

Claverley Holdings Limited

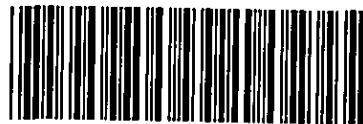
Report and Financial Statements

Period Ended

29 December 2012

Company Number 08114933

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Claverley Holdings Limited

Report and financial statements for the period ended 29 December 2012

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Directors

M G D Graham
E Alan Graham
P S Meier
G W Evers
R M Cross
C D Brims
Edward A Graham
Thomas W Graham
J C Averty
P B Woodman

Secretary and registered office

R M Cross, 51-53 Queen Street, Wolverhampton, WV1 1ES

Company number

08114933

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Claverley Holdings Limited

Report of the directors for the period ended 29 December 2012

The directors present their report together with the audited financial statements for the period ended 29 December 2012

Results and dividends

The profit and loss account is set out on page 8 and shows the loss for the period

The directors do not recommend the payment of a dividend

The group turnover for the year declined from £114m in 2011 to £111m in 2012

Operating profit for the group before exceptional items (£1 0m), depreciation (£6 5m) and amortisation (£1 7m) was £7,682,000 (2011 - £6,594,000)

Loss for the year after taxation and minority interests amounted to £937,000 (2011 – Loss of £19,362,000) No dividends have been paid (2011 - £Nil)

Principal activities, review of business and future developments

The Company was incorporated on 21 June 2012 and following a share for share exchange with Claverley Company 2012 (formerly Claverley company) became the holding company for the Claverley Group of companies. The group reconstruction has been accounted for using merger accounting and therefore prior to the incorporation date the accounts represent the results and financial position of that previously disclosed for Claverley Company

On 3 February 2012, the group disposed of its trading operations in MNA Broadcasting Limited

On 3rd July 2012 the company bought the entire share capital of The Guiton Group Limited at open market value from Nurton Holdings Limited (a company incorporated in the United Kingdom). The open market value was determined by an independent valuation

The principal activity of the company is that of a holding company. The principal activities of the subsidiaries are those of newspaper publishers, commercial printers and the provision of computer systems and services, both in the United Kingdom and the Channel Islands

Despite the economic climate creating another challenging year for the group, with consumer and business confidence remaining uncertain, all subsidiaries performed well

With no material economic recovery envisaged for the year ahead, the trading conditions remain challenging. However, your board believes that the group has a good set of businesses with a strong management team and a committed and loyal workforce that is well placed to weather the short term outlook and to be in a strong position to benefit from the upturn when customer and business confidence returns

Claverley Holdings Limited

Report of the directors for the period ended 29 December 2012 (*continued*)

Principal activities, review of business and future developments (*continued*)

Objective and strategies

Through its multimedia publishing businesses the group's objective is to provide a comprehensive service to both readers and advertisers. It continues to develop new revenue streams using its branding and presence in the market in which it operates.

The commercial printing division focuses on quality and customer services and through this approach has increased its market share.

The IT and software solutions businesses aim to be the leading providers of best of breed products and services within the sectors in which they operate.

The companies that form the entire group in the UK and Channel Islands are all managed by independent boards of directors with full autonomy for business development and expansion. The group board ensures that individuals of the highest quality and integrity manage the businesses thereby ensuring that business and financial controls are robust at all times.

Key performance indicators

At group level, the performance of subsidiaries is monitored on a monthly basis. The key indicators are revenue, operating profits and capital expenditure.

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
Revenue from continuing operations	111,436	113,761
Operating profit before exceptional items, depreciation, amortisation and impairment	7,682	6,594
Capital expenditure	2,201	3,730
	<u> </u>	<u> </u>

Principal risks and uncertainties

The group managed competitive trading risk by providing an unrivalled service to its advertisers, however, the performance of the group is dependent on local economies. Circulation risk is managed by producing a quality product which is considered to be the primary source for local news. The group is exposed to movement in the price of its key consumable, newsprint. However, annual contracts are placed with suppliers to reduce this risk.

Claverley Holdings Limited

Report of the directors for the period ended 29 December 2012 (*continued*)

Financial instruments

The group is financed by a combination of inter-company loans and the group's bankers

During the year the group completed a re-financing, splitting its facilities between operations located in the UK and those located in the Channel Islands under the Guiton Group. As a result the UK operations are financed by facilities provided by Lloyds TSB including an overdraft facility of £4m (2011 - £3.25m) due for renewal in July 2013 and a term loan of £8.0m (2011 - £15.0m), the group no longer utilises the revolving credit facility as at the year-end (2011 - £3m). The group are currently in advanced discussions to renew the overdraft facility and expect renewed facilities to be concluded during August 2013. In addition the Guiton Group based in the Channel Islands is financed by HSBC through a new £10m term loan. The facilities are secured by the trading companies, Claverley Holdings Limited is not party to these facilities.

To manage interest risk, during the year, group companies took out fixed rate to floating rate LIBOR interest swaps. In the UK a swap for £4m of the £8m fixed term loan was taken out with Lloyds TSB in July 2012. The fair value of the interest rate swap at 29 December 2012 was £56k. In the Channel Islands a swap for £6m of the £10m fixed term loan was taken out with HSBC in July 2012. The fair value of the interest rate swap at 29 December 2012 was £123k.

The current economic conditions create uncertainty particularly with regard to the level of demand for products and services and the cost of raw materials. However, the group's forecasts and projections, taking account of changes in trading performance, show that the group should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Research and development

The group continues to invest in research and development. This has resulted in improvements in the products of the IT software solutions business which will benefit the group in the medium to long term. Costs in respect of the products have been capitalised in the balance sheet.

Charitable and political contributions

During the period the group made charitable contributions of £50 (2011 - £50). There were no political contributions.

Employment of disabled persons

The group supports the principle of employing disabled people wherever possible, through recruitment, by retention of those who become disabled during their employment and generally through training, career development and promotion.

Employee participation

The directors recognise the importance of good communications and relations with members of staff. Group newspapers are produced quarterly and methods of consultation are under constant review. The group is proud of its employment policies and of the guidance it gives to those approaching retirement. The group has a defined contribution pension scheme in place for all its employees.

Claverley Holdings Limited

Report of the directors for the period ended 29 December 2012 (*continued*)

Creditor payment policy

The company agrees terms and conditions for business transactions with its suppliers. Payment is made to these terms, subject to terms and conditions being met by suppliers. Trade creditors of the group at 29 December 2012 were equivalent to 40 days purchases (2011 - 39 days) based on the average daily amount invoiced by suppliers during the year.

Environmental matters

The group takes its environmental responsibilities seriously and recognises that business activities inevitably have an impact on the natural environment. It is committed to minimising this impact and uses recycled newsprint, its largest consumable, wherever possible.

Directors

The directors of the company during the period were

M G D Graham Appointed 3 July 2012
E Alan Graham Appointed 3 July 2012
P S Meier Appointed 3 July 2012
G W Evers Appointed 21 June 2012

R M Cross, C D Brims, T W Graham, E A Graham, J C Averty and P B Woodman were appointed on 1 January 2013.

Directors' responsibilities

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 group and company 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Claverley Holdings Limited

Report of the directors for the period ended 29 December 2012 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

R M Cross



Secretary

25 July 2013

Claverley Holdings Limited

Independent auditor's report

To the members of Claverley Holdings Limited

We have audited the financial statements of Claverley Holdings Limited for the 52 week period ended 29 December 2012 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated 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 auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 29 December 2012 and of the group's loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Claverley Holdings Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

BDO LLP

Mark Anslow (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

30 Oct 13

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

Claverley Holdings Limited

Consolidated profit and loss account for the period ended 29 December 2012

		52 week period ended 29 December 2012	52 week period ended 29 December 2012	52 week period ended 29 December 2012	52 week period ended 31 December 2011 As restated £'000	52 week period ended 31 December 2011 As restated £'000	52 week period ended 31 December 2011 As restated £'000
	Note	£'000 Before exceptional items, depreciation, amortisation and impairment	£'000 Exceptional items, depreciation, amortisation and impairment	£'000 Total	£'000 Before exceptional items, depreciation, amortisation and impairment	£'000 Exceptional items, depreciation, amortisation and impairment	£'000 Total
Turnover							
Continuing operations		111,436		111,436	113,761		113,761
Discontinued operations		-		-	501		501
	2	111,436		111,436	114,262		114,262
Net operating expenses	5,28	104,492	9,208	113,700	109,088	23,555	132,643
Other operating income		(738)	-	(738)	(1,420)	-	(1,420)
Group operating (loss)/profit	6	7,682	(9,208)	(1,526)	6,594	(23,555)	(16,961)
Continuing operations				(1,466)			(9,662)
Discontinued operations				(60)			(486)
Profit on disposal of operation		138	-	138	-	-	-
Profit on disposal of fixed assets		819	-	819	-	-	-
Income from shares in group undertakings				1			4
Interest receivable and similar income	9			401			9
Interest payable and similar charges	10			(2,017)			(876)
Other finance charges	11			(1,670)			(1,450)
Loss on ordinary activities before taxation				(3,854)			(19,274)
Taxation on loss on ordinary activities	12			2,889			(161)
Loss on ordinary activities after taxation				(965)			(19,435)
Minority interest				28			73
Loss for the financial period	24			(937)			(19,362)

The notes on pages 14 to 41 form part of these financial statements

Claverley Holdings Limited

Consolidated statement of total recognised gains and losses for the period ended 29 December 2012

	Note	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 As restated £'000
Consolidated statement of total recognised gains and losses			
Loss for the financial period		(937)	(19,362)
Actuarial (loss)/gain on pension scheme	22	(12,040)	23,290
Taxation in respect of gain on pension scheme		2,351	(6,655)
		<hr/>	<hr/>
Total recognised gains and losses for the financial period		(10,626)	(2,727)
			<hr/>
Prior year adjustment (see note 25)		(6,813)	
		<hr/>	
Total gains and losses recognised since last financial statements		(17,439)	
		<hr/>	

The notes on pages 14 to 41 form part of these financial statements

Claverley Holdings Limited

Consolidated balance sheet at 29 December 2012

Company number 08114933

	Note	29 December 2012 £'000	29 December 2012 £'000	31 December 2011 As restated £'000	31 December 2011 As restated £'000
Fixed assets					
Intangible assets	14		28,281		29,919
Tangible assets	15		56,633		61,264
			<u>84,914</u>		<u>91,183</u>
Current assets					
Stocks	17	2,299		2,805	
Debtors	18	20,549		19,043	
Cash at bank and in hand		2,752		1,645	
		<u>25,600</u>		<u>23,493</u>	
Creditors: amounts falling due within one year	19	26,212		29,596	
		<u></u>		<u></u>	
Net current liabilities			(612)		(6,103)
			<u></u>		<u></u>
Total assets less current liabilities			84,302		85,080
Creditors: amounts falling due after more than one year	20	14,689		13,482	
Provisions for liabilities	21	1,831		2,600	
		<u></u>		<u></u>	
			16,520		16,082
			<u></u>		<u></u>
Net assets excluding pension scheme liabilities			67,782		68,998
Pension scheme liabilities	22		(27,827)		(18,313)
			<u></u>		<u></u>
Net assets including pension scheme liabilities			39,955		50,685
			<u></u>		<u></u>

The notes on pages 14 to 41 form part of these financial statements

Claverley Holdings Limited

Consolidated balance sheet at 29 December 2012 (*continued*)

	Note	29 December 2012 £'000	29 December 2012 £'000	31 December 2011 As restated £'000	31 December 2011 As restated £'000
Capital and reserves					
Called up share capital	23		945		945
Profit and loss account	24		38,609		49,235
Shareholders' funds	25		39,554		50,180
Minority interests			401		505
			39,955		50,685

The financial statements were approved by the board of directors and authorised for issue on 25 July 2013

G W Evers
Director

The notes on pages 14 to 41 form part of these financial statements

Claverley Holdings Limited

Company balance sheet at 29 December 2012

Company number 08114933

	Note	29 December 2012 £'000
Fixed assets		
Fixed asset investments	16	31,200
Creditors: amounts falling due within one year	19	9
		<hr/>
Total assets less current liabilities		31,191
Creditors: amounts falling due after more than one year	20	30,712
		<hr/>
		479
		<hr/>
Capital and reserves		
Called up share capital	23	945
Profit and loss account	24	(466)
		<hr/>
Shareholders' funds	25	479
		<hr/>

The financial statements were approved by the board of directors and authorised for issue on 25 July 2013


G W Eyers
Director

The notes on pages 14 to 41 form part of these financial statements

Claverley Holdings Limited

Consolidated cashflow statement for the period ended 29 December 2012

		52 week period ended 29 December 2012 £'000	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000	52 week period ended 31 December 2011 £'000
	Note				
Net cash inflow from operating activities	29		5,422		3,578
Returns on investments and servicing of finance					
Interest received		401		9	
Interest paid other loans		(786)		(790)	
Interest paid hire purchase		(5)		(23)	
Dividends received		-		4	
Dividends paid to minority interests		-		(10)	
Net cash outflow from returns on investments and servicing of finance			(390)		(810)
Taxation					
Corporation tax paid			(13)		-
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(92)		-	
Payments to acquire tangible fixed assets		(2,109)		(3,730)	
Receipts from sale of tangible fixed assets		1,170		179	
Net cash outflow from capital expenditure and financial investment			(1,031)		(3,551)
Acquisitions and disposals					
Sale of business operations		175		-	
Purchase of shares from minority interests		(76)		(118)	
Net cash inflow/(outflow) from acquisitions and disposals			99		(118)
Cash inflow/(outflow) before use of financing			4,087		(901)
Financing					
Loans introduced		18,000		(1,350)	
Capital element of finance leases repaid		(184)		(288)	
Loans repaid		(17,003)		-	
Loan issue costs		(582)		-	
Net cash inflow/(outflow) from financing			231		(1,638)
Decrease in cash	30		4,318		(2,539)

The notes on pages 14 to 41 form part of these financial statements

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 29 December 2012

1 Accounting policies

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

The following principal accounting policies have been applied

Fundamental accounting concept

The financial statements have been prepared on the going concern basis. As detailed in the Directors Report on page 2, the directors have considered the principal risks and uncertainties that apply to the business and believe that it is appropriate to continue to prepare the accounts on this basis.

Basis of consolidation

The group prepares its accounts on the historical cost basis of accounting, modified to include the revaluation of certain assets, in accordance with applicable accounting standards in the United Kingdom. They incorporate the results of the company and its subsidiary undertakings for the 52 weeks ended 29 December 2012 (2011 - 52 weeks ended 31 December 2011). In accordance with the concession under Section 408 of the Companies Act 2006, the profit and loss account of the holding company is not separately presented in these accounts.

The group reconstruction has been accounted for using merger principles, in order to meet the overriding requirements under section 404(5) of the companies Act 2006 for financial statements to present a true and fair view.

For the consolidated accounts the adoption of merger accounting presents Claverley Holdings Limited as if it had always been the parent undertaking of the group. As Claverley Holdings Limited did not trade in the year ended 31 December 2011, the comparative results shown for the year ended 31 December 2011, and the financial position at that period end, are therefore those presented previously as the audited results and position of Claverley Company.

Turnover

Turnover is measured net of applicable discounts and value added tax. Advertising revenue is recognised upon publication and circulation revenue is recognised upon delivery. Revenue from commercial printing is recognised when goods are supplied and for the software business it is recognised as the contract develops. Revenue from the sales of third party licences are recognised upon delivery to a customer when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. In circumstances where a considerable vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied. Income from internally generated software is recognised over the period of the contract. Maintenance and support contracts are recognised rateably over the period of the contract. Where multiple element contracts are entered into and the constituent parts do not stand alone, all revenues are spread over the period of the contract. Where the constituent parts do stand alone then the contract is unbundled by attributing a fair value to each element and discounting each element where necessary. Professional services, such as implementation, bespoke software development, training and consultancy, are recognised, when the services are performed.

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 29 December 2012 (*continued*)

1 Accounting policies (*continued*)

Goodwill

Positive goodwill arising on acquisitions is capitalised at cost, being the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life, up to a presumed maximum of 20 years. It is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible fixed assets

Intangible fixed assets acquired separately from a business are capitalised at cost. Intangible fixed assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition. Intangible fixed assets created within the business are not capitalised unless they meet the criteria of development costs and expenditure is charged against profits in the year in which it is incurred.

Intangible fixed assets are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years. The carrying value of intangible fixed assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Development costs

Development costs are charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable
- the project is technically feasible and commercially viable
- current and future costs are expected to be exceeded by future sales,
- and adequate resources exist for the project to be completed

In such circumstances the costs are carried forward and amortised from the year the company starts to benefit from the expenditure over its expected useful economic life.

Tangible fixed assets

Land and buildings are included at either cost or professional valuation. Certain of the group's freehold and leasehold properties in the UK were valued on the basis of open market value for existing use at 1 August 1988. On adoption of FRS15, the group followed the transitional provisions to retain the book value of land and buildings which were revalued in 1988, but not to adopt a policy of revaluation in the future. All other tangible assets are included at cost. The annual depreciation charge is calculated on cost at annual rates to write off the acquisition cost of tangible assets over their working lives as follows:

Freehold buildings	- 2%
Leasehold buildings	- 2% or the period of the lease if shorter
Plant and machinery	- 7% - 20%
Motor vehicles	- 20%
Fittings and equipment	- 7.5% - 20%
Data processing systems	- 20% - 33.3%

Assets in the course of construction are not depreciated until they are completed. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 29 December 2012 (*continued*)

1 Accounting policies (*continued*)

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The interest element of the rental obligations are charged in the profit and loss account over the period of the lease and represent a constant proportion of the balance of capital repayments outstanding.

Deferred taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items and for taxation and accounting purposes. 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, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 balances are not discounted.

Stocks

Stocks of raw materials, consumables and goods for resale are valued at the lower of cost and estimated net realisable value. Cost comprises the invoiced price of all supplies on a 'first-in, first-out' basis. Work-in-progress is valued at the lower of direct cost (including appropriate overheads) and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Pension costs

The service cost of providing retirement benefits to employees during the year is charged to the operating profit or loss in the year. The full cost of providing amendments to benefits in respect of past service and gains and losses arising on unanticipated settlements or curtailments are also charged to the operating profit or loss in the year. The expected return on the assets of the schemes during the year are based on the market value of the schemes' assets at the start of the year and expected increase in liabilities of the schemes. Differences between actual and expected returns on assets during the year are recognised in the statement of recognised gains and losses in the year together with differences arising from changes in assumptions. The deficit on the defined benefit pension schemes is reported on the group's balance sheet as pension liabilities, net of deferred taxation.

For the defined contribution scheme, the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

1 Accounting policies (*continued*)

Investments

Investments are held at cost. Provision is made for impairment of these investments where required.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

Financial liability and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Onerous Leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

Dilapidations provision

The provision is based on directors' estimates of costs that will be incurred in the future to restore leasehold properties to their original condition at the end of their lease term.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

2 Turnover

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
Analysis by class of business		
Publishing and Printing	98,572	101,581
Technology	12,864	12,681
	<u>111,436</u>	<u>114,262</u>
Analysis by geographical market		
United Kingdom	109,150	111,737
Europe	2,065	2,292
Rest of the world	221	233
	<u>111,436</u>	<u>114,262</u>

3 Loss before taxation

The analysis of the group's loss on ordinary activities before taxation between different classes of businesses is set out below

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
Operating (loss)/profit		
Publishing and Printing	(979)	(6,346)
Technology	(1,035)	(1,539)
Head office companies	488	(9,076)
	<u>(1,526)</u>	<u>(16,961)</u>
Net interest	(1,616)	(876)
Other expense	(712)	(1,437)
	<u>(3,854)</u>	<u>(19,274)</u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (continued)

4 Net assets

The analysis of net assets between different classes of business is set out below

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
Publishing and Printing	96,408	98,870
Technology	2,469	3,523
Head office companies	(59,323)	(52,213)
	<hr/>	<hr/>
Minority interests	39,554 401	50,180 505
	<hr/>	<hr/>
Total net assets	39,955	50,685
	<hr/>	<hr/>

5 Net operating expenses

	Continuing 52 week period ended 29 December 2012 £'000	Discontinued 52 week period ended 29 December 2012 £'000	Total 52 week period ended 29 December 2012 £'000	Total 52 week period ended 1 January 2011 £'000
Purchase of goods for resale	7,290	-	7,290	7,927
Staff costs	49,120	20	49,140	49,490
Raw materials and consumables	28,636	-	28,636	28,209
Other operating charges	19,386	40	19,426	23,551
Depreciation of tangible fixed assets	6,509	-	6,509	14,178
Amortisation of intangible fixed assets	1,730	-	1,730	2,728
Impairment of intangible fixed assets	-	-	-	2,198
Exceptional items	969	-	969	4,362
	<hr/>	<hr/>	<hr/>	<hr/>
	113,640	60	113,700	132,643
	<hr/>	<hr/>	<hr/>	<hr/>

Included within net operating expenses are exceptional costs of £969,000 in respect of severance payments. Exceptional costs in the prior year of £4,361,855 are in respect of severance payments, investments and costs relating to the disposal of the radio station business.

Depreciation includes £nil (2011 - £151,000) charged on assets held under finance leases and hire purchase contracts.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (continued)

6 Operating (loss)/profit

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
This is arrived at after charging/(crediting)		
Hire of plant and machinery - operating leases	739	779
Hire of other assets - operating leases	685	1,163
Auditors' remuneration		
- fees payable to the group's auditor for the audit of the company and group's annual accounts	10	10
- auditing of accounts of subsidiary companies	139	139
- taxation services	41	41
- other services	84	67
Defined contribution pension cost	3,883	3,174
Defined benefit pension cost (see below)	410	420
Profit on disposal of tangible fixed assets	(119)	(156)
	<hr/>	<hr/>

Defined benefit pension costs comprise

Current service cost	410	420
Past service cost	-	-
	<hr/>	<hr/>

7 Employees

Staff costs (including directors) consist of

	Group 52 week period ended 29 December 2012 £'000	Group 52 week period ended 31 December 2011 £'000
Wages and salaries	40,772	42,214
Social security costs	3,475	3,682
Other pension costs	4,893	3,594
	<hr/>	<hr/>
	49,140	49,490
	<hr/>	<hr/>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

7 Employees (*continued*)

The average number of employees (including directors) during the period was as follows

	Group 52 week period ended 29 December 2012 Number	Group 52 week period ended 31 December 2011 Number
Publishing and printing	1,127	1,273
Technology	159	159
Administration	21	21
	<u>1,307</u>	<u>1,453</u>

8 Directors' remuneration

	52 week period ended 29 December 2012 £	52 week period ended 31 December 2011 £
Directors' emoluments	443,249	416,893
Company contributions to money purchase pension schemes	<u>17,190</u>	<u>47,376</u>

There were no directors in the group's defined benefit pension scheme (2011 - nil) There was 1 director in the group's defined contribution pension scheme (2011 - 1) during the period

The total amount payable to the highest paid director in respect of emoluments was £146,812 (2011 - £147,701) The highest paid director is not a member of the defined benefit scheme

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

9 Interest receivable and similar income

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
Bank deposits	86	9
Other interest	315	-
	<u>401</u>	<u>9</u>

10 Interest payable and similar charges

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
Bank interest	785	650
Loans from group companies	1	-
Finance leases and hire purchase contracts	5	23
Amortisation of loan arrangement fee	256	50
Other interest	970	74
Preference share dividend	-	79
	<u>2,017</u>	<u>876</u>

11 Other finance charges

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
Expected return on pension scheme assets	(10,490)	(13,030)
Interest on pension scheme liabilities	12,160	14,480
	<u>1,670</u>	<u>1,450</u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

12 Taxation on loss on ordinary activities

Adjustments in respect of prior periods Prior year tax returns between 2005 and 2008 have been revised during the current year to reflect the company's current estimate of its corporation and deferred tax position

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
<i>UK Corporation tax - adjustments in respect of previous periods</i>		
Corporation tax and group relief	(707)	(2)
Deferred tax losses recognised	(270)	-
	<u>(977)</u>	<u>(2)</u>
<i>Foreign tax</i>		
Current tax on foreign income for the period	13	13
Group relief	-	(3)
	<u>13</u>	<u>10</u>
Total current tax	<u>(964)</u>	<u>8</u>
<i>Deferred tax - adjustments in respect of previous periods</i>		
Movement on capital allowances and depreciation	(239)	1,480
<i>Deferred tax - adjustments in respect of current period</i>		
Short term timing differences	(1,221)	(309)
Depreciation in advance of capital allowances	(465)	(1,018)
	<u>(1,925)</u>	<u>153</u>
Movement in deferred tax provision	<u>(1,925)</u>	<u>153</u>
Taxation on loss on ordinary activities	<u>(2,889)</u>	<u>161</u>

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 29 December 2012 (continued)

12 Taxation on loss on ordinary activities (continued)

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

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 As restated £'000
Loss on ordinary activities before tax	(3,854)	(19,274)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24% (2010 - 26%)	(925)	(5,011)
Effect of		
Expenses not deductible for tax purposes	845	3,510
Depreciation in excess of capital allowances	397	1,366
Short term timing differences	404	353
Difference between UK and overseas tax rates	(658)	(288)
Adjustments to tax charge in respect of previous years	(977)	(2)
(Utilisation of losses) / Losses carried forward	(50)	80
Current tax (credit)/charge for the period	(964)	8

13 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group loss for the period includes a loss after tax of £466,000 (2011 - £Nil) which is dealt with in the financial statements of the parent company.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

14 Intangible fixed assets

Group

	Mastheads £'000	Goodwill £'000	Development costs £'000	Total £'000
<i>Cost</i>				
At 1 January 2012	51,327	814	1,659	53,800
Additions	-	-	92	92
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 December 2012	51,327	814	1,751	53,892
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>				
At 1 January 2012	22,902	814	165	23,881
Provided for the period	1,594	-	136	1,730
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 December 2012	24,496	814	301	25,611
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 29 December 2012	26,831	-	1,450	28,281
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	28,425	-	1,494	29,919
	<hr/>	<hr/>	<hr/>	<hr/>

Mastheads are being amortised evenly over their useful economic lives of 20 years

Goodwill is being amortised evenly over its useful economic life of up to 20 years

Development costs are being amortised over the useful economic life of the project

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

15 Tangible fixed assets

Group

	Land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
<i>Cost</i>				
At 1 January 2012	45,320	125,297	8,557	179,174
Additions	50	1,762	296	2,108
Disposals	(196)	(1,444)	(1,016)	(2,656)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 29 December 2012	45,174	125,615	7,837	178,626
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation</i>				
At 1 January 2012	16,647	93,807	7,456	117,910
Provided for the period	637	5,441	431	6,509
Disposals	(41)	(1,376)	(1,009)	(2,426)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 29 December 2012	17,243	97,872	6,878	121,993
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>				
At 29 December 2012	27,931	27,743	959	56,633
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2011	28,673	31,490	1,101	61,264
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

	Group 29 December 2012 £'000	Group 31 December 2011 £'000
Long leasehold	14	15
Short leasehold	916	972
Freehold	27,001	27,687
	<u> </u>	<u> </u>
	27,931	28,674
	<u> </u>	<u> </u>

The net book value of tangible fixed assets includes an amount of £343,000 (2011 - £435,000) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the period was £92,000 (2011 - £151,000).

The aggregate amount of capital expenditure for the Group authorised and contracted for by the Directors at 29 December 2012 was £780,205 (2011 - £68,000).

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

16 Fixed asset investments

Company

	Group undertakings £'000
<i>Cost</i>	
Additions and at 29 December 2012	31,200

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the period end is 20% or more are as follows

	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>		
The Midland News Association Limited	99.2%	Newspaper publishers
Nurton Holdings Limited	100%	Holding company
Guiton Group Limited	100%	Publishing & technology
Precision Colour Printing Limited	100%	Commercial printers
Press Computer Systems Limited	100%	Marketing of computer systems
Roughton Insurances Limited	100%	Insurance
Claverley Group Limited	100%	Holding company

The Midland News Association and Guiton Group Limited are holding companies for a number of trading subsidiaries

Guiton Group Limited and Roughton Insurances Limited are registered in Jersey and Guernsey respectively. All other companies in the group are registered in England and Wales.

In addition Claverley Group Limited owns 100% of the issued preference shares in The Midland News Association Limited.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

17 Stocks

	Group 29 December 2012 £'000	Group 31 December 2011 £'000	Company 29 December 2012 £'000
Raw materials and consumables	1,668	1,997	-
Work in progress	426	524	-
Goods for resale	205	284	-
	<u>2,299</u>	<u>2,805</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

18 Debtors

	Group 29 December 2012 £'000	Group 31 December 2011 £'000	Company 29 December 2012 £'000
Trade debtors	14,701	13,727	-
Other debtors	1,750	806	-
Prepayments and accrued income	3,019	3,269	-
Loans for employees' share purchase	-	1	-
VAT recoverable	35	1,240	-
Deferred taxation (see note 21)	1,044	-	-
	<u>20,549</u>	<u>19,043</u>	<u>-</u>

All amounts shown under debtors fall due for payment within one year

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

19 Creditors: amounts falling due within one year

	Group 29 December 2012 £'000	Group 31 December 2011 £'000	Company 29 December 2012 £'000
Bank overdrafts and loans (secured see note 20)	4,313	8,111	-
Payments received on account	137	346	-
Trade creditors	8,121	7,754	-
Amounts due to parent and subsidiary undertakings	-	-	3
Corporation tax	2,993	3,925	-
Other taxation and social security	1,805	1,886	-
Obligations under finance lease and hire purchase contracts	10	194	-
Other creditors	1,933	2,120	-
Accruals and deferred income	6,900	5,260	6
	<u>26,212</u>	<u>29,596</u>	<u>9</u>

20 Creditors: amounts falling due after more than one year

	Group 29 December 2012 £'000	Group 31 December 2011 £'000	Company 29 December 2012 £'000
Bank loans (secured see below)	13,590	12,500	-
Amounts owed to group undertakings	-	-	29,857
9 21% preference shares	855	855	855
Other creditors	244	127	-
	<u>14,689</u>	<u>13,482</u>	<u>30,712</u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

20 Creditors: amounts falling due after more than one year (*continued*)

Maturity of debt

	Loans and overdrafts 29 December 2012 £'000	Loans and overdrafts 31 December 2011 £'000	Finance leases 29 December 2012 £'000	Finance leases 31 December 2011 £'000
In one year or less, or on demand	4,313	8,111	10	194
In more than one year but not more than two years	2,812	4,000	-	-
In more than two years but not more than five years	7,732	8,500	-	-
In more than five years	3,046	-	-	-
	<u>13,590</u>	<u>12,500</u>	<u>-</u>	<u>-</u>

The bank loans and overdrafts with Lloyds TSB and HSBC are secured by fixed and floating charges over the assets of the group

The preference share are entitled to a maximum dividend of 9.21% of the nominal value of the shares and a maximum of 150p per share on the winding up of the company. The company has 900,000 95p preference shares, authorised and in issue.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

21 Provisions for liabilities

Group

	Deferred taxation £'000	Dilapidation provision £'000	Onerous lease provision £'000	Total £'000
At 1 January 2012	881	110	1,609	2,600
(Credited)/charged to profit and loss account	(1,925)	228	-	(1,697)
Utilised in period	-	-	(116)	(116)
	<u>(1,044)</u>	<u>338</u>	<u>1,493</u>	<u>787</u>
Transferred to debtors (see note 18)	1,044	-	-	1,044
	<u>-</u>	<u>338</u>	<u>1,493</u>	<u>1,831</u>
At 29 December 2012	-	338	1,493	1,831

Deferred taxation

	Group 29 December 2012 £'000	Group 31 December 2011 £'000	Company 29 December 2012 £'000
(Decelerated)/accelerated capital allowances	(771)	958	-
Sundry timing differences	(273)	(77)	-
	<u>(1,044)</u>	<u>881</u>	<u>-</u>

There is an unrecognised deferred tax asset for the group of £0.3m (2011 - £2.5m) in respect of trading and non-trading losses and an unrecognised deferred tax asset of £Nil (2011 - £1.3m) in respect of capital allowances

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 29 December 2012 (continued)

22 Pensions

The group provides pensions for its current and past employees through various pension schemes

Defined Contribution Schemes

The Claverley Holdings Group operates various defined contribution pension schemes for employees. The total pension cost for the year amounted to £3,883,000 (2011: £3,174,000) which represents contributions payable to the fund. Contributions totalling £Nil (2011: £Nil) were payable to the funds at the year end and are included in accruals.

Defined benefit schemes

The Claverley Holdings Group operates three pension schemes (A, C & D). The three schemes provide benefits based on either final pensionable pay or defined contributions for employees of this and certain other group companies. The assets of schemes A and D are held in separate trustee administered funds whilst the assets of scheme C are held under contract with an insurer.

The schemes are subject to independent valuation at least every three years, on the basis of which the rates of the employers' contributions are determined, which, together with the specified contributions payable by the employees and proceeds from the schemes' assets, are sufficient to fund the benefits payable under the schemes. Employers' contributions in respect of all schemes have been paid throughout the year.

The company has closed Scheme A to future accruals and therefore expects to make reduced contributions in the future. Contributions to Schemes C and D are expected to continue at similar levels.

Details of the most recent formal valuations of the Schemes are as follows:

	Scheme A	Scheme C	Scheme D
Valuation date	05/04/11	24/12/10	01/01/11
Actuarial method	Projected Unit	Attained Age	Projected Unit
Market value	£213.2m	£21.4m	£9.5m
Funding level	98.4%	88%	65%

The major FRS17 assumptions used by the qualified independent actuaries are:

	29.12.12 % p.a.	31.12.11 % p.a.	01.01.11 % p.a.
Claverley Schemes (A)			
Price Inflation	3.00	3.70	3.70
Rate of increase of salaries - employees	N/A	N/A	N/A
Rate of increase of salaries - executives	N/A	N/A	N/A
Rate of increase in pensions	2.00 - 3.00	2.50 - 3.70	2.50 - 3.70
Rate of increase in deferred pensions	2.00 - 2.00	3.70	3.70
Discount rate	4.50	5.70	5.70
Guilton Schemes (C&D)			
Price Inflation	3.50	4.20	4.20
Rate of increase of salaries - employees	4.65	5.00	5.00
Rate of increase of salaries - executives	4.65	5.00	5.00
Rate of increase in pensions	2.50 - 3.00	2.50 - 3.00	2.50 - 3.00
Rate of increase in deferred pensions	0.00 - 3.00	3.00	3.00
Discount rate	4.50	5.70	5.70

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

22 Pensions (*continued*)

The expected rate of return and the market value of assets for all schemes is shown below

	29 December 2012 £m	31 December 2011 £m
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the period	(254.7)	(270.6)
Current service cost	(0.4)	(0.4)
Interest cost	(12.2)	(14.5)
Contributions by participants	(0.3)	(0.3)
Actuarial (losses)/gains	(18.1)	20.8
Benefits paid	11.4	10.3
	<hr/>	<hr/>
At the end of the period	(274.3)	(254.7)
	<hr/>	<hr/>
<i>Composition of plan liabilities</i>		
	29 December 2012 £m	31 December 2011 £m
Schemes wholly or partly funded	(274.3)	(254.7)
	<hr/>	<hr/>
<i>Reconciliation of fair value of plan assets</i>		
	29 December 2012 £m	31 December 2011 £m
At the beginning of the period	233.0	226.0
Expected rate of return on plan assets	10.5	13.0
Actuarial gains	6.1	2.6
Contributions by group	2.2	1.4
Contributions by participants	0.3	0.3
Benefits paid	(11.4)	(10.3)
	<hr/>	<hr/>
At the end of the period	240.7	233.0
	<hr/>	<hr/>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

22 Pensions (*continued*)

	29 December 2012 £m	31 December 2011 £m
<i>Reconciliation to balance sheet</i>		
Present value of funded obligations	(274.3)	(254.7)
Fair value of plan assets	240.7	233.0
	<hr/>	<hr/>
Plan deficit	(33.6)	(21.7)
Related deferred tax asset	5.8	3.4
	<hr/>	<hr/>
Net liability	(27.8)	(18.3)
	<hr/>	<hr/>
	52 week period ended 29 December 2012 £m	52 week period ended 31 December 2011 £m
<i>The amounts recognised in profit and loss are as follows</i>		
<i>Included in administrative expenses</i>		
Current service cost	0.4	0.4
<i>Included in other finance expense</i>		
Interest cost	12.2	14.5
Expected return of plan assets	(10.5)	(13.0)
	<hr/>	<hr/>
	2.1	1.9
	<hr/>	<hr/>
	52 week period ended 29 December 2012 £m	52 week period ended 31 December 2011 £m
<i>Analysis of amount recognised in statement of total recognised gains and losses</i>		
Actual return less expected return on pension plan assets	6.1	2.5
Experience gains and losses arising on the scheme liabilities	(1.9)	23.7
Changes in assumptions underlying the present value of the scheme liabilities	(16.2)	(2.9)
	<hr/>	<hr/>
Actuarial (losses)/gains recognised in the statement of total recognised gains and losses	(12.0)	23.3
	<hr/>	<hr/>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

22 Pensions (*continued*)

	52 week period ended 29 December 2012 £m	52 week period ended 31 December 2011 £m
<i>Cumulative amount of losses recognised in the statement of total recognised gains and losses</i>	(38.3)	(26.3)
	<hr/>	<hr/>
	29 December 2012 £m	31 December 2011 £m
<i>Composition of plan assets</i>		
Equity Securities	23.1	53.1
Debt Securities	175.6	121.1
Real Estate/Property	11.0	12.0
Other	31.0	46.8
	<hr/>	<hr/>
Total plan assets	240.7	233.0
	<hr/>	<hr/>

Narrative description of the basis used to determine the overall expected rate of return of assets

The rate of return on each asset class has been determined as follows

Equities

A nominal rate of 6.40% p.a. based upon historical returns of similar equities

Bonds

The group have based their bond return assumption on bond yields at 29 December 2012. The government bond yields have been derived using the returns on fixed interest and index-linked bond (>15 year) terms, the corporate bond yield has been based on iBoxx AA corporate bond yields (>15 years)

Property

The rate adopted is mid-way between that assumed for equities and corporate bonds

Other assets

Based on long term annuity rates

	29 December 2012 £m	31 December 2011 £m
<i>Actual return on plan assets</i>	16.6	15.6
	<hr/>	<hr/>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (continued)

22 Pensions (continued)

	29 December 2012 %	31 December 2011 %
<i>The expected rate of return of assets for all schemes are shown below</i>		
Equity securities	6.40	6.85
Debt securities	3.17	3.52
Real Estate	5.25	5.85
Other	4.50	4.90

	29 December 2012	31 December 2011	2 January 2008	27 December 2007	29 December 2006
<i>Five year history</i>					
Asset (gain)/loss during the period					
- amount (£m)	(6.06)	(2.54)	(10.36)	15.47	(42.07)
- % of scheme assets	(2.52%)	1.09%	(4.58%)	7.3%	(21.6%)
Liability (gain)/loss during the period					
- amount (£m)	1.90	(23.66)	(1.47)	(0.82)	5.66
- % of the present value of scheme liabilities	(0.69%)	(9.29%)	(0.54%)	(0.32%)	2.71%
Total actuarial gain/(loss)					
- amount (£m)	(12.04)	23.30	(0.22)	29.95	(14.23)
- % of the present value of scheme liabilities	(4.39%)	9.1%	(0.08%)	11.70%	(6.81%)
Schemes' surplus/deficit					
- Actuarial value of scheme's liabilities (£m)	(274.30)	(254.70)	(270.58)	(255.80)	(209.07)
Fair value of the plan assets	240.70	233.00	226.07	211.88	194.78
Deficit on the pension plans	(33.60)	(21.70)	(44.51)	(43.92)	(14.29)

The group's best estimate of the contributions expected to be paid in the year beginning on 30 December 2012 is £3.21m

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

23 Share capital

	29 December 2012 £'000	31 December 2011 £'000
<i>Allotted, called up and fully paid</i>		
900,000 Ordinary shares of £1 each	900	900
900,000 Ordinary shares of 5p each	45	45
	<hr/>	<hr/>
	945	945
	<hr/>	<hr/>

The Ordinary shares have no voting rights, but have unlimited right to declared dividends and other distributions

The Voting shares have no right to any distribution other than a maximum of 5p per share on the winding up of the company, after the payment of the maximum amount to the preference shareholders as indicated above and £10,000 per share to the ordinary shareholder. The company has in issue 900,000 5p voting shares

The Preference shares issued by the company are shown in note 20 as a result of the adoption of FRS 25

24 Reserves

Group

	Profit and loss account £'000
At 1 January 2012 as previously stated	56,048
Prior year adjustment	(6,813)
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At 1 January 2012 as restated	49,235
Loss for the period	(937)
Actuarial loss on pension scheme liabilities net of related taxation	(9,689)
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At 29 December 2012	38,609
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Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

24 Reserves (*continued*)

Company

	Profit and loss account £'000
Loss for the period	(466)
At 29 December 2012	(466)

25 Reconciliation of movements in shareholders' funds

	Group 29 December 2012 £'000	Group 31 December 2011 £'000	Company 29 December 2012 £'000
Loss for the period	(937)	(19,362)	(466)
Other net recognised gains and losses relating to the period			
- Actuarial (loss)/gain on pension scheme	(12,040)	23,290	-
- Taxation in respect of gain on pension scheme	2,351	(6,655)	-
Issue of shares	-	-	945
Net (deductions from)/additions to shareholders' funds	(10,626)	(2,727)	479
Opening shareholders' funds as previously stated	56,993	52,907	-
Prior year adjustment	(6,813)	-	-
Opening shareholders' funds as restated	50,180	52,907	-
Closing shareholders' funds	39,554	50,180	479

In 2011 some freehold property should have been impaired by £6,812,744, this has therefore given rise to a prior period adjustment. The impact has been to reduce tangible fixed assets and reserves by £6,812,744. All comparatives have been restated.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (continued)

26 Commitments under operating leases

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

	Land and buildings 29 December 2012 £'000	Other 29 December 2012 £'000	Land and buildings 31 December 2011 As restated £'000	Other 31 December 2011 As restated £'000
Operating leases which expire				
Within one year	23	4	24	148
In two to five years	228	977	560	708
After five years	850	-	805	-
	<u>1,101</u>	<u>981</u>	<u>1,389</u>	<u>856</u>

27 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries

The group owns 99.2% (2011 - 99.1%) of the Midland News Association through its wholly owned subsidiary, Claverley Group Limited. During the period ended 29 December 2012, Claverley Group Limited charged management charges of £1,729,000 (2011 - £1,845,000), received interest on an inter-company loan of £198,000 (2011 - £397,000) and dividends of £25,000 (2011 - £1,120,000) from the Midland News Association Limited.

As at 29 December 2012, Claverley Group Limited owed The Midland News Association Limited £Nil (2011 - £Nil) and was owed £7,891,000 (2011 - £46,188,000).

28 Discontinued operations

On 3 February 2012, the group sold the trading operations of MNA Broadcasting Limited. The impact of the disposal on the results for the period is shown within the profit and loss account and related notes.

Corresponding figures for the split between discontinued and continuing operations are detailed on the face of the profit and loss account for turnover and operating profit. The group's net operating expenses for the corresponding period of £125,830,000 include £987,000 related to discontinued operations. In addition the gross loss for the year of £11,568,000 includes a loss from discontinued operations of £486,000.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

29 Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 As restated £'000
Operating loss	(1,526)	(16,961)
Depreciation, amortisation and impairments	8,239	21,156
Profit on sale of tangible fixed assets	(119)	(156)
Movement in other provisions	112	110
Loss on sale of investments	-	6
Decrease in stocks	506	285
Increase in debtors	(462)	(63)
Increase in creditors	472	131
Difference between pension charge and cash contribution	(1,800)	(930)
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Net cash inflow from operating activities	5,422	3,578
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30 Reconciliation of net cash flow to movement in net debt

	52 week period ended 29 December 2012 £'000	52 week period ended 31 December 2011 £'000
Increase/(decrease) in cash	4,318	(2,539)
Cash (outflow)/inflow from changes in debt	(795)	1,638
	<hr/>	<hr/>
Movement in net debt resulting from cash flows	3,523	(901)
Issue costs of bank loans (net of charges for the year)	476	(50)
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Movement in net debt	3,999	(951)
Opening net debt	(19,160)	(18,209)
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Closing net debt	(15,161)	(19,160)
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Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

31 Analysis of net debt

	At 1 January 2012 £'000	Cash flow £'000	Other non- cash items £'000	At 29 December 2012 £'000
Cash at bank and in hand	1,645	1,107	-	2,752
Bank overdrafts	(4,111)	3,211	-	(900)
		<u>4,318</u>		
Debt due within one year	(4,000)	587	-	(3,413)
Debt due after one year	(12,500)	(1,566)	476	(13,590)
Finance leases	(194)	184	-	(10)
		<u>(795)</u>		
Total	<u>(19,160)</u>	<u>3,523</u>	<u>476</u>	<u>(15,161)</u>