845**	431,960
Company pension contributions to defined contribution pension schemes	**10,000**	24,024

During the year retirement benefits were accruing to 5 directors (2011 - 5) in respect of defined contribution pension schemes
The highest paid director received remuneration of £141,847 (2011 - £157,318)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2011 - £10,000)

7. Amounts written off investments

	2012	2011
	£	£
Amount written off investment	-	4

8. Interest payable

	2012	2011
	£	£
On bank loans	**287,369**	297,763

Notes to the Financial Statements

For the year ended 31 March 2012

9. Taxation

	2012 £	2011 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	211,578	-
Adjustments in respect of prior periods	-	(13,530)
Total current tax	211,578	(13,530)
Deferred tax		
Origination and reversal of timing differences	(151,087)	(75,178)
Over provided for in prior period	(10,436)	-
Total deferred tax (see note 18)	(161,523)	(75,178)
Tax on profit on ordinary activities	50,055	(88,708)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	609,685	339,854
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	158,518	95,159
Effects of.		
Expenses not deductible for tax purposes	41,437	22,720
Movement in capital allowances and other short term timing differences	49,412	(93,326)
Utilisation of tax losses	(11,598)	-
Adjustments to tax charge in respect of prior periods	-	(13,530)
Non-taxable income	(16,686)	(17,972)
Industrial buildings allowances falling out of charge	-	(6,581)
Marginal relief	(9,505)	-
Current tax charge/(credit) for the year (see note above)	211,578	(13,530)

Notes to the Financial Statements

For the year ended 31 March 2012

10. Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2011 and 31 March 2012	1,333,820
Amortisation	
At 1 April 2011	15,000
Charge for the year	130,000
At 31 March 2012	145,000
Net book value	
At 31 March 2012	1,188,820
At 31 March 2011	1,318,820

11. Tangible fixed assets

	Freehold property £	Plant & machinery £	Total £
Cost			
At 1 April 2011	1,852,085	20,831,803	22,683,888
Additions	-	202,111	202,111
Disposals	-	(23,250)	(23,250)
At 31 March 2012	1,852,085	21,010,664	22,862,749
Depreciation			
At 1 April 2011	799,681	8,102,323	8,902,004
Charge for the year	50,417	1,210,205	1,260,622
On disposals	-	(16,771)	(16,771)
At 31 March 2012	850,098	9,295,757	10,145,855
Net book value			
At 31 March 2012	1,001,987	11,714,907	12,716,894
At 31 March 2011	1,052,404	12,729,480	13,781,884

Notes to the Financial Statements
For the year ended 31 March 2012

12. Fixed asset investments

	Investment in subsidiary £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2011 and 31 March 2012	**10,000**	**20**	**10,020**
Amounts written off			
At 1 April 2011 and 31 March 2012	-	4	4
Net book value			
At 31 March 2012	**10,000**	**16**	**10,016**
At 31 March 2011	10,000	16	10,016

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Chester & District Standard Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2012 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Chester & District Standard Limited	**10,000**	-

13. Stocks

	2012 £	2011 £
Raw materials	**218,617**	125,744
Finished goods and goods for resale	**163,409**	162,842
	382,026	288,586

Notes to the Financial Statements

For the year ended 31 March 2012

14. Debtors

	2012	2011
	£	£
Trade debtors	1,976,771	1,670,577
Corporation tax repayable	-	13,530
Other debtors	80,554	190,228
Prepayments and accrued income	387,735	207,536
	2,445,060	2,081,871

15. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Bank loans	947,282	979,419
Trade creditors	612,298	323,781
Amounts owed to group undertakings	10,000	10,000
Corporation tax	211,578	-
Social security and other taxes	406,666	470,892
Other creditors	233,441	204,287
Accruals and deferred income	315,423	423,553
	2,736,688	2,411,932

Details of the security on the bank loans is shown in the note below

Notes to the Financial Statements
For the year ended 31 March 2012

16. Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Bank loans	3,861,202	4,756,540
Other creditors	627,912	689,852
	4,489,114	5,446,392

Included within the above are amounts falling due as follows

	2012 £	2011 £
Between one and two years		
Bank loans	971,483	1,002,457
Between two and five years		
Bank loans	2,579,416	3,058,257
Over five years		
Bank loans	310,303	695,826

Creditors include amounts not wholly repayable within 5 years as follows

	2012 £	2011 £
Repayable by instalments	310,303	695,826

The company has two loans with Allied Irish Bank One is for a 2 year period expiring in 2013, but the bank have indicated that this will be extended to 5 years The second loan is for 10 years Interest is payable at 3 5% and 2% margin plus costs over LIBOR respectively The loans are secured by a legal mortgage over all the fixed and current assets of the company

17. Deferred income - government grants

	2012 £	2011 £
Within one year	58,896	64,091
After one and within two years	58,896	58,896
After two and witin five years	176,687	176,688
After five years	395,374	454,268
Total	689,853	753,943

Notes to the Financial Statements

For the year ended 31 March 2012

18. Deferred taxation

	2012 £	2011 £
At beginning of year	**1,518,068**	1,593,246
Released during the year	**(177,096)**	(75,178)
At end of year	**1,340,972**	1,518,068

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	**1,390,908**	1,550,411
Tax losses carried forward	-	(2,138)
Short term timing differences	**(49,936)**	(30,205)
	1,340,972	1,518,068

Of the amount released during the year, £161,523 went to profit & loss account and £15,573 went to the Statement of total recognised gains and losses

19. Share capital

	2012 £	2011 £
Authorised		
37,490 ordinary A shares of £1 each	**37,490**	37,490
1,524 ordinary B shares of £1 each	**1,524**	1,524
51 ordinary C shares of £1 each	**51**	51
37,000 3 5% cumulative preference shares of £1 each	**37,000**	37,000
7,500 4 2% cumulative preference shares of £1 each	**7,500**	7,500
63,435 undesignated ordinary shares of £1 each	**63,435**	63,435
	147,000	147,000
Allotted, called up and fully paid		
37,490 ordinary A shares of £1 each	**37,490**	37,490
51 ordinary C shares of £1 each	**51**	51
	37,541	37,541

All ordinary shares rank pari passu in all respects save as otherwise set out in the company's articles of association The rights attaching to shares are the same with a distinction drawn to assist in the governing of transfers and allotment of shares

Notes to the Financial Statements
For the year ended 31 March 2012

20. Reserves

	Other reserves £	Profit and loss account £
At 1 April 2011	108,591	8,768,914
Profit for the year	-	559,630
Dividends Equity capital	-	(93,464)
Pension reserve movement	-	(49,316)
At 31 March 2012	108,591	9,185,764

The pension reserve movement arises from a reassessment of assumptions by the scheme's actuary The gross movement was £64,889, being deferred tax of £15,573 and £49,316 net

21. Other reserves

	2012 £	2011 £
Capital redemption reserve		
Balance brought forward	39,812	38,288
Purchase of own shares	-	1,524
Sub total	39,812	39,812
Capital reserve		
Balance brought forward	68,779	68,779
Total	108,591	108,591

22. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	8,921,310	8,674,930
Profit for the year	559,630	428,562
Dividends (Note 23)	(93,464)	(147,182)
Shares redeemed/cancelled during the year	-	(35,000)
Other recognised gains and losses during the year	(49,316)	-
Closing shareholders' funds	9,338,160	8,921,310

Notes to the Financial Statements
For the year ended 31 March 2012

23. Dividends

	2012 £	2011 £
Paid during the year 2012 interim dividend of £1 85 per share (2011 £0 96) and 2011 final dividend of £0 64 (2010 £2 84)	93,464	147,182

	2012 £	2011 £
Proposed after the year end (not recognised as a liability) 2012 final dividend of £3 37 per share (2011 £0 64)	126,407	24,000

Dividend payments are made at the same rate on each class of share

24. Net cash flow from operating activities

	2012 £	2011 £
Operating profit	897,054	637,621
Amortisation of intangible fixed assets	130,000	15,000
Depreciation of tangible fixed assets	1,260,622	1,290,408
Profit on disposal of tangible fixed assets	(14,521)	(10,000)
Increase in stocks	(93,440)	(38,000)
(Increase)/decrease in debtors	(376,719)	20,568
Increase/(decrease) in creditors	18,486	(925,471)
Net cash inflow from operating activities	1,821,482	990,126

25. Analysis of cash flows for headings netted in cash flow statement

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest paid	(287,369)	(297,763)

	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(1,303,820)
Purchase of tangible fixed assets	(202,111)	(228,642)
Sale of tangible fixed assets	21,000	10,000
Net cash outflow from capital expenditure	(181,111)	(1,522,462)

Notes to the Financial Statements
For the year ended 31 March 2012

25. Analysis of cash flows for headings netted in cash flow statement (continued)

	2012	2011
	£	£
Financing		
New secured loans	-	760,000
Repayment of loans	(927,475)	(715,289)
Purchase of own equity shares	-	(1,524)
Premium on purchase of own equity shares	-	(33,476)
Net cash (outflow)/inflow from financing	(927,475)	9,711

26. Analysis of changes in net debt

	1 April 2011	Cash flow	Other non-cash changes	31 March 2012
	£	£	£	£
Cash at bank and in hand	816,525	345,593	-	1,162,118
Debt.				
Debts due within one year	(979,419)	927,475	(895,338)	(947,282)
Debts falling due after more than one year	(4,756,540)	-	895,338	(3,861,202)
Net debt	(4,919,434)	1,273,068	-	(3,646,366)

27. Operating lease commitments

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within 1 year	14,663	50,517	4,084	52,784
Between 2 and 5 years	62,598	20,500	219,080	137,353
After more than 5 years	55,472	57,972	-	-

28. Related party transactions

The company owed £10,000 to its subsidiary Chester & District Standard Limited at 31 March 2012 (2011 £10,000)

Notes to the Financial Statements

For the year ended 31 March 2012

29. Pension

Defined contribution pension scheme

The company operates a defined contribution pension scheme The assets of the fund are held separately from those of the company in an independently administered fund The pension cost charge represents contributions payable by the company to the fund and amounted to £115,960 (2011 £115,737) At 31 March 2012 pension contributions of £18,411 (2011 £18,747) were accrued

Defined benefit pension scheme

In addition, the company operated a defined benefit pension scheme which was closed in June 1992 These employees have a guarantee from the company that their total benefits from the defined contribution and defined benefit schemes will be at least equal to a certain individually defined benefit From time to time an independent actuary assesses if the current rate of contributions to the defined contribution scheme, together with the accumulated funds held in the defined benefit scheme, is expected to to be adequate to provide this benefit guarantee At 31 March 2012 pension contributions of £168,403 (2011 £91,657) were accrued in respect of this scheme The increase in the year amounts to £76,746 (2011 £16,377) The increased cost arose as a result of a change in the discount rate assumption from 5% pa to 4% pa The increase has been split between current and prior year as £11,857 current and £64,889 prior year

Financial Reporting Standard 17 disclosures

As stated above, the company operates a money purchase pension scheme, the North Wales Newspapers Retirement & Life Assurance scheme The company has funded special contributions in respect of a closed group of employees to provide a minimum defined level of pension (as described above) A full actuarial valuation of the cost of the minimum pension was carried out at as at 31 December 2008 by a qualified independent actuary The latest assessment was carried out at 31 December 2011

The major assumptions used by the actuary were

Pensionable salary growth 2 0% pa
Pension escalation in payment 0 0% pa
Discount rate 4 0% pa
Inflation 2 0% pa

As discussed above, the company has made the maximum accrual under adopted accounting standards of £168,403 (2011 £91,657) to cover for the anticipated deficit within the funding available for those employees with guarantees under the closed defined benefit scheme

30. Derivatives

The company originally entered into an interest rate hedge in respect of £7,150,000 of its long term borrowing of which £4,220,380 (2011 £4,969,000) is outstanding At 31 March 2012 the fair value of the instrument was a liability of £202,303 (2011 £166,934)

Notes to the Financial Statements
For the year ended 31 March 2012

31. Contingent liabilities

At 31 March 2011 there were outstanding conditions under an agreement for a grant received from Welsh Assemby Government that was only to be tested five years after receipt of the original grant Had this condition not been met when tested then there may have been a partial repayment of the grant This test was outstanding at 31 March 2011 so at that date a contingent liability existed During this year that test has been passed and therefore the contingent liability no longer exists The company has no contingent liabilities as at 31 March 2012

32. Capital commitments

The company had no capital commitments at 31 March 2012 or 31 March 2011