

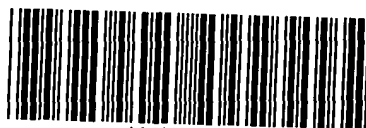
# NWN Media Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 2014

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COMPANIES HOUSE

**NWN Media Limited**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**DIRECTORS**

Mrs N R Bayley  
Mr D Faulkner  
Mr B Jones  
Mr H R Jones  
Miss J W Moss  
Mr A J Moss  
Mrs S M Watkins

**REGISTERED NUMBER**

00167825

**REGISTERED OFFICE**

Mold Business Park  
Wrexham Road  
Mold  
Flintshire  
CH7 1XY

**AUDITOR**

Baker Tilly UK Audit LLP  
Chartered Accountants  
Steam Mill  
Steam Mill Street  
Chester  
CH3 5AN

**SOLICITORS**

DTM Legal  
Archway House  
Station Road  
Chester  
CH1 3DR

# NWN Media Limited

## STRATEGIC REPORT

### for the year ended 31 March 2014

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The directors submit their reports and the financial statements of NWN Media Limited for the year ended 31 March 2014.

#### REVIEW OF THE BUSINESS

The profit and loss account for the year is set out on page 8. In a challenging trading environment we delivered a credible financial performance. Profit after interest and taxation increased to £576,921, a 38% improvement on 2012/2013.

2013 started with very difficult trading conditions. Although the economic climate improved throughout the year the market remained fragile, revenues have remained in line with previous years, a credible performance within the industry. Focused selling and continual cost reductions remain paramount.

Strategic investments have ensured the company is well positioned to move quickly and maximise on any opportunity. The directors believe the company is now better positioned to take full advantage of any recovery in the economic climate.

NWN Media Limited 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 a substantial contribution to the company's reserves with the expansion and development of a full range of services within the Contract Print market.

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

#### 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. 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.

##### 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.

NWN Media Limited  
STRATEGIC REPORT  
for the year ended 31 March 2014

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KEY PERFORMANCE INDICATORS

Profitability ratios

Return (pre-tax) on total assets:	3.8% (2013: 3.0%)
Pre-tax profit margin:	3.9% (2013: 3.2%)
Return (pre-tax) on total capital and reserves:	7.6% (2013: 5.5%)

Liquidity ratios

Quick ratio:	1:14 (2013: 1:46)
Current ratio:	1:23 (2013: 1:57)

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

Gearing

Total debt / net worth:	48.9% (2013: 39.9%)
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On behalf of the board

Mr D Faulkner

Director

23/7/2014

# NWN Media Limited

## DIRECTORS' REPORT

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### PRINCIPAL ACTIVITIES

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

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £576,921. Particulars of dividends paid are detailed in note 10 to the financial statements.

### DIRECTORS

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

Mrs N R Bayley  
MR D Faulkner  
Mr B Jones  
MR H R Jones  
Miss J W Moss  
MR A J Moss  
Mrs S M Watkins  
Mrs N P Woodward

Mrs N R Bayley was appointed as a director on 26 April 2013.  
Miss J W Moss was appointed as a director on 26 April 2013.  
Mrs S M Watkins was appointed as a director on 1 April 2013.

Mrs N P Woodward retired as a director on 26 April 2013.

### FIXED ASSETS

The movement 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 which is considered significantly more than the net book value of £1,208,032. A calculation of the corporation tax payable should the property be disposed of has not been performed as no disposal is contemplated.

### 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.

### 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.

# NWN Media Limited

## DIRECTORS' REPORT

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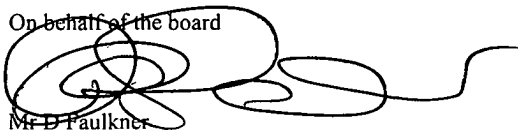
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP were appointed as auditors during the year and have indicated their willingness to continue in office.

On behalf of the board



Mr D Faulkner

Director

23/7/2014

## NWN Media Limited

### DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Strategic Report and 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NWN MEDIA LIMITED

We have audited the financial statements on pages 8 to 22. 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 more fully explained in the Directors' Responsibilities Statement set out on page 6, 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 (APB'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](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on the 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 2014 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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.

*Baker Tilly UK Audit LLP*

ROGER DAVIES BA FCA (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Steam Mill  
Steam Mill Street  
Chester CH3 5AN

*12 September 2014*



**NWN Media Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 2014

		2014	2013
	<i>Notes</i>	£	£
TURNOVER	2	15,751,707	16,348,972
Cost of sales		<u>(4,801,485)</u>	<u>(5,084,596)</u>
Gross profit		10,950,222	11,264,376
Administrative expenses		(10,106,693)	(10,372,427)
Exceptional administrative expenses	4	–	(190,206)
Other operating income	3	–	56,462
OPERATING PROFIT	4	<u>843,529</u>	<u>758,205</u>
Interest receivable		9,337	–
Amounts written off investments	7	<u>(16)</u>	<u>–</u>
		852,850	758,205
Interest payable and similar charges	8	<u>(232,013)</u>	<u>(230,303)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>620,837</u>	<u>527,902</u>
Taxation	9	<u>(43,916)</u>	<u>(108,092)</u>
PROFIT FOR THE FINANCIAL YEAR	26	<u><u>576,921</u></u>	<u><u>419,810</u></u>

The profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

## NWN Media Limited

## BALANCE SHEET

31 March 2014

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	11	928,820	1,058,820
Tangible assets	12	10,964,702	11,560,678
Investments	13	10,000	10,016
		<u>11,903,522</u>	<u>12,629,514</u>
<b>CURRENT ASSETS</b>			
Stocks	14	328,841	319,257
Debtors	15	2,084,160	2,153,439
Cash at bank and in hand		1,818,353	2,401,260
		<u>4,231,354</u>	<u>4,873,956</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(3,431,596)	(3,109,804)
<b>NET CURRENT ASSETS</b>			
		<u>799,758</u>	<u>1,764,152</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>12,703,280</u>	<u>14,393,666</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(3,367,298)	(3,415,168)
Deferred taxation	18	(997,991)	(1,178,532)
<b>PROVISIONS FOR LIABILITIES</b>			
	19	(168,403)	(168,403)
		<u>8,169,588</u>	<u>9,631,563</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	22,090	37,541
Share premium account	24	6,264	6,264
Other reserves	25	124,042	108,591
Profit and loss account	26	8,017,192	9,479,167
<b>SHAREHOLDERS' FUNDS</b>			
	27	<u>8,169,588</u>	<u>9,631,563</u>

The financial statements on pages 8 to 22 were approved by the board of directors and authorised for issue on 23/7/2014 and are signed on their behalf by:



Mr D Faulkner  
Director

**NWN Media Limited**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2014

		2014	2013
	Notes	£	£
Net cash flow from operating activities	28.a	2,256,998	2,747,566
Returns on investments and servicing of finance	28.b	(222,676)	(99,906)
Taxation	28.b	(272,695)	(211,578)
Capital expenditure and financial investment	28.b	(460,633)	(102,691)
Equity dividends paid		(198,836)	(126,407)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>1,102,158</b>	<b>2,206,984</b>
Financing	28.b	(1,685,065)	(967,842)
<b>(DECREASE)/INCREASE IN CASH IN THE PERIOD</b>		<b><u>(582,907)</u></b>	<b><u>1,239,142</u></b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

		2014	2013
		£	£
(Decrease)/increase in cash in the period		(582,907)	1,239,142
New bank loan received in year		(1,250,000)	-
Bank loans repayments		1,095,005	967,842
<b>Change in net debt</b>	<b>28.c</b>	<b><u>(737,902)</u></b>	<b><u>2,206,984</u></b>
Net debt at the beginning of the year	28.c	(1,439,382)	(3,646,366)
Net debt at the end of the year	28.c	<u>(2,177,284)</u>	<u>(1,439,382)</u>

# NWN Media Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

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### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

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

#### GOING CONCERN

The directors have reviewed and approved financial projections including cash flow forecasts for the period to July 2015. On this basis and their review of the continued support of the bank, the directors consider it appropriate to prepare the financial statements on a going concern basis.

#### TURNOVER

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

#### RESEARCH AND DEVELOPMENT

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

#### 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.

#### AMORTISATION

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

Goodwill	- 10% per annum
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#### FIXED ASSETS

All fixed assets are initially recorded at cost.

#### DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2.5% - 25%
Plant & Machinery	- 5% - 50%
Fixtures, Fittings & Equipment	- 5% - 50%

Freehold Property includes land, which is not depreciated within the financial statements.

#### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for which obsolete and slow moving items. Included in stock are machinery parts and spares for the printing press which are valued at the lower of cost and net realisable value.

# NWN Media Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2014

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#### 1 ACCOUNTING POLICIES *(continued)*

##### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### PENSION COSTS

The company operates a New Generation Group Defined Contribution Purchase 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 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 requirement for any additional provision to cover liabilities identified within this fund, on the basis of these actuarial valuations.

##### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### 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.

# NWN Media Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2014

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#### 1 ACCOUNTING POLICIES *(continued)*

##### 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 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 instruments 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 reserve.

##### CAPITALISATION OF FINANCE COSTS AND INTEREST

Finance cost, 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 capitalisation rate used to determine the amount of finance costs and interest capitalised is based on the funding mechanism used to purchase the asset.

##### INVESTMENTS

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

##### DEFERRED 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 related expenditure is incurred.

#### 2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2014	2013
	£	£
United Kingdom	<u>15,751,707</u>	<u>16,348,972</u>

#### 3 OTHER OPERATING INCOME

	2014	2013
	£	£
Other income	<u>—</u>	<u>56,462</u>
	<u>—</u>	<u>56,462</u>

**NWN Media Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2014**

**4 OPERATING PROFIT**

Operating profit is stated after charging/ (crediting):

	2014	2013
	£	£
Release of deferred capital grant	(64,194)	(64,196)
Amortisation of intangible assets	130,000	130,000
Depreciation of owned fixed assets	1,060,756	1,259,829
Profit on disposal of fixed assets	(4,147)	(922)
Auditor's remuneration for statutory audit	20,000	19,950
Auditor's remuneration for other services	27,211	50,260
Operating lease costs:		
- Plant and equipment	239,124	260,149
- Land and buildings	123,184	152,034

Exceptional administrative costs in the prior year relate principally to £190,206 of share buyback costs and redundancy costs.

**Auditor's fees**

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	2014	2013
	£	£
Audit	20,000	19,950
Accountancy	2,000	29,868
Taxation	7,500	9,400
Other audits	17,711	10,992
	<u>47,211</u>	<u>70,210</u>

**5 PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year was:

	2014	2013
	No	No
Production staff	56	54
Distribution and sales staff	1,538	1,542
Administrative staff	19	21
Editorial staff	76	76
	<u>1,689</u>	<u>1,693</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	7,071,458	7,021,280
Social security costs	546,454	541,068
Other pension costs	129,847	125,781
	<u>7,747,759</u>	<u>7,688,129</u>

**NWN Media Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2014**

**6 DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	498,068	438,350
Fees receivable for services as a director	28,132	–
Value of company pension contributions to defined contribution schemes	24,639	24,027
	<u>550,839</u>	<u>462,377</u>

Remuneration of highest paid director:

	2014	2013
	£	£
Total remuneration (excluding pension contributions)	178,751	137,878
Value of company pension contributions to defined contribution schemes	10,200	10,000
	<u>188,951</u>	<u>147,878</u>

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

	2014	2013
	No	No
Defined contribution schemes	<u>6</u>	<u>5</u>

**7 AMOUNTS WRITTEN OFF INVESTMENTS**

	2014	2013
	£	£
Amount written off investments	<u>16</u>	<u>–</u>

**8 INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
On bank loans and overdrafts	<u>232,013</u>	<u>230,303</u>

**9 TAXATION ON ORDINARY ACTIVITIES**

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (2013 - 24%)	222,021	270,532
Under provision in prior year	2,436	–
Total current tax	<u>224,457</u>	<u>270,532</u>
Deferred tax:		
Origination and reversal of timing differences	(26,820)	(161,711)
Effect of decreased tax rate on opening liability	(153,721)	–
Adjustments in respect of prior years	–	(729)
Tax on profit on ordinary activities	<u>43,916</u>	<u>108,092</u>



**NWN Media Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2014**

**9 TAXATION ON ORDINARY ACTIVITIES** *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2013 - 24%), as explained below

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>620,837</u>	<u>527,902</u>
Profit on ordinary activities by rate of tax	142,793	126,696
Effects of:		
Expenses not deductible for tax purposes	5,685	17,616
Depreciation for period in excess of capital allowances	91,113	145,423
Adjustments to tax charge in respect of previous periods	2,436	(252)
Non-taxable income	(14,765)	(15,382)
Marginal relief	(3,884)	(3,569)
Sundry tax adjusting items	(1,357)	-
Total current tax (note 9(a))	<u>222,021</u>	<u>270,532</u>

**10 DIVIDENDS**

Equity dividends

	2014	2013
	£	£
Dividends on equity shares £9.00 (2013: £3.37)	<u>198,836</u>	<u>126,407</u>

**11 INTANGIBLE FIXED ASSETS**

	Goodwill
	£
Cost	
At 1 April 2013 and 31 March 2014	<u>1,333,820</u>
Amortisation	
At 1 April 2013	275,000
Charge for the year	<u>130,000</u>
At 31 March 2014	<u>405,000</u>
Net book value	
At 31 March 2014	<u>928,820</u>
At 31 March 2013	<u>1,058,820</u>

**NWN Media Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2014**

**12 TANGIBLE FIXED ASSETS**

	Freehold Property £	Plant & Machinery £	Fixtures, Fittings & Equipment £	Total £
Cost				
At 1 April 2013	1,852,085	15,657,075	2,084,461	19,593,621
Additions	290,287	21,910	153,409	465,606
Disposals	—	—	(9,366)	(9,366)
At 31 March 2014	<u>2,142,372</u>	<u>15,678,985</u>	<u>2,228,504</u>	<u>20,049,861</u>
Depreciation				
At 1 April 2013	893,712	5,438,737	1,700,494	8,032,943
Charge for the year	40,628	835,100	185,028	1,060,756
On disposals	—	—	(8,540)	(8,540)
At 31 March 2014	<u>934,340</u>	<u>6,273,837</u>	<u>1,876,982</u>	<u>9,085,159</u>
Net book value				
At 31 March 2014	<u>1,208,032</u>	<u>9,405,148</u>	<u>351,522</u>	<u>10,964,702</u>
At 31 March 2013	<u>958,373</u>	<u>10,218,338</u>	<u>383,967</u>	<u>11,560,678</u>

Freehold Property includes land of £41,000 which is not depreciated.

**13 INVESTMENTS**

	£
Cost	
At 1 April 2013 and 31 March 2014	<u>10,016</u>
Amounts written off	
Written off in year	<u>16</u>
At 31 March 2014	<u>16</u>
Net book value	
At 31 March 2014	<u>10,000</u>
At 31 March 2013	<u>10,016</u>

The company owns 100% of the issued share capital of the unlisted companies listed below:

	2014 £	2013 £
Aggregate capital and reserves		
Chester & District Standard Limited	10,000	10,000
Profit and (loss) for the year		
Chester & District Standard Limited	—	—

Under the provision of section 401 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

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**14 STOCKS**

	2014	2013
	£	£
Raw materials	170,287	150,286
Machinery parts and spares	158,554	168,971
	<u>328,841</u>	<u>319,257</u>

**15 DEBTORS**

	2014	2013
	£	£
Trade debtors	1,733,348	1,837,801
Other debtors	32,203	53,784
Prepayments and accrued income	318,609	261,854
	<u>2,084,160</u>	<u>2,153,439</u>

**16 CREDITORS: Amounts falling due within one year**

	2014	2013
	£	£
Bank loans	1,123,870	989,893
Trade creditors	444,070	516,908
Amounts owed to group undertakings	10,000	10,000
Corporation tax	222,294	270,532
Other taxation and social security	450,933	449,941
Other creditors	40,518	54,386
Accruals and deferred income	1,139,911	818,144
	<u>3,431,596</u>	<u>3,109,804</u>

The company has three loans with Allied Irish Bank. All loans are repayable by instalments. One expires in 2015. The second loan is for 6 years and expiring in 2017. Interest is payable at 3.5% and 2% margin plus costs over LIBOR respectively. The third loan taken out in 2013 for £1.25m is for 10 years with interest payable at 3.5% margin over 3 months LIBOR. The loans are secured by a legal mortgage over all the fixed and current assets of the company.

Included within deferred income is £64,194 (2013: £58,896) relating to deferred government grants.

**ANALYSIS OF DEBT MATURITY**

	2014	2013
	£	£
Amounts payable:		
In one year or less	1,123,870	989,893
In more than one year but no more than two years	1,055,817	1,010,707
In more than two years but not more than five years	1,257,333	1,840,042
In five years or more	558,618	–
	<u>3,995,638</u>	<u>3,840,642</u>

**NWN Media Limited**  
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**17 CREDITORS: Amounts falling due after more than one year**

	2014	2013
	£	£
Bank loans and overdrafts	2,871,767	2,850,749
Accruals and deferred income	495,531	564,419
	<u>3,367,298</u>	<u>3,415,168</u>

Included within deferred income is £495,531 (2013: £564,419) relating to deferred government grants.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2014	2013
	£	£
Bank loans and overdrafts	558,618	—
Deferred government grants	<u>238,151</u>	<u>395,374</u>

Bank loans due in greater than one year are secured by a legal charge over all fixed and current assets of the company.

**18 DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was:

	2014	2013
	£	£
Provision brought forward	1,178,532	1,340,972
Profit and loss account movement arising during the year	<u>(180,541)</u>	<u>(162,440)</u>
Provision carried forward	<u>997,991</u>	<u>1,178,532</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014	2013
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>997,991</u>	<u>1,178,532</u>
	<u>997,991</u>	<u>1,178,532</u>

**19 PROVISIONS FOR LIABILITIES**

	2014	2013
	£	£
North Wales Newspapers Limited Pension and Life Assurance Scheme		
Pension Provision:		
Balance brought forward and carried forward	<u>168,403</u>	<u>168,403</u>

**20 DERIVATIVES**

The company originally entered into an interest rate hedge in respect of £7,150,000 of its long term borrowing of which £2,571,499 (2013: £3,424,318) is outstanding. As at 31 March 2014 the fair value of the instrument was a liability of £36,536 (2013: £129,911) which is unprovided at the year end.

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**21 COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	8,067	57,217	16,509	13,542
Within 2 to 5 years	-	128,525	35,100	253,466
After more than 5 years	44,000	-	70,472	-
	<u>52,067</u>	<u>185,742</u>	<u>122,081</u>	<u>267,008</u>

**22 RELATED PARTY TRANSACTIONS**

The company owed £10,000 to its subsidiary Chester & District Standard Limited at 31 March 2014 (2013: £10,000).

The company paid total dividends of £198,836 (2013: £126,407) of which £180,084 (2013: £21,856) were paid to Directors, being:

	2014 £	2013 £
Mr A J Moss	45,024	5,465
Miss J W Moss	45,012	5,461
Mrs N R Bayley	45,024	5,465
Mr H R Jones	45,024	5,465
	<u>180,084</u>	<u>21,856</u>

**23 SHARE CAPITAL**

	2014 £	2013 £
Allotted and called up:		
22,039 (2013 - 37,490) 37,490 ordinary 'A' shares of £1 each shares fully paid of £1 each	22,039	37,490
51 ordinary 'C' shares of £1 each shares fully paid of £1 each	51	51
	<u>22,090</u>	<u>37,541</u>

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 the distinction drawn to assist in the governing of transfers and allotment of shares.

During the year the company bought back 15,451 ordinary "A" shares.

**24 SHARE PREMIUM ACCOUNT**

There was no movement on the share premium account during the financial year.

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**25 OTHER RESERVES**

	2014 £	2013 £
Capital redemption reserve:		
At 1 April 2013	39,812	39,812
Purchase of own shares	15,451	—
At 31 March 2014	<u>55,263</u>	<u>39,812</u>
	2014 £	2013 £
Capital Reserves:		
Balance brought forward	<u>68,779</u>	<u>68,779</u>

There was no movement in the reserve during the financial year.

**26 PROFIT AND LOSS ACCOUNT**

	2014 £	2013 £
At the beginning of the year	9,479,167	9,185,764
Profit for the financial year	576,921	419,810
Dividends	(198,836)	(126,407)
Purchase of own shares	(1,840,060)	—
At the end of the year	<u>8,017,192</u>	<u>9,479,167</u>

**27 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Profit for the financial year	576,921	419,810
Purchase of own ordinary shares	(15,451)	—
Premium on purchase of own ordinary shares	(1,824,609)	—
Dividends	(198,836)	(126,407)
Net (reduction)/addition to shareholders' funds	(1,461,975)	293,403
Opening shareholders' funds	9,631,563	9,338,160
Closing shareholders' funds	<u>8,169,588</u>	<u>9,631,563</u>

**28 CASH FLOWS**

**a Reconciliation of operating profit to net cash inflow from operating activities**

	2014 £	2013 £
Operating profit	843,529	758,205
Amortisation	130,000	130,000
Depreciation	1,060,756	1,259,829
Release of deferred capital grant	(64,194)	(64,196)
Profit on disposal of fixed assets	(4,147)	(922)
Increase in stocks	(9,584)	62,770
Decrease/(increase) in debtors	69,279	291,617
Increase in creditors	231,359	310,263
Net cash inflow from operating activities	<u>2,256,998</u>	<u>2,747,566</u>

**NWN Media Limited**  
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**28 CASH FLOWS** *(continued)*

**b Analysis of cash flows for headings netted in the cash flow**

Returns on investment and servicing of finance

	2014	2013
	£	£
Interest received	9,337	–
Interest paid	(232,013)	(99,906)
Net cash outflow from returns on investments and servicing of finance	<u>(222,676)</u>	<u>(99,906)</u>

Taxation

	2014	2013
	£	£
Taxation	<u>(272,695)</u>	<u>(211,578)</u>

Capital expenditure and financial investment

	2014	2013
	£	£
Payments to acquire tangible fixed assets	(465,606)	(114,108)
Receipts from sale of fixed assets	4,973	11,417
Net cash outflow for capital expenditure and financial investment	<u>(460,633)</u>	<u>(102,691)</u>

Financing

	2014	2013
	£	£
Purchase of own equity shares	(1,840,060)	–
Increase in bank loans	1,250,000	–
Repayment of bank loans	(1,095,005)	(967,842)
Net cash (outflow)/inflow from financing	<u>(1,685,065)</u>	<u>(967,842)</u>

**c Analysis of net debt**

	At 1 Apr 2013	Cash flows	At 31 Mar 2014
	£	£	£
Cash in hand and at bank	<u>2,401,260</u>	<u>(582,907)</u>	<u>1,818,353</u>
Debt due within 1 year	(989,893)	(133,977)	(1,123,870)
Debt due after 1 year	(2,850,749)	(21,018)	(2,871,767)
	<u>(3,840,642)</u>	<u>(154,995)</u>	<u>(3,995,637)</u>
Total	<u>(1,439,382)</u>	<u>(737,902)</u>	<u>(2,177,284)</u>