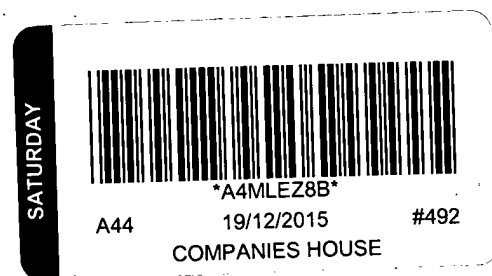


**KENT MESSENGER LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 4 JULY 2015**

Medway House  
Ginsbury Close  
Sir Thomas Longley Road  
Medway City Estate  
Strood  
Rochester  
Kent  
ME2 4DU

Registered as a Company in England and Wales  
Company Registration Number 00505554



KENT MESSENGER LIMITED  
STRATEGIC REPORT  
FOR THE PERIOD ENDED 4 JULY 2015

The directors present their strategic report for the period to 4 July 2015.

#### PRINCIPAL ACTIVITIES

Kent Messenger Limited's principal activity is the management of the KM Group's Defined Benefit pension scheme, the funding for which is provided through its investments properly and loan note with KM Media Group Limited which provides payment to Kent Messenger Limited for 30% of its free cashflow from July 2016.

#### REVIEW OF OPERATIONS

During the year the company continued to receive income on its investment property and although no payments are due on its loan note from KM Media Group Ltd the company reported an improved operating profit before exceptional items of £720K.

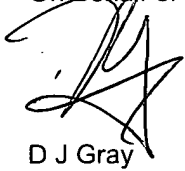
The latest FRS17 valuation of the pension scheme shows an increase in net liabilities of the fund of £3m, this is primarily as a result of the decrease in long term interest rates from 4.5% to 4.0% more details are given in note 20.

#### PRINCIPAL RISKS AND UNCERTAINTIES

Funding of the company is provided through rental income on its property and the receipt of 30% of KM Media Group Limited's Net Free Cash Flow.

The key financial liability remains the pension scheme which continues to be subject to the risk of future investment returns, yields on government gilts, pension members' mortality rates, and the rate of inflation.

On Behalf of the Board



D J Gray  
Secretary

18 November 2015

KENT MESSENGER LIMITED  
DIRECTORS' REPORT  
FOR THE PERIOD ENDED 4 JULY 2015

The directors present their report together with the financial statements of the company for the period to 4 July 2015.

#### DIVIDENDS

During the period no dividends were paid (2014: Nil).

#### DIRECTORS

The directors of Kent Messenger Limited during the period were as follows:

Mrs G R P Allinson (Chairman)  
R E Elliot  
D J Gray  
M J Phippen \*

\* Non-Executive

#### DONATIONS

During the period no donations were made (2014: nil).

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and 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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

KENT MESSENGER LIMITED  
DIRECTORS' REPORT  
FOR THE PERIOD ENDED 4 JULY 2015

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors 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 the company's auditor is aware of that information.

AUDITORS

Appointed to fill a casual vacancy on 29 April 2015, the auditor, Grant Thornton UK LLP have indicated their willingness to continue in office. In accordance with Section 485 of the Companies Act 2006, a resolution proposing their reappointment will be put to the Annual General Meeting.

On Behalf of the Board



D J Gray  
Secretary

18 November 2015

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF KENT MESSENGER LIMITED

We have audited the financial statements of Kent Messenger Limited for the period to 4 July 2015 which comprise the Profit and Loss Account, the Balance Sheet, and the Statement of Total Recognised Gains and Losses 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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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 4 July 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF KENT MESSENGER 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.



Nicholas Page  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Gatwick.  
Date:

18/11/15

KENT MESSENGER LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 4 JULY 2015

	Notes	Period to 4 Jul 2015	Restated Period to 28 Jun 2014
		£'000s	£'000s
TURNOVER	2	120	120
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST	2	120	120
Interest receivable and other similar income	4	252	210
Interest payable and similar charges	6	(5)	(20)
Other finance income	20	207	147
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		574	457
Taxation on ordinary activities	7	-	-
PROFIT FOR THE FINANCIAL YEAR		574	457

All results relate to continuing operations.

The notes on pages 10 to 18 form part of these financial statements.

KENT MESSENGER LIMITED  
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 4 JULY 2015

	Notes	Period to 4 Jul 2015	Restated Period to 28 Jun 2014
		£'000s	£'000s
Profit for the financial period		574	457
Actuarial loss	20	(3,686)	(1,171)
Deferred tax	20	588	20
Total recognised losses since the last annual report		<u>(2,524)</u>	<u>(694)</u>

The notes on pages 10 to 18 form part of these financial statements.

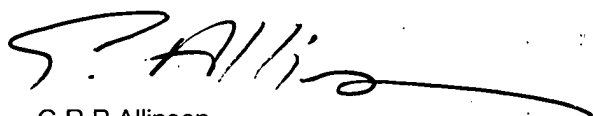


## KENT MESSENGER LIMITED (REGISTERED NUMBER: 00505554)

BALANCE SHEET  
AS AT 4 JULY 2015

		2015	Restated 2014	
	Notes	£'000s	£'000s	£'000s
<b>FIXED ASSETS</b>				
Tangible assets	8		1,550	1,550
<b>CURRENT ASSETS</b>				
Debtors: Amounts falling due after more than one year	10	1,512	1,260	
Cash at bank and in hand		-	83	
		<u>1,512</u>	<u>1,343</u>	
<b>CREDITORS</b>				
Creditors: Amounts falling due within one year	11	<u>138</u>	<u>336</u>	
<b>NET CURRENT ASSETS</b>		<u>1,374</u>		<u>1,008</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,924	2,558
Net Pension liability	20		11,388	8,497
<b>NET LIABILITIES</b>		<u>(8,464)</u>	<u>(5,940)</u>	
<b>CAPITAL AND RESERVES</b>				
Called up share capital	12	240		240
Share premium account	13	8		8
Profit and loss account	13	<u>(8,712)</u>		<u>(6,188)</u>
<b>SHAREHOLDERS' FUNDS</b>	14	<u>(8,464)</u>		<u>(5,940)</u>

The financial statements were approved by the Board of Directors on 18 November 2015.



G R P Allinson  
Chairman



R E Elliot  
Director

The notes on pages 10 to 18 form part of these financial statements.

KENT MESSENGER LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 4 JULY 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards issued by the UK accountancy bodies. In particular, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the company.

The financial statements have been prepared under the historic cost convention. The directors, having prepared long term financial forecasts, consider it appropriate to prepare the financial statements on a going concern basis.

(a) CONSOLIDATION. The financial statements contain information about Kent Messenger Limited as an individual company and do not contain consolidated financial statements as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirements to prepare financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, KM (Holdings) Limited, a company registered in England and Wales.

(b) CASH FLOW STATEMENT. Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes Kent Messenger Limited in its published financial statements.

(c) TURNOVER. Represents net amounts invoiced during the period, excluding Value Added Tax, adjusted for accrued and deferred income.

Turnover is income received from operating leases, and is recognised on a straight line basis over the period of the lease.

(d) TANGIBLE FIXED ASSETS. Freehold property is carried at professional valuation and no depreciation is provided in respect of these properties, as the depreciation charge would be immaterial due to the high residual values of these assets, which are ensured by a programme of regular maintenance and repair (the cost of which is charged to the profit and loss account). Freehold property will be subject to regular review, including a full valuation, at least once every five years.

The Companies Act 2006 requires all fixed assets to be depreciated, however, the directors consider that because of the high residual values any charge would be immaterial and therefore to depreciate them would not give a true and fair view.

An annual impairment review of net book values is undertaken for those tangible fixed assets which are not depreciated.

(e) DEFERRED TAXATION 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.

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

(f) PENSIONS. The company operates a defined benefit pension scheme, which is closed to future accrual.

Under FRS17 the pension scheme liabilities are measured using a projected units method. The pension scheme deficit is recognised in full, net of deferred tax, and presented on the face of the balance sheet. The movement in the scheme deficit is split between operating and financing items in the profit and loss account and the statement of total recognised gains and losses.

The full service cost of the pension provision is charged to operating profit. The net impact of the expected return on assets and interest on liabilities is (charged) / credited to other finance (costs) / income.

Any difference between the expected return on assets and that actually achieved is charged through the statement of total recognised gains and losses. Similarly, differences that arise from experience or assumption changes are charged through the statement of total recognised gains and losses.

KENT MESSENGER LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 4 JULY 2015

2. TURNOVER AND OPERATING PROFIT ON ORDINARY ACTIVITIES

The turnover and profit are derived from the company's activities carried on within the United Kingdom.

Auditors remuneration is borne by the parent company.

3. PARTICULARS OF EMPLOYEES

The company has no employees and the remuneration of directors is borne by the parent company.

4. INTEREST RECEIVABLE AND OTHER SIMILAR INCOME

	Period to 4 Jul 2015 £'000s	Restated Period to 28 Jun 2014 £'000s
Unwinding of discounted deferred consideration	<u>252</u>	<u>210</u>

See note 10 relating to the deferred consideration

5. PRIOR PERIOD ADJUSTMENT

In 2014 the discounted receivable relating to the deferred consideration due on disposal of trade and assets in 2013 was not unwound. The receivable has been disclosed further within note 10.

In these financial statements the unwinding of the discounted receivable has been recognised in 2014.

The impact of this being:

The profit and loss account has been restated to include the income generated from unwinding the discounted receivable of £210K. This is recognised within Interest receivable and other similar income.

The value of the discounted receivable has been restated by increasing it by £210K to £1,260K. This is within Debtors: Amounts falling due after more than one year in the balance sheet.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period to 4 Jul 2015 £'000s	Period to 28 Jun 2014 £'000s
Interest on bank loans	<u>5</u>	<u>20</u>

KENT MESSENGER LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 4 JULY 2015

7. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	Period to 4 Jul 2015 £'000s	Period to 28 Jun 2014 £'000s
(a) Analysis of charge in the period :		
Corporation tax on the results for the period:		
Current at 20.75% (2014: 20%)	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the period

The tax assessed for the period differs to the standard rate of corporation tax in the UK.

The differences are explained below :

	Period to 4 Jul 2015 £'000s	Restated Period to 28 Jun 2014 £'000s
Profit on ordinary activities before tax	<u>574</u>	<u>457</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.75% (2014: 20%)	119	91
Effects of :		
Income not taxable for tax purposes	(52)	(42)
Amounts charged directly to reserves	(541)	-
Group relief claimed	(24)	(20)
Defined benefit scheme timing differences	<u>498</u>	<u>(29)</u>
	<u>-</u>	<u>-</u>

KENT MESSENGER LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 4 JULY 2015

8. TANGIBLE FIXED ASSETS

	Land and Buildings £'000s
COST OR VALUATION At 28 June 2014 and 4 July 2015	<u>1,550</u>
DEPRECIATION At 28 June 2014 and 4 July 2015	<u>-</u>
NET BOOK AMOUNTS At 28 June 2014 and 4 July 2015	<u>1,550</u>

	2015 £'000s	2014 £'000s
LAND AND BUILDINGS		
Freehold property At valuation as at 28 June 2014	<u>1,550</u>	<u>1,550</u>

Cost or valuation at 4 July 2015 is represented by:

	Freehold property £'000s
Cost	1,987
Valuation in 2010	(437)
Valuation in 2011	-
Net book value	<u>1,550</u>

The company's property was professionally valued as at 1 January 2011 by Page & Wells, Surveyors, Valuers and Commercial Agents.

The basis for valuation was market value in accordance with the Valuation Standards of the Royal Institution of Chartered Surveyors.

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2015 £'000s	2014 £'000s
Cost	<u>1,987</u>	<u>1,987</u>
Aggregate depreciation	<u>-</u>	<u>-</u>

The freehold property is being leased on an operating lease to a group company.

KENT MESSENGER LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 4 JULY 2015

9. INTERESTS IN GROUP UNDERTAKINGS

The company controls 100% of the ordinary share capital of the following companies. All of the companies are dormant. The value of these investments have been written down to nil.

kmfm Thanet Limited	kmfm West Kent Limited
kmfm Folkestone Limited	Kent Digital Extra Limited
kmfm Canterbury Limited	Local Ashford Radio Kent Limited
kmfm Medway Limited	Maidstone Radio Limited
KM Radio Limited	May 2013 Newco 3 Limited
KM Group Newspapers Limited	May 2013 Newco 4 Limited
KM Group Limited	Larkfield Web-Offset Limited
Kent Newspapers Limited	Media House Europe Limited
Air Messenger Limited	Seacoast Newspapers Limited
Headline Travel Limited	South Eastern Newspapers Limited
Kent County Newspapers Limited	Star Publishing Limited
The Kentish Express Limited	Kent & Sussex Radio Investors Limited

Through its 100% holding of the ordinary share capital of Kent & Sussex Radio Investors Limited, and by its direct holding of shares, Kent Messenger Limited holds 99.6% of the ordinary share capital of kmfm Medway Limited, which is also dormant.

10. DEBTORS

	2015 £'000s	Restated 2014 £'000s
Amounts falling due after one year:		
Amount owed by group undertaking	<u>1,512</u>	<u>1,260</u>

The amount owed by group undertaking relates to a loan note with KM Media Group Limited, which provides payment to Kent Messenger Limited for 30% of its free cashflow from July 2016.

The £1,512K (2014: £1,260K) is the net present value of forecast future repayments of the loan note using a discount factor of 20%, being the directors' best estimate of an appropriate rate.

Annually this receivable is unwound to recognise the gain in value as cash payments draw nearer. The total income recognised during the year was £252K (2014: £210K).

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000s	2014 £'000s
Bank loans	-	167
Amount due to group undertaking	135	166
Accruals	3	3
	<u>138</u>	<u>336</u>
The following outstanding loans are secured:		
5 Year EFG loan taken out in 2010	<u>-</u>	<u>167</u>

The EFG loan of £850k was originally provided in January 2010. It is repayable over 5 years and attracts interest of 5.3% over Base Rate. The final repayment instalment was made in May 2015.

KENT MESSENGER LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 4 JULY 2015

12. SHARE CAPITAL

	2015 £'000s	2014 £'000s
Allotted, called up and fully paid Ordinary shares of £1 each	<u>240</u>	<u>240</u>

13. RESERVES

	Share Premium A/c £'000s	Restated Profit & Loss A/c £'000s
At 28 June 2014	8	(6,188)
Profit for the period	-	574
Other recognised losses	-	(3,098)
At 4 July 2015	<u>8</u>	<u>(8,712)</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Restated £'000s
At 28 June 2014	(5,940)
Profit for the period	574
Other recognised losses	(3,098)
At 4 July 2015	<u>(8,464)</u>

15. ULTIMATE PARENT COMPANY

The company's ultimate parent company is KM (Holdings) Limited, a company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by KM (Holdings) Limited. The consolidated accounts are available to the public and may be obtained from the Registrar of Companies.

16. ULTIMATE CONTROLLING PARTY

The immediate controlling party is KM (Holdings) Limited. However there is not considered to be an ultimate controlling part of KM (Holdings) Limited.

17. CAPITAL COMMITMENTS

There are no capital commitments at the period end (2014: Nil).

18. CONTINGENT LIABILITIES

Other than those provided for or disclosed in these financial statements, the group has no material contingent liabilities at 4 July 2015 (2014: Nil).

KENT MESSENGER LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 4 JULY 2015

19. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of KM (Holdings) Limited, the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the KM (Holdings) Group.

In a prior year, Mrs G R P Allinson provided a personal guarantee as part of the security for the EFG loan for a subsidiary company. This loan has been fully repaid.

20. DEFINED BENEFIT PENSION SCHEME

Information regarding the company's defined benefit pension scheme is given below.

The defined benefit scheme was closed to new employees in 1993 and in addition the scheme also became closed to future accrual of pensions as from 31 December 2004. The assets of the scheme are held separately from those of the company, being mainly invested in managed funds.

The pension charge for the period was £Nil (2014: £Nil).

Based upon actuarial advice, the financial assumptions used in calculating the scheme's liabilities and the total value of these liabilities under FRS17 are:

	2015	2014
Rate of increases of pensions in payment	3.00%	3.00%
Expected return on scheme assets	6.90%	7.00%
Discount rate	4.00%	4.50%
Rate of inflation (RPI)	3.30%	3.20%
Rate of increase in deferred pensions	5.00%	5.00%
Pre retirement mortality (non-pensioners)	S1PA CMI 2013 [0.5%]	S1PA CMI 2013 [1.0%]
Post retirement mortality (non-pensioners)	S1PA CMI 2013 [0.5%]	S1PA CMI 2013 [1.0%]
Post retirement mortality (pensioners)	S1PA CMI 2013 [0.5%]	S1PA CMI 2013 [1.0%]

The expected return on the scheme assets is based on market conditions at the beginning of the financial period for returns over the life of the relevant obligation.

It is necessary to consider both the existing investment strategy as well as the development of the strategy as the scheme matures. This requires the consideration of the composition of the scheme's assets as well as the potential returns on different asset classes.



KENT MESSENGER LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 4 JULY 2015

20. DEFINED BENEFIT PENSION SCHEME (continued)

The fair value of assets in the defined benefit pension scheme and the expected rates of return on each class, together with the overall net deficit between the assets of the company's defined benefit pension scheme and the actuarial liabilities of the scheme at 4 July 2015 are as follows:

	2015	Value at	2014	Value at
	% of scheme	04/07/2015	% of scheme	28/06/2014
	assets	£'000s	assets	£'000s
Equities	61%	16,129	6%	1,706
Diversified Growth Fund	8%	2,121	77%	20,612
Gilts	11%	2,945	1%	169
Corporate bonds	11%	2,795	9%	2,567
Property - direct	4%	1,080	4%	1,080
Property - indirect	5%	1,202	2%	523
Cash and other	0%	13	1%	121
		<u>26,285</u>		<u>26,778</u>
Total market value of assets		26,285		26,778
Present value of scheme liabilities		(40,520)		(37,534)
Deficit in scheme		(14,235)		(10,756)
Related deferred tax asset		2,847		2,259
Net pension liability		<u>(11,388)</u>		<u>(8,497)</u>

No contributions were made (2014: nil), against the net pension liability, to the scheme during the period.

The fair value of assets is based on the post settlement valuation.

Following discussions in 2014 with the pension trustees the company has agreed a 25 year contribution schedule which includes a three year payment holiday until July 2016.

There were no amounts (charged) / credited to the operating profit during the period under FRS 17 (2014: nil).

The amounts (charged) / credited to other finance (costs) / income during the period under FRS 17 amounted to:

	2015	2014
	£'000s	£'000s
Expected return on pension scheme assets	1,863	1,772
Interest on pension scheme assets / liabilities	(1,656)	(1,625)
Total finance income	<u>207</u>	<u>147</u>
Actual return on scheme assets	<u>985</u>	<u>1,773</u>

KENT MESSENGER LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 4 JULY 2015

20. DEFINED BENEFIT PENSION SCHEME (continued)

The amounts recognised in the statement of total recognised gains and losses during the period under FRS 17 amounted to:

	2015 £'000s	2014 £'000s
Actual return less expected return on pension scheme assets	(878)	1
Experience adjustment to scheme liabilities	-	(876)
Adjustment due to changes in assumptions	(2,808)	(296)
	<u>(3,686)</u>	<u>(1,171)</u>

The changes in the present value of the scheme liabilities are as follows:

	2015 £'000s	2014 £'000s
Opening scheme liabilities	37,534	36,301
Interest cost	1,656	1,625
Actuarial loss	2,808	1,172
Benefits paid	(1,478)	(1,564)
Closing scheme liabilities	<u>40,520</u>	<u>37,534</u>

The changes in the fair value of the scheme assets are as follows:

	2015 £'000s	2014 £'000s
Opening scheme assets	26,778	26,569
Expected return	1,863	1,772
Actuarial (loss)/gain	(878)	1
Employer contributions	-	-
Benefits paid	(1,478)	(1,564)
Closing scheme assets	<u>26,285</u>	<u>26,778</u>

Amounts for the current and previous four periods are as follows:

	2015 £'000s	2014 £'000s	2013 £'000s	2011 £'000s	2010 £'000s
Present value of scheme liabilities	(40,520)	(37,534)	(36,301)	(34,923)	(33,104)
Fair value of scheme assets	26,285	26,778	26,569	25,958	27,459
Deficit	(14,235)	(10,756)	(9,732)	(8,965)	(5,645)
Experience adjustments on scheme liabilities	-	(876)	-	2,784	1,858
Experience adjustments on scheme assets	-	-	375	(2,336)	1,178
Total actuarial gains and losses recognised in the statement of total recognised gains and losses	(3,686)	(1,171)	(1,051)	(3,680)	1,572

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses since adoption of FRS 17 is £7,731 (2014: losses £4,045k).