

Claverley Holdings Limited

Report and Financial Statements

Period Ended

28 December 2013

Company Number 08114933

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Claverley Holdings Limited

Report and financial statements for the period ended 28 December 2013

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Directors

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

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

Strategic report for the period ended 28 December 2013

The directors present their strategic report together with the audited financial statements for the period ended 28 December 2013.

Business review

The publishing businesses have continued to develop print and digital portfolios to remain the leading local media businesses for readers and advertisers across the West Midlands and Shropshire in the UK and Jersey and Guernsey in the Channel Islands.

The commercial printing business, Precision Colour Printing Limited, has continued to build on its reputation for quality, reliability and service whilst continuing to grow its contractual revenue base and investing in new presses in 2013.

The computer systems and services business, Press Computer Systems Limited, has continued to develop its portfolio of publishing systems and grow its recurring revenues through major contract wins with leading publishers.

Despite some small signs of improvement in the economic climate, revenue growth is still difficult to achieve with publishing facing the same issues as all regional newspapers, in terms of a decline in circulation and in advertising spend.

With trading conditions forecast to remain challenging, a focus on reducing the unit cost through efficiencies and cost control continues to be of the utmost importance to management to offset the decline in revenues.

Principal risks and uncertainties

The principal risks faced by the group are driven by the economy; both the national economy and the local economy. Changes in public sector spending, the level of unemployment, consumer spending, inflation and interest rates can all have significant impact on the group.

The group manages these risks through a combination of measures. It continually monitors costs and reduces exposure to price fluctuations for key consumables such as paper, newsprint and energy by establishing supply contracts. The group reduces its exposure to interest rate increases by hedging between 50% and 60% of its debt. However, the group primarily reduces risk by providing unrivalled, cost effective services to its customers and continually seeking to enhance its products and services.

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.

Claverley Holdings Limited

Strategic report for the period ended 28 December 2013 (*continued*)

Key performance indicators

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

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Revenue from continuing operations	97,439	99,951
Operating profit before depreciation, amortisation and exceptional items	8,852	7,682
Capital expenditure	4,193	2,201
	<hr/>	<hr/>

By order of the board

R M Cross
Secretary

5 June 2014

Claverley Holdings Limited

Report of the directors for the period ended 28 December 2013

The directors present their report together with the audited financial statements for the period ended 28 December 2013.

Results and dividends

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

The group turnover for the year declined from £111m in 2012 to £104m in 2013.

Operating profit for the group before exceptional items (£0.6m), depreciation (£6.8m) and amortisation (£1.1m) was £8,852,000 (2012 - £7,682,000).

The loss for the year after taxation and minority interests amounted to £5,290,000 (2012 - £937,000). No dividends have been paid (2012 - £nil).

The directors do not recommend the payment of a final dividend.

Financial instruments

The group and company is financed by a combination of loans from its immediate parent and the group's bankers.

The UK operations and the Channel Islands operations are party to separate group banking facilities. These facilities are made available to subsidiaries to meet their day to day working capital requirements.

The UK operations are financed by facilities provided by Lloyds Bank including an overdraft facility of £1.5m (2012 - £4.0m) which was renewed in March 2014. The group also has a term loan facility of £6.9m (2012 - £8.0m) until September 2017.

During the year the UK group entered into a plant & machinery loan agreement repayable over two years to June 2015 and a receivables finance agreement with Lloyds Bank Commercial Finance to provide funding for a capital investment project and on-going working capital facilities of up to £6m, which are due for renewal in July 2015.

To manage interest risk, £4m of the £8m fixed term loan is subject to a fixed rate to floating rate LIBOR interest swap taken out with Lloyds Bank in July 2012. The fair value of the interest rate swap at 28 December 2013 was £nil (2012 - £56k).

The Channel Island operations are financed by facilities provided by HSBC including an overdraft facility of £0.5m (2012 - £0.75m) due for renewal in July 2014. The group also has a term loan facility of £7.7m (2012 - £9.5m) until June 2019.

To manage interest risk, the Channel Island group has a fixed to floating Base Rate interest swap on 60% of its fixed term loan. The fair value of the interest rate swap at 28 December 2013 was £19k (2012 - £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.

Claverley Holdings Limited

Report of the directors for the period ended 28 December 2013 (*continued*)

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 new products that meet the criteria have been capitalised in the balance sheet.

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.

Directors

The directors of the company during the period were:

M G D Graham
E Alan Graham
P S Meier
G W Evers
P B Woodman (appointed 1 January 2013)
C D Brims (appointed 1 January 2013)
R M Cross (appointed 1 January 2013)
J C Averty (appointed 1 January 2013)
P A Inman (appointed 24 October 2013)
T W Graham (appointed 1 January 2013)
E Alexander Graham (appointed 1 January 2013)

Claverley Holdings Limited

Report of the directors for the period ended 28 December 2013 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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.

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 have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

R M Cross



Secretary

5 June 2014

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 28 December 2013 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 Financial Reporting Council's (FRC'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 FRC'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 28 December 2013 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and 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*

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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 28 December 2013

		52 week period ended 28 December 2013 £'000	52 week period ended 28 December 2013 £'000	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000	52 week period ended 29 December 2012 £'000	52 week period ended 29 December 2012 £'000
	Note	Before exceptional items, depreciation, amortisation and impairment	Exceptional items, depreciation, amortisation and impairment	Total	Before exceptional items, depreciation, amortisation and impairment	Exceptional items, depreciation, amortisation and impairment	Total
Turnover							
Continuing operations		97,439		97,439	99,951		99,951
Discontinued operations		6,346		6,346	11,485		11,485
Net operating expenses	2	103,785		103,785	111,436		111,436
Other operating income	5	94,933	8,534	103,467	104,492	9,208	113,694
		-	-	-	(738)	-	(738)
Group operating profit/(loss)	6	8,852	(8,534)	318	7,682	(9,208)	(1,526)
Continuing operations				485			(1,141)
Discontinued operations				(167)			(385)
Profit on disposal of operation	27	29	-	29	138	-	138
Profit on disposal of fixed assets		-	-	-	819	-	819
Profit/(loss) on ordinary activities before interest and other income		8,881	(8,534)	347	8,639	(9,208)	(569)
Income from shares in group undertakings				-			1
Interest receivable and similar income	9			216			401
Interest payable and similar charges	10			(1,868)			(2,017)
Other finance charges	11			(2,310)			(1,670)
Loss on ordinary activities before taxation				(3,615)			(3,854)
Taxation on loss on ordinary activities	12			(1,695)			2,889
Loss on ordinary activities after taxation				(5,310)			(965)
Minority interest				20			28
Loss for the financial period	24			(5,290)			(937)

The notes on pages 14 to 43 form part of these financial statements.

Claverley Holdings Limited

Consolidated statement of total recognised gains and losses for the period ended 28 December 2013

	Note	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Consolidated statement of total recognised gains and losses			
Loss for the financial period		(5,290)	(937)
Actuarial loss on pension scheme	22	(6,171)	(12,040)
Taxation in respect of loss on pension scheme		397	2,351
		<hr/>	<hr/>
Total recognised gains and losses for the financial period		(11,064)	(10,626)
		<hr/>	<hr/>

The notes on pages 14 to 43 form part of these financial statements.

Claverley Holdings Limited

Consolidated balance sheet at 28 December 2013

<i>Company number 08114933</i>		28 December	28 December	29 December	29 December
	Note	2013	2013	2012	2012
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	14		27,145		28,281
Tangible assets	15		51,888		56,633
			<u>79,033</u>		<u>84,914</u>
Current assets					
Stocks	17	2,568		2,299	
Debtors	18	18,298		20,549	
Cash at bank and in hand		6,024		2,752	
		<u>26,890</u>		<u>25,600</u>	
Creditors: amounts falling due within one year	19	<u>28,994</u>		<u>26,212</u>	
Net current liabilities			<u>(2,104)</u>		<u>(612)</u>
Total assets less current liabilities			76,929		84,302
Creditors: amounts falling due after more than one year	20	12,760		14,689	
Provisions for liabilities	21	<u>1,652</u>		<u>1,831</u>	
			<u>14,412</u>		<u>16,520</u>
Net assets excluding pension scheme liabilities			62,517		67,782
Pension scheme liabilities	22		<u>(33,684)</u>		<u>(27,827)</u>
Net assets including pension scheme liabilities			<u>28,833</u>		<u>39,955</u>

The notes on pages 14 to 43 form part of these financial statements.

Claverley Holdings Limited

Consolidated balance sheet at 28 December 2013 (*continued*)

	Note	28 December 2013 £'000	28 December 2013 £'000	29 December 2012 £'000	29 December 2012 £'000
Capital and reserves					
Called up share capital	23		945		945
Profit and loss account	24		27,545		38,609
			<hr/>		<hr/>
Shareholders' funds	25		28,490		39,554
Minority interests			343		401
			<hr/>		<hr/>
			28,833		39,955
			<hr/>		<hr/>

The financial statements were approved by the board of directors and authorised for issue on 5 June 2014.

G W Evers
Director

The notes on pages 14 to 43 form part of these financial statements.

Claverley Holdings Limited

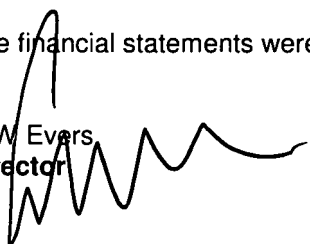
Company balance sheet at 28 December 2013

Company number 08114933

	Note	28 December 2013 £'000	29 December 2012 £'000
Fixed assets			
Fixed asset investments	16	31,200	31,200
Creditors: amounts falling due within one year	19	21	9
Total assets less current liabilities		31,179	31,191
Creditors: amounts falling due after more than one year	20	31,642	30,712
		(463)	479
Capital and reserves			
Called up share capital	23	945	945
Profit and loss account	24	(1,408)	(466)
Shareholders' (deficit)/funds	25	(463)	479

The financial statements were approved by the board of directors and authorised for issue on 5 June 2014.

G W Evers
Director



The notes on pages 14 to 43 form part of these financial statements.

Claverley Holdings Limited

Consolidated cashflow statement for the period ended 28 December 2013

		52 week period ended 28 December 2013 £'000	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000	52 week period ended 29 December 2012 £'000
	Note				
Net cash inflow from operating activities	30		7,109		5,422
Returns on investments and servicing of finance					
Interest received		54		401	
Interest paid: bank loans		(865)		(786)	
Interest paid: hire purchase		-		(5)	
Dividends received		162		-	
Net cash outflow from returns on investments and servicing of finance			(649)		(390)
Taxation					
Corporation tax paid			(21)		(13)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		-		(92)	
Payments to acquire tangible fixed assets		(4,193)		(2,109)	
Receipts from sale of tangible fixed assets		494		1,170	
Net cash outflow from capital expenditure and financial investment			(3,699)		(1,031)
Acquisitions and disposals					
Sale of business operations		853		175	
Purchase of shares from minority interests		(40)		(76)	
Cash disposed of with business operation		(215)		-	
Net cash inflow from acquisitions and disposals			598		99
Cash inflow before use of financing			3,338		4,087
Financing					
New bank loans		685		18,000	
Bank loans repaid		(3,108)		(17,003)	
Capital element of finance leases repaid		(10)		(184)	
Loan issue costs		-		(582)	
Net cash (outflow)/inflow from financing			(2,433)		231
Increase in cash	31		905		4,318

The notes on pages 14 to 43 form part of these financial statements.

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 28 December 2013

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 Strategic Report on page 1 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 28 December 2013 (2012 - 52 weeks ended 29 December 2012) using the acquisition method. 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.

Turnover

Revenue represents sales to external customers at invoiced amounts less value added tax. The following criteria must be met before revenue is recognised.

Advertising

Revenue is recognised upon publication and circulation revenue is recognised upon delivery.

Services

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 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.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

Dividend income

Revenue is recognised when the group's right to receive payment is established.

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.

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 28 December 2013 (*continued*)

1 Accounting policies (*continued*)

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 the useful economic life of the project.

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	- 5% - 33%
Motor vehicles	- 20%
Fittings and equipment	- 7.5% - 33%
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.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 28 December 2013 (*continued*)

1 Accounting policies (*continued*)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date.

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 is measured on an undiscounted basis at the tax rates that are expected to apply in periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Investments

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

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.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

1 Accounting policies (*continued*)

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.

2 Turnover

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Analysis by class of business:		
Publishing and printing	96,286	98,572
Technology	7,499	12,864
	<u>103,785</u>	<u>111,436</u>
Analysis by geographical market:		
United Kingdom	73,702	75,486
Europe	29,870	35,729
Rest of the world	213	221
	<u>103,785</u>	<u>111,436</u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

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 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Operating loss		
Publishing and printing	387	(979)
Technology	(1,313)	(1,035)
Head office companies	1,244	488
	<u>318</u>	<u>(1,526)</u>
Net interest	(1,652)	(1,616)
Other expense	(2,281)	(712)
	<u>(3,615)</u>	<u>(3,854)</u>

4 Net assets

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

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Publishing and printing	96,066	96,408
Technology	1,223	2,469
Head office companies	(68,799)	(59,323)
	<u>28,490</u>	<u>39,554</u>
Minority interests	343	401
	<u>28,833</u>	<u>39,955</u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

5 Net operating expenses

	Continuing 52 week period ended 28 December 2013 £'000	Discontinued 52 week period ended 28 December 2013 £'000	Total 52 week period ended 28 December 2013 £'000	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
Changes in stocks of work in progress and goods for resale	316	-	316	(117)	-	(117)
Purchase of goods for resale	4,213	2,144	6,357	3,513	3,894	7,407
Staff costs	40,150	2,143	42,293	43,438	5,702	49,140
Raw materials and consumables	26,936	-	26,936	28,636	-	28,636
Other operating charges	17,124	1,907	19,031	17,695	1,731	19,426
Depreciation of tangible fixed assets	6,437	319	6,756	5,966	543	6,509
Amortisation of intangible fixed assets	1,136	-	1,136	1,730	-	1,730
Exceptional items	642	-	642	969	-	969
	96,954	6,513	103,467	101,830	11,870	113,700

Included within net operating expenses is exceptional costs of £642,000 (2012 - £969,000). This relates to severance payments of £0.5m (2012 - £1.0m) and costs in relation to the withdrawal of the employee car fuel benefit scheme of £0.1m (2012 - £Nil).

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

6 Operating profit/(loss)

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
This is arrived at after charging/(crediting):		
Hire of plant and machinery - operating leases	1,147	1,096
Hire of other assets - operating leases	390	685
Auditors' remuneration:		
Company and group's annual accounts	10	10
- auditing of accounts of subsidiary undertakings	150	139
- taxation services	41	41
- other services	75	84
Defined contribution pension cost	2,372	3,883
Defined benefit pension cost (see below)	410	410
Profit on disposal of tangible fixed assets	(11)	(119)
	<u> </u>	<u> </u>
Current service cost	410	410
	<u> </u>	<u> </u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

7 Employees

Staff costs (including directors) consist of:

	Group 52 week period ended 28 December 2013 £'000	Group 52 week period ended 29 December 2012 £'000
Wages and salaries	36,212	40,772
Social security costs	3,299	3,475
Other pension costs	2,782	4,893
	<u>42,293</u>	<u>49,140</u>

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

	Group 52 week period ended 28 December 2013 Number	Group 52 week period ended 29 December 2012 Number
Publishing and printing	1,156	1,127
Technology	69	159
Administration	20	21
	<u>1,245</u>	<u>1,307</u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

8 Directors' remuneration

	52 week period ended 28 December 2013 £	52 week period ended 29 December 2012 £
Directors' emoluments	992,627	423,249
Company contributions to defined contribution pension schemes	43,740	17,190
	<u> </u>	<u> </u>

There were no directors in the group's defined benefit pension scheme (2012 - Nil). There were 2 directors in the group's defined contribution pension scheme (2012 - 1) during the period.

The total amount payable to the highest paid director in respect of emoluments was £258,606 (2012 - £146,812). Company pension contributions of £26,100 were made to a defined contribution scheme on their behalf. The highest paid director in the previous financial year was not a member of the defined contribution scheme.

9 Interest receivable and similar income

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Bank deposits	54	86
Other interest	-	315
Dividends from unlisted investments	162	-
	<u> </u>	<u> </u>
	216	401
	<u> </u>	<u> </u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

10 Interest payable and similar charges

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Bank overdraft	121	77
Bank loan interest	739	709
Finance leases and hire purchase contracts	-	5
Amortisation of loan arrangement fee	84	256
Other interest	924	970
	<u>1,868</u>	<u>2,017</u>

11 Other finance charges

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Expected return on pension scheme assets	(9,800)	(10,490)
Interest on pension scheme liabilities	12,110	12,160
	<u>2,310</u>	<u>1,670</u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

12 Taxation on loss on ordinary activities

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

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
<i>UK Corporation tax - adjustments in respect of previous periods</i>		
Corporation tax and group relief	2,524	(707)
Deferred tax losses recognised	-	(270)
	<u>2,524</u>	<u>(977)</u>
<i>Foreign tax</i>		
Current tax on foreign income for the period	15	13
	<u>15</u>	<u>13</u>
Total current tax	<u>2,539</u>	<u>(964)</u>
<i>Deferred tax - adjustments in respect of previous periods</i>		
Movement on capital allowances and depreciation	(264)	(239)
<i>Deferred tax - adjustments in respect of current year</i>		
Short term timing differences	36	(1,221)
Depreciation in advance of capital allowances	(785)	-
Effect of changes in tax rate	169	(465)
	<u>(844)</u>	<u>(1,925)</u>
Movement in deferred tax provision	<u>(844)</u>	<u>(1,925)</u>
Taxation on loss on ordinary activities	<u>1,695</u>	<u>(2,889)</u>

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 28 December 2013 (*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 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Loss on ordinary activities before tax	(3,615)	(3,854)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 23% (2012: 24%)	(831)	(925)
Effect of:		
Expenses not deductible for tax purposes	382	845
Depreciation in excess of capital allowances	903	397
Short term timing differences	(42)	404
Difference between UK and overseas tax rates	(350)	(658)
Adjustments to tax charge in respect of previous years	2,523	(977)
Exempt income not chargeable to tax	(37)	-
Losses carried forward	(9)	(50)
Current tax charge/(credit) for the period	2,539	(964)

Factors that may affect future tax charges

Finance Act 2013, substantively enacted on 3 July 2013, reduced the main rate of corporation tax from 23% (originally enacted in Finance Bill 2012) to 21% with effect from 1 April 2014. A further reduction to 20% was also enacted in Finance Act 2013, to reduce the main rate of corporation tax to 20% with effect from 1 April 2015. The reduction to 23% was substantively enacted on 17 July 2012.

This announcement reduces the company's future current tax charge accordingly.

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 £942,000 (2012 - £466,000) 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 28 December 2013 (*continued*)

14 Intangible fixed assets

Group

	Development costs £'000	Goodwill £'000	Mastheads £'000	Total £'000
<i>Cost</i>				
At 30 December 2012 and 28 December 2013	1,751	814	51,327	53,892
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>				
At 30 December 2012	307	814	24,490	25,611
Provided for the period	159	-	977	1,136
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 December 2013	466	814	25,467	26,747
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 28 December 2013	1,285	-	25,860	27,145
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 December 2012	1,444	-	26,837	28,281
	<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 amortised over the useful economic life of the project.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

15 Tangible fixed assets

Group

	Land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
<i>Cost or valuation</i>				
At 30 December 2012	45,174	125,615	7,837	178,626
Additions	-	3,884	309	4,193
Disposals	(577)	(16,440)	(1,290)	(18,307)
Disposal of subsidiary	-	(8,276)	(99)	(8,375)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 28 December 2013	44,597	104,783	6,757	156,137
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation</i>				
At 30 December 2012	17,243	97,872	6,878	121,993
Provided for the period	629	5,760	367	6,756
Disposals	(95)	(16,440)	(1,289)	(17,824)
Disposal of subsidiary	-	(6,588)	(88)	(6,676)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 28 December 2013	17,777	80,604	5,868	104,249
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>				
At 28 December 2013	26,820	24,179	889	51,888
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 29 December 2012	27,931	27,743	959	56,633
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

	Group 28 December 2013 £'000	Group 29 December 2012 £'000
Long leasehold	12	14
Short leasehold	29	31
Freehold	26,779	27,886
	<u> </u>	<u> </u>
	26,820	27,931
	<u> </u>	<u> </u>

The aggregate amount of capital expenditure for the Group authorised and contracted for by the Directors at 28 December 2013 was £398,000 (2012 - £931,000). There were no capital commitments for the company at the end of the current or prior period.

The net book value of tangible fixed assets includes an amount of £Nil (2012 - £343,000) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the period was £Nil (2012 - £92,000)

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

16 Fixed asset investments

Company

	Group undertakings £'000
<i>Cost</i>	
At 30 December 2012 and 28 December 2013	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>		
Guiton Group Limited	100%	Holding company
Claverley Company Limited	100%	Holding company
Claverley Group Limited*	100%	Holding company
Press Computer Systems Limited*	100%	Marketing of computer systems
Precision Colour Printing Limited*	100%	Commercial printers
Roughton Insurances Limited*	100%	Insurance
Nurton Holdings Limited*	100%	Holding company
Jersey Evening Post Limited*	100%	Newspaper publishers
CI Newsagents Limited*	100%	Retail
Guernsey Press Company Limited*	100%	Newspaper publishers
The Midland News Association Limited*	99.3%	Holding company
Express and Star Limited*	100%	Newspaper publishers
Shropshire Newspapers Limited*	100%	Newspaper publishers
MNA Leasing Limited*	100%	Vehicle leasing
MNA Properties Limited *	100%	Property management
MNAIP Limited*	100%	Intellectual property management

* Indirectly held

Guiton Group Limited, Roughton Insurances Limited, Jersey Evening Post Limited, CI Newsagent Limited and Guernsey Press Company Limited are registered in Guernsey and Jersey. All other companies in the group are registered in England and Wales.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

17 Stocks

	Group 28 December 2013 £'000	Group 29 December 2012 £'000	Company 28 December 2013 £'000	Company 29 December 2012 £'000
Raw materials and consumables	1,621	1,668	-	-
Work in progress	812	426	-	-
Goods for resale	135	205	-	-
	<u>2,568</u>	<u>2,299</u>	<u>-</u>	<u>-</u>

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

18 Debtors

	Group 28 December 2013 £'000	Group 29 December 2012 £'000	Company 28 December 2013 £'000	Company 29 December 2012 £'000
Trade debtors	12,300	14,701	-	-
Other debtors	1,981	1,762	-	-
Prepayments and accrued income	2,243	3,019	-	-
VAT recoverable	-	23	-	-
Deferred taxation	1,774	1,044	-	-
	<u>18,298</u>	<u>20,549</u>	<u>-</u>	<u>-</u>

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

	Group Deferred taxation £'000	Company Deferred taxation £'000
At 30 December 2012	1,044	-
Credited to profit and loss account	730	-
	<u>1,774</u>	<u>-</u>
At 28 December 2013		

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

18 Debtors (*continued*)

Deferred taxation

	Group 28 December 2013 £'000	Group 29 December 2012 £'000
The amount of deferred tax provided for is as follows:		
Accelerated capital allowances	1,661	739
Sundry timing differences	113	305
	<u>1,774</u>	<u>1,044</u>

19 Creditors: amounts falling due within one year

	Group 28 December 2013 £'000	Group 29 December 2012 £'000	Company 28 December 2013 £'000	Company 29 December 2012 £'000
Bank overdrafts and loans (secured see note 20)	6,349	4,313	-	-
Payments received on account	186	137	-	-
Trade creditors	7,325	8,121	-	-
Amounts owed to group undertakings	-	-	12	3
Corporation tax	5,449	2,993	-	-
Other taxation and social security	1,671	1,805	-	-
Obligations under finance lease and hire purchase contracts	-	10	-	-
Other creditors	2,131	1,933	-	-
Accruals and deferred income	5,883	6,900	9	6
	<u>28,994</u>	<u>26,212</u>	<u>21</u>	<u>9</u>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

20 Creditors: amounts falling due after more than one year

	Group 28 December 2013 £'000	Group 29 December 2012 £'000	Company 28 December 2013 £'000	Company 29 December 2012 £'000
Bank loans (secured see below)	11,648	13,590	-	-
Amounts owed to parent and group undertakings	-	-	30,787	29,857
9.21% preference shares	855	855	855	855
Other creditors	257	244	-	-
	<u>12,760</u>	<u>14,689</u>	<u>31,642</u>	<u>30,712</u>

Maturity of debt:

	Loans and overdrafts 28 December 2013 £'000	Loans and overdrafts 29 December 2012 £'000	Finance leases 28 December 2013 £'000	Finance leases 29 December 2012 £'000
In one year or less, or on demand	<u>6,349</u>	<u>4,313</u>	<u>-</u>	<u>10</u>
In more than one year but not more than two years	4,459	2,812	-	-
In more than two years but not more than five years	7,189	7,732	-	-
In more than five years	-	3,046	-	-
	<u>11,648</u>	<u>13,590</u>	<u>-</u>	<u>-</u>

The bank loan and overdrafts with Lloyds TSB and HSBC are secured by a fixed and floating charge over the assets of the group.

The preference shares 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 28 December 2013 (*continued*)

21 Provisions for liabilities

Group

	Dilapidation provision £'000	Onerous lease provision £'000	Total £'000
At 30 December 2012	338	1,493	1,831
Utilised in period	-	(179)	(179)
	<hr/>	<hr/>	<hr/>
At 28 December 2013	338	1,314	1,652
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There is an unrecognised deferred tax asset for the group of £0.3m (2012 - £0.3m) in respect of trading and non-trading losses.

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 28 December 2013 (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 £2,372,000 (2012: £3,883,000) which represents contributions payable to the fund. Contributions totalling £Nil (2012 - £Nil) were payable to the funds at the year end.

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.

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:

	28.12.13 % p.a.	29.12.12 % p.a.	31.12.11 % p.a.
Claverley Schemes (A)			
Price Inflation	3.30	3.00	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	1.85 - 3.10	2.00 - 3.00	2.50-3.70
Rate of increase in deferred pensions	2.05 - 2.20	2.00 - 3.00	3.70
Discount rate	4.55	4.50	5.70
Guiton Schemes (C&D)			
Price Inflation	4.10	4.20	4.20
Rate of increase of salaries - employees	3.00 - 4.10	5.20	5.20
Rate of increase of salaries - executives	3.00 - 4.10	5.20	5.20
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	0.00 - 3.00	0.00 - 3.00
Discount rate	4.40	5.70	5.70

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

22 Pensions (*continued*)

	28 December 2013 £m	29 December 2012 £m
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the period	(274.3)	(254.7)
Current service cost	(0.4)	(0.4)
Interest cost	(12.1)	(12.2)
Contributions by participants	(0.3)	(0.3)
Actuarial gains/(losses)	0.9	(18.1)
Benefits paid	10.9	11.4
	<hr/>	<hr/>
At the end of the period	(275.3)	(274.3)
	<hr/>	<hr/>
	28 December 2013 £m	29 December 2012 £m
<i>Composition of plan liabilities</i>		
Schemes wholly or partly funded	275.3	274.3
	<hr/>	<hr/>
	28 December 2013 £m	29 December 2012 £m
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the period	240.7	233.0
Expected rate of return on plan assets	9.8	10.5
Actuarial (losses)/gains	(7.0)	6.1
Contributions by group	2.5	2.2
Contributions by participants	0.3	0.3
Benefits paid	(10.9)	(11.4)
	<hr/>	<hr/>
At the end of the period	235.4	240.7
	<hr/>	<hr/>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

22 Pensions (*continued*)

	28 December 2013 £m	29 December 2012 £m
<i>Reconciliation to balance sheet</i>		
Present value of funded obligations	(275.3)	(274.3)
Fair value of plan assets	235.4	240.7
	<hr/>	<hr/>
Plan deficit	(39.9)	(33.6)
Related deferred tax asset	6.3	5.8
	<hr/>	<hr/>
Net liability	(33.6)	(27.8)
	<hr/>	<hr/>
	52 week period ended 28 December 2013 £m	52 week period ended 29 December 2012 £m
<i>The amounts recognised in profit and loss are as follows:</i>		
Current service cost	0.4	0.4
<i>Included in other finance (income)/expense:</i>		
Interest cost	12.1	12.2
Expected return of plan assets	(9.8)	(10.5)
	<hr/>	<hr/>
	2.7	2.1
	<hr/>	<hr/>
	52 week period ended 28 December 2013 £m	52 week period ended 29 December 2012 £m
<i>Analysis of amount recognised in statement of total recognised gains and losses</i>		
Actual return less expected return on pension plan assets	(7.0)	6.1
Experience gains and losses arising on the scheme liabilities	(1.3)	(1.9)
Changes in assumptions underlying the present value of the scheme liabilities	2.1	(16.2)
	<hr/>	<hr/>
Actuarial losses recognised in the statement of total recognised gains and losses	(6.2)	(12.0)
	<hr/>	<hr/>

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 28 December 2013 (*continued*)

22 Pensions (*continued*)

	52 week period ended 28 December 2013 £m	52 week period ended 29 December 2012 £m
<i>Cumulative amount of gains/(losses) recognised in the statement of total recognised gains and losses</i>	(44.5)	(38.3)
	28 December 2013 £m	29 December 2012 £m
<i>Composition of plan assets</i>		
European equities	23.6	23.1
European bonds and gilts	168.5	175.6
Property	7.6	11.0
Cash and other	35.7	31.0
Total plan assets	235.4	240.7

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 6.85% p.a. based upon historical returns of similar equities.

Bonds

The group have based their bond return assumption on bond yields at 28 December 2013. 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.

	28 December 2013 £m	29 December 2012 £m
<i>Actual return on plan assets</i>	2.8	16.6

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

22 Pensions (*continued*)

	28 December 2013 %	29 December 2012 %
<i>Principle actuarial assumptions used at the balance sheet date</i>		
Expected rates of return on plan assets		
European equities	8.00	6.40
European bonds and gilts	3.83	3.17
Property	5.65	5.25
Cash and other	4.95	4.50

	28 December 2013	29 December 2012	31 December 2011	1 January 2011	2 January 2010
<i>Five year history</i>					
Asset (gain)/loss during the period					
- amount (£m)	7.02	(6.06)	(2.54)	(10.36)	15.47
- % of scheme assets	2.98%	(2.52%)	(1.09%)	(4.58%)	7.3%
Liability (gain)/loss during the period					
-amount (£m)	1.28	1.90	(23.66)	(1.47)	(0.82)
- % of the present value of scheme liabilities	(0.46%)	(0.69%)	(9.29%)	(0.54%)	(0.32%)
Total actuarial gain/(loss)					
- amount (£m)	(6.17)	(12.04)	(27.16)	(0.22)	29.95
- % of the present value of scheme liabilities	(2.24%)	(4.39%)	(10.7%)	(0.08%)	11.7%
Schemes' surplus/deficit					
- Actuarial value of scheme's liabilities (£m)	(275.42)	(274.30)	(254.70)	(270.58)	(255.80)
Fair value of the plan assets	235.49	240.70	233.00	226.07	211.88
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deficit on the pension plans	(39.93)	(33.60)	(21.70)	(44.51)	(43.92)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The group's best estimate of the contributions expected to be paid in the year beginning on 29 December 2013 is £2.00m.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

23 Share capital

	28 December 2013 £'000	29 December 2012 £'000
<i>Allotted, called up and fully paid</i>		
900,000 Ordinary shares of £1 each	900	900
900,000 Voting shares of 5p each	45	45
	<u>945</u>	<u>945</u>

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 30 December 2012	38,609
Loss for the period	(5,290)
Actuarial loss on pension scheme liabilities net of related taxation	(5,774)
	<u>27,545</u>
At 28 December 2013	<u>27,545</u>

Company

	Profit and loss account £'000
At 30 December 2012	(466)
Loss for the period	(942)
	<u>(1,408)</u>
At 28 December 2013	<u>(1,408)</u>

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 28 December 2013 (*continued*)

25 Reconciliation of movements in shareholders' funds/(deficit)

	Group 28 December 2013 £'000	Group 29 December 2012 £'000	Company 28 December 2013 £'000	Company 29 December 2012 £'000
Loss for the period	(5,290)	(937)	(942)	(466)
Other net recognised gains and losses relating to the period				
- Actuarial loss on pension scheme	(6,171)	(12,040)	-	-
- Taxation in respect of loss on pension scheme	397	2,351	-	-
Issue of shares	-	-	-	945
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net (deductions from)/additions to shareholders' funds/(deficit)	(11,064)	(10,626)	(942)	479
Opening shareholders' funds	39,554	50,180	479	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing shareholders' funds/(deficit)	28,490	39,554	(463)	479
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

26 Contingent liabilities

Certain subsidiaries within the group are subject to an HMRC enquiry into the tax implications of transactions that these subsidiaries entered into in prior years. Similar transactions are the subject of litigation for another tax payer and the group is a follower of that case. That other case was lost at the Upper Tribunal in April 2014 with the prospect of an additional taxation liability which is regarded as double taxation for the relevant tax payer. Such double taxation would be unusual. An application has been made for permission to appeal. The group's subsidiaries have previously fully provided for tax and interest in connection with the transactions although this liability is contested and the basis for this is also part of the proposed appeal. As a consequence of the decision the Midland News Association group has decided to make a further central provision of £2.5m plus interest for the additional contingent double taxation liability pending the determination of any appeal. It is not possible at this point to allocate amounts to individual subsidiaries. Full consideration has also been given to the group's overall ability to settle such an amount should it fall due.

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 28 December 2013 (*continued*)

27 Discontinued operations

On 9 July 2013 the group disposed of Itex Holdings Limited.

The profit on disposal of Itex Holdings Limited has been calculated as follows:

	£'000	£'000
Proceeds		853
Net assets disposed of:		
Tangible fixed assets	1,700	
Stocks	10	
Debtors	1,475	
Cash	215	
Creditors	(2,576)	
		824
Profit on disposal		29

The net inflow of cash in respect of the sale of Itex Holdings Limited is as follows:

	£'000
Cash consideration	853
Cash transferred on disposal	215
Net inflow of cash	638

The proceeds of £853,000 include cash consideration of £1,500,000 less disposal costs of £647,000.

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 £103,467,000 include £6,862,000 related to discontinued operations. In addition the profit for the year of £318,000 includes a loss from discontinued operations of £516,000.

Claverley Holdings Limited

Notes forming part of the financial statements for the period ended 28 December 2013 (*continued*)

28 Commitments under operating leases

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

	Land and buildings 28 December 2013 £'000	Other 28 December 2013 £'000	Land and buildings 29 December 2012 £'000	Other 29 December 2012 £'000
Operating leases which expire:				
Within one year	16	-	23	4
In two to five years	69	1,024	228	977
After five years	411	-	850	-
	<u>496</u>	<u>1,024</u>	<u>1,101</u>	<u>981</u>

29 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 within the group.

The group owns 99.3% (2012 - 99.2%) of The Midland News Association Limited through its wholly owned subsidiary, Claverley Group Limited. During the period ended 28 December 2013 the company charged management charges of £1,764,000 (2012 - £1,729,000), received interest on an inter-company loan of £Nil (2012 - £198,000) and dividends of £25,200 (2012 - £25,200) from The Midland News Association Limited.

As at 28 December 2013, Claverley Group Limited was owed £7,906,000 (2012 - £7,891,000) from The Midland News Association Limited.

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

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

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Operating profit/(loss)	318	(1,526)
Depreciation, amortisation and impairments	7,892	8,239
Amortisation of professional fees	72	-
Profit on sale of tangible fixed assets	(11)	(119)
Movement in provisions	(179)	112
(Increase)/decrease in stocks	(279)	506
Decrease/(increase) in debtors	1,483	(462)
Increase in creditors	533	472
Difference between pension charge and cash contribution	(2,720)	(1,800)
	<hr/>	<hr/>
Net cash inflow from operating activities	7,109	5,422
	<hr/>	<hr/>

31 Reconciliation of net cash flow to movement in net debt

	52 week period ended 28 December 2013 £'000	52 week period ended 29 December 2012 £'000
Increase in cash	905	4,318
Cash inflow/(outflow) from changes in debt	2,433	(795)
	<hr/>	<hr/>
Movement in net debt resulting from cash flows	3,338	3,523
Issue costs of bank loan	-	476
Amortisation of FRS 4 costs	(150)	-
	<hr/>	<hr/>
Movement in net debt	3,188	3,999
Opening net debt	(15,161)	(19,160)
	<hr/>	<hr/>
Closing net debt	(11,973)	(15,161)
	<hr/>	<hr/>

Claverley Holdings Limited

Notes forming part of the financial statements
for the period ended 28 December 2013 (*continued*)

32 Analysis of net debt

	At 30 December 2012 £'000	Cashflow £'000	Non cash movements £'000	At 28 December 2013 £'000
Cash at bank and in hand	2,752	3,272	-	6,024
Bank overdrafts	(900)	(2,367)	-	(3,267)
		<u>905</u>		
Debt due within one year	(3,413)	2,423	(2,092)	(3,082)
Debt due after one year	(13,590)	-	1,942	(11,648)
Finance leases	(10)	10	-	-
		<u>2,433</u>		
Total	<u>(15,161)</u>	<u>3,338</u>	<u>(150)</u>	<u>(11,973)</u>