

DC Thomson & Company Limited

Directors' report and accounts

31 March 1996

Registered number 5830

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DC Thomson & Company Limited

Directors' report

Directors' report to the ninety second Annual General Meeting of DC Thomson & Company Limited, to be held at 22 Meadowside, Dundee on 26 November 1996 at 12 noon.

The directors submit the audited accounts of the company and of the group for the year ended 31 March 1996.

Results and dividends

The results for the year and transfer to reserves are set out in the profit and loss account on page 3.

The directors recommend that a final dividend of £4,779,825 (1995 - £4,343,067) be paid, which together with the interim dividend of £620,459 (1995 - £620,459) already paid, will make a total of £5,400,283 (1995 - £4,963,526) for the year.

Activities

The principal activities of the group are the printing and publishing of newspapers, magazines and books.

Review of business

The market both for newspapers and magazines was extremely competitive, with extensive price cutting being adopted by other publications. This has affected the company's revenue to some extent.

Advertising revenue was, at best, static.

Despite these factors, some increase in turnover was achieved mainly as a result of contracts to print outside publications, and a fifty three week year.

The substantial rise in the cost of paper had a detrimental affect on profits. This will be accentuated in the current financial year although some relief is expected on future purchases.

The control of costs remained of paramount importance particularly in an environment where face price increases on the company's publications were difficult to achieve. Staff numbers were slightly lower.

Considerable effort was made on the merchandising of some of the company's well known comic characters. A television series for Dennis the Menace has been completed and sold widely overseas as well as in the UK.

Fixed assets

Information relating to changes in fixed tangible assets is given in note 11 to these accounts.

In the opinion of the directors, the market value of the land and buildings is not less than the book value stated in the accounts.

DC Thomson & Company Limited

Directors' report *(continued)*

Directors

The directors in office throughout the year were Messrs BH Thomson, DB Thomson, AF Thomson, AG Thomson and LM Thomson.

Mr CHW Thomson was appointed a director on 1 October 1995.

The directors' interests in the issued share capital of the company are shown in note 29 to these accounts.

In terms of the Articles of Association, Messrs BH Thomson and AF Thomson retire by rotation and being eligible, offer themselves for re-election.

Employees

Information relating to employees is given in note 4 to these accounts.

It is the policy of the group to do everything possible to ensure the health and safety at work of all employees.

Careful attention is given to the employment of disabled persons where practicable, and to ensuring that they have full consideration in the development of their careers.

Good relations with employees are recognised as of first importance. Communication is maintained through departmental overseers and other seniors and by regular visits by management to all departments and by head office management to branch offices, when matters of interest concerning the business are discussed. The majority of employees are members of the Thomson-Leng Provident and Superannuation Funds.

Exports

The value of exports from the United Kingdom was £6,031,428 (1995 - £5,163,507).

Charitable and political contributions

Most of the group's substantial charitable contributions are made by charitable trusts the capital of which was privately contributed. In addition the group made charitable donations of £2,700 (1995 - £700). The group made no political contributions during the year.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



I Douglas
Secretary

Dundee
24 October 1996

DC Thomson & Company Limited

Consolidated profit and loss account for the year ended 31 March 1996

	Note	1996 £000	1995 £000
Turnover	2	105,711	100,406
(Increase)/decrease in stock of finished goods and work in progress	(86)		630
Regional Development Grants	(95)		(112)
Raw materials and consumables	30,129		24,327
Other external charges	177		175
		30,125	25,020
		75,586	75,386
Staff costs	37,596		36,871
Depreciation	4,491		4,687
Other operating charges	22,374		23,553
		64,461	65,111
Trading profit before exceptional items		11,125	10,275
Income from fixed asset investments	6	17,189	13,633
Other interest receivable	7	5,604	5,866
		33,918	29,774
Profit before exceptional items		10,938	1,166
Exceptional items	8		
Profit on ordinary activities before taxation		44,856	30,940
Taxation	9	8,473	6,965
Profit after taxation		36,383	23,975
Appropriations:			
Transfer to reserves	21	27,500	15,500
Dividends paid and proposed	10	5,400	4,964
		32,900	20,464
Retained profit for the year		3,483	3,511

A statement of reserves is given in notes 21 and 22 to these accounts.

There are no recognised gains or losses other than the profit for the financial year of £36,383,000 (1995 - £23,975,000).


DC Thomson & Company Limited


Consolidated balance sheet

At 31 March 1996

	Note	£000	1996 £000	1995 £000
Fixed assets				
Tangible assets	11		99,836	100,551
Investments	12		68,153	63,507
			<u>167,989</u>	<u>164,058</u>
Current assets				
Stocks	13	17,972		15,571
Debtors	14	33,992		21,087
Investments	15	11,897		17,180
Short-term deposits		74,885		56,413
Cash at bank and in hand		3,591		4,420
		<u>142,337</u>		<u>114,671</u>
Creditors: amounts falling due within one year	16	<u>(18,987)</u>		<u>(17,784)</u>
Net current assets			<u>123,350</u>	<u>96,887</u>
Total assets less current liabilities			<u>291,339</u>	<u>260,945</u>
Provisions for liabilities and charges	17		(9,547)	(9,426)
Accruals and deferred income	18		(686)	(781)
			<u>281,106</u>	<u>250,738</u>
Capital and reserves				
Called up share capital	19		4,596	4,596
Capital redemption reserve	20		1,404	1,404
Reserve fund	21		184,587	157,087
Staff benefit and pension reserve	21		21,912	21,912
Stock reserve	21		8,700	8,700
Profit and loss account	22		59,907	57,039
			<u>281,106</u>	<u>250,738</u>

The accounts on pages 3 to 21 were approved by the Board of Directors on 24 October 1996 and signed on its behalf by:


BH Thomson
 Director


DB Thomson
 Director

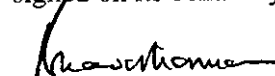
DC Thomson & Company Limited

Balance sheet

At 31 March 1996

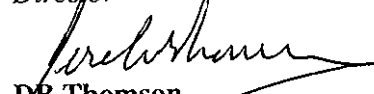
	Note	1996 £000	1995 £000
Fixed assets			
Tangible assets	11	98,637	99,310
Investments, including subsidiary companies	12	62,914	62,312
		<u>161,551</u>	<u>161,622</u>
Current assets			
Stocks	13	14,799	11,629
Debtors	14	30,218	19,606
Investments	15	11,897	17,180
Short-term deposits		73,004	49,214
Cash at bank and in hand		500	1,447
		<u>130,418</u>	<u>99,076</u>
Creditors: amounts falling due within one year	16	<u>(17,578)</u>	<u>(16,379)</u>
Net current assets		<u>112,840</u>	<u>82,697</u>
Total assets less current liabilities		<u>274,391</u>	<u>244,319</u>
Provisions for liabilities and charges	17	(9,566)	(9,444)
Accruals and deferred income	18	(686)	(781)
		<u>264,139</u>	<u>234,094</u>
Capital and reserves			
Called up share capital	19	4,596	4,596
Capital redemption reserve	20	1,404	1,404
Reserve fund	21	183,964	156,464
Staff benefit and pension reserve	21	21,912	21,912
Stock reserve	21	8,700	8,700
Profit and loss account	22	43,563	41,018
		<u>264,139</u>	<u>234,094</u>

The accounts on pages 3 to 21 were approved by the Board of Directors on 24 October 1996 and signed on its behalf by:



BH Thomson

Director



DB Thomson

Director

DC Thomson & Company Limited

Consolidated cash flow statement

For the year ended 31 March 1996

	Note	1996 £000	1995 £000
Net cash inflow from operating activities	24	6,939	11,290
Returns on investments and servicing of finance			
Income from fixed asset investments		17,189	13,633
Other interest receivable		5,604	5,853
Dividends paid		(4,964)	(4,667)
Dividend receivable		(6)	-
Net cash inflow from returns on investments and servicing of finance		17,823	14,819
Taxation			
Tax paid		(7,504)	(20,857)
Investing activities			
Purchase of tangible fixed assets		(3,692)	(6,668)
Sale of tangible fixed assets		985	1,843
Purchase of investments		(6,245)	(31,945)
Sale of investments		9,340	7,448
Cash outlay re purchase of subsidiary		(3)	(500)
Net cash (outflow)/inflow from investing activities		385	(29,822)
Net cash (outflow)/inflow before financing		17,643	(24,570)
Financing			
Repurchase of ordinary shares		-	(39,842)
(Decrease)/increase in cash and cash equivalents	25	17,643	(64,412)

DC Thomson & Company Limited

Notes

(forming part of the accounts)

1 Accounting policies

Accounting convention

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

Consolidation

The consolidated accounts include the results of the company and all its subsidiaries and also the group's share of the results of its associated company. Goodwill arising on acquisition of subsidiaries and associates is written off to reserves in the year the cost is incurred.

In accordance with Section 230 of the Companies Act 1985, a separate profit and loss account of DC Thomson & Company Limited is not presented.

Investment income

Investment income is dealt with on the basis of cash receipts in the year with, in the case of franked investment income, the addition of related tax credits.

Depreciation

The cost of fixed tangible assets, except freehold land, is depreciated to estimated residual value over their estimated useful economic lives as follows:-

Freehold buildings	-	2%	Reducing balance
Plant and equipment	-	4 to 40 years	Straight line

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date.

Government grants

Government grants are credited to profit and loss over the period of the estimated useful economic lives of the assets to which they relate. The grants shown in the balance sheet consist of the total grants received and receivable to date less amounts so far credited to profits.

Pension costs

The group operates a defined benefit pension scheme covering all eligible employees. Payments to the scheme are charged against profits and are calculated with actuarial advice and represent a proper charge to cover the accruing liabilities on a continuing basis. Independent actuarial values of the scheme are made every three years.

Payments in respect of defined contribution schemes are charged against profits when due.

Notes (continued)

DC Thomson & Company Limited

1 Accounting policies (*continued*)

Stocks

Stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of overheads.

Deferred taxation

Deferred taxation is provided at the rates at which the liabilities are expected to arise in respect of short term timing differences and the excess of capital allowances over depreciation where such liabilities are expected to crystallise in the foreseeable future.

2 Turnover

Turnover represents amounts invoiced in respect of goods provided during the year excluding value added tax.

3 Trading profit is stated after charging:

	1996 £000	1995 £000
Auditors' remuneration	65	63
Auditors' remuneration for non-audit work	34	43
Loss on sale of fixed tangible assets	-	12
	===	===

In addition auditors' remuneration for non-audit work not expensed through the profit and loss account was £nil (1995 - £19,250)

and after crediting:

Gain on sale of fixed tangible assets	36	-
Net income from rents	62	62
	===	===

4 Employees

	Number	Number
Average weekly number of employees during the year	1,961	2,005
	=====	=====
	£000	£000
Employee costs during the year (including directors remuneration) amounted to:		
Wages and salaries	34,939	34,180
Social security costs	2,723	2,703
Other pension costs (note 28)	(66)	(12)
	=====	=====
	37,596	36,871
	=====	=====

DC Thomson & Company Limited

Notes (continued)

5 Directors' emoluments

	1996 £000	1995 £000
Management remuneration	470	413
Pension scheme contributions	35	61
	<u>505</u>	<u>474</u>
	====	====

The emoluments, excluding pension contributions, of the chairman and highest paid director amounted to £91,480 (1995 - £87,291).

All directors received emoluments, excluding pension contributions, in the following ranges:

	Number	Number
£70,001 - £75,000	1	-
£75,001 - £80,000	-	3
£80,001 - £85,000	3	-
£85,001 - £90,000	-	2
£90,001 - £95,000	2	-
	==	==

6 Income from fixed asset investments

	£000	£000
Listed	16,580	13,507
Unlisted	609	126
	<u>17,189</u>	<u>13,633</u>
	=====	=====

7 Other interest receivable

Income from listed UK government securities	852	496
Income from short-term deposits and other sources	4,752	5,370
	<u>5,604</u>	<u>5,866</u>
	=====	=====

8 Exceptional items

Gain/(loss) on disposal of investments	10,907	(4)
Provision against unlisted investments and loans	(755)	(18)
Gain on disposal of fixed assets	786	1,188
	<u>10,938</u>	<u>1,166</u>
	=====	=====
Taxation thereon	1,419	-
	=====	=====

DC Thomson & Company Limited

Notes (continued)

9 Tax on profit on ordinary activities

	1996	1995
	£000	£000
UK corporation tax at 33%	5,387	4,125
Transfer to deferred tax	121	245
Tax on franked investment income	3,341	2,632
Attributable tax of associated undertaking	-	-
	<u>8,849</u>	<u>7,002</u>
Adjustment for previous years:		
Corporation tax	(376)	(2)
Higher rate taxation	-	(50)
Deferred tax	-	15
	<u>8,473</u>	<u>6,965</u>
	=====	=====

10 Dividends

Ordinary shares - interim of 13.5p paid (1995 - 13.5p)	620	620
- proposed final of 104p per share (1995 - 94.5p)	4,780	4,344
	<u>5,400</u>	<u>4,964</u>
	=====	=====

DC Thomson & Company Limited

Notes (continued)

11 Fixed tangible assets

	Freehold property £000	Plant and equipment £000	Assets in course of construction £000	Total £000
Group				
<i>Cost</i>				
At 31 March 1995	52,228	104,427	271	156,926
Additions	641	1,447	1,850	3,938
Disposals	(74)	(1,104)	-	(1,178)
Transfers	-	271	(271)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1996	52,795	105,041	1,850	159,686
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 31 March 1995	12,890	43,485	-	56,375
Charge for year	781	3,710	-	4,491
Disposals	(6)	(1,010)	-	(1,016)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1996	13,665	46,185	-	59,850
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 1996	39,130	58,856	1,850	99,836
	=====	=====	=====	=====
At 31 March 1995	39,338	60,942	271	100,551
	=====	=====	=====	=====

DC Thomson & Company Limited

Notes (continued)

11 Fixed tangible assets (continued)

	Freehold property £000	Plant and equipment £000	Assets in course of construction £000	Total £000
Company				
Cost				
At 31 March 1995	50,993	101,868	271	153,132
Additions	641	1,369	1,850	3,860
Disposals	(74)	(986)	-	(1,060)
Transfers	-	271	(271)	-
At 31 March 1996	51,560	102,522	1,850	155,932
Depreciation				
At 31 March 1995	12,727	41,095	-	53,822
Charge for year	766	3,663	-	4,429
Disposals	(6)	(950)	-	(956)
At 31 March 1996	13,487	43,808	-	57,295
Net book value				
At 31 March 1996	38,073	58,714	1,850	98,637
At 31 March 1995	38,266	60,773	271	99,310

The cost of freehold property includes the cost of land, a significant part of which is not separately identifiable and is depreciated.

12 Fixed asset investments

	Listed £000	Unlisted £000	Total £000
Group			
Shares			
Cost less provisions			
At 31 March 1995	58,822	4,685	63,507
Additions	5,952	305	6,257
Disposals	(12)	(1,399)	(1,411)
Provision against cost of unlisted investment	-	(200)	(200)
At 31 March 1996	64,762	3,391	68,153

DC Thomson & Company Limited

Notes (continued)

12 Fixed asset investments (continued)

Company	Subsidiary companies unlisted £000	Other companies		
		Listed £000	Unlisted £000	Total £000
Shares				
<i>Cost less provisions</i>				
At 31 March 1995	3,800	53,339	4,385	61,524
Additions	1,600	102	305	2,007
Disposals	-	-	(1,399)	(1,399)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1996	5,400	53,441	3,291	62,132
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
<i>Loans less provisions</i>				
At 31 March 1995	788	-	-	788
Additions	-	-	-	-
Repayments	(6)	-	-	(6)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1996	782	-	-	782
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total</i>				
At 31 March 1996	6,182	53,441	3,291	62,914
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 31 March 1995	4,588	53,339	4,385	62,312
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

The accumulated provision against cost of unlisted investments is £332,000 (1995 - £3,013,000) for the group and £2,494,000 (1995- £5,375,000) for the company.

DC Thomson & Company Limited

Notes (continued)

12 Fixed asset investments (continued)

Valuation	1996		1995	
	Group £000	Company £000	Group £000	Company £000
At market value - Fully listed	550,957	453,403	462,740	387,215
Quoted on Alternative Investment Market (included in unlisted investments)	957	957	-	-
At directors valuation - Unlisted	5,396	5,096	13,528	13,228
Potential tax liability if sold at this value	130,975	110,604	98,094	82,676

The principal companies in which the company's interest is more than 10% are as follows:

	Country of registration or incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
John Leng & Company Limited	Scotland	Investment Company	100% Ordinary £1 shares
Meadowside Leasing Limited	Scotland	Plant Leasing	100% Ordinary £1 shares
Peter Haddock Limited	England	Publisher	100% Ordinary £1 shares
Scots Magazine Limited	Scotland	Dormant	100% Ordinary £1 shares
Taytel Limited	Scotland	Publisher	100% Redeemable £1 shares
Tayview Limited	Scotland	Merchandising	100% Ordinary £1 shares
Opera Now Limited	England	Publisher	100% Ordinary 10p shares
Unlisted companies			
Wendy Promotions Limited	England	Merchandising	50% Ordinary shares

DC Thomson & Company Limited

Notes (continued)

13 Stocks

Group

	1996 £000	1995 £000
Raw materials and consumables	11,022	7,902
Work in progress	2,481	2,515
Finished goods and goods for resale	4,469	5,154
	<u>17,972</u>	<u>15,571</u>
	=====	=====

Company

Raw materials and consumables	10,986	7,902
Work in progress	2,481	2,515
Finished goods and goods for resale	1,332	1,212
	<u>14,799</u>	<u>11,629</u>
	=====	=====

14 Debtors

	Due within one year £000	1996 Due outwith one year £000	Total £000	Due within one year £000	1995 Due outwith one year £000	Total £000
Group						
Trade debtors	14,653	-	14,653	11,337	-	11,337
Other debtors	15,057	1,371	16,428	5,933	1,367	7,300
Prepayments and accrued income	2,911	-	2,911	2,450	-	2,450
	<u>32,621</u>	<u>1,371</u>	<u>33,992</u>	<u>19,720</u>	<u>1,367</u>	<u>21,087</u>
	=====	=====	=====	=====	=====	=====
Company						
Trade debtors	11,573	-	11,573	9,972	-	9,972
Other debtors	14,414	1,371	15,785	5,891	1,367	7,258
Prepayments and accrued income	2,860	-	2,860	2,376	-	2,376
	<u>28,847</u>	<u>1,371</u>	<u>30,218</u>	<u>18,239</u>	<u>1,367</u>	<u>19,606</u>
	=====	=====	=====	=====	=====	=====

DC Thomson & Company Limited

Notes (continued)

15 Current asset investments

Group and Company	1996 £000	1995 £000
<i>Cost</i>		
Listed	11,897 =====	17,180 =====
<i>Valuation</i>		
Market value of listed investments	11,986 =====	19,668 =====
Potential tax liability if sold at this value	Nil =====	Nil =====

16 Creditors: amounts falling due within one year

	1996		1995	
	Group £000	Company £000	Group £000	Company £000
Trade creditors	1,001	772	1,832	1,102
Corporation tax	5,636	5,220	4,603	3,896
Other taxes and social security	1,368	1,206	1,187	1,184
Other creditors	5,582	4,980	5,198	5,233
Interim dividend paid since date of balance sheet	620	620	620	620
Proposed final dividend	4,780	4,780	4,344	4,344
	18,987 =====	17,578 =====	17,784 =====	16,379 =====

DC Thomson & Company Limited

Notes (continued)

17 Provisions for liabilities and charges

Deferred taxation:	Accelerated capital allowances £000	Other timing differences £000	Total £000
<i>As provided</i>			
Group			
At 31 March 1995	8,954	472	9,426
Transfer from profit and loss account	-	121	121
	<u>8,954</u>	<u>593</u>	<u>9,547</u>
At 31 March 1996	8,954	593	9,547
	<u><u>8,954</u></u>	<u><u>593</u></u>	<u><u>9,547</u></u>
Company			
At 31 March 1995	8,954	490	9,444
Transfer from profit and loss account	-	122	122
	<u>8,954</u>	<u>612</u>	<u>9,566</u>
At 31 March 1996	8,954	612	9,566
	<u><u>8,954</u></u>	<u><u>612</u></u>	<u><u>9,566</u></u>
<i>On full deferral basis</i>			
Group			
At 31 March 1996	19,206	536	19,742
	<u>19,206</u>	<u>536</u>	<u>19,742</u>
At 31 March 1995	17,986	415	18,401
	<u>17,986</u>	<u>415</u>	<u>18,401</u>
Company			
At 31 March 1996	19,206	490	19,696
	<u>19,206</u>	<u>490</u>	<u>19,696</u>
At 31 March 1995	17,986	490	18,476
	<u>17,986</u>	<u>490</u>	<u>18,476</u>

18 Accruals and deferred income

Group and Company	£000
Government grants	
At 31 March 1995	781
Credited to operating profit	95
	<u>876</u>
At 31 March 1996	876
	<u><u>876</u></u>

DC Thomson & Company Limited

Notes (continued)

19 Called up share capital

	Authorised		Allotted, called up and fully paid			
	1996 £000	1995 £000	1996		1995	
			No	£000	No	£000
Ordinary shares of £1 each	6,000	6,000	4,595,986	4,596	4,595,986	4,596
	=====	=====	=====	=====	=====	=====

20 Capital redemption reserve

Group and Company	1996 £000	1995 £000
Listed	1,404	1,404
	=====	=====

21 Reserves

	Reserve Fund £000	Staff Benefit and Pension £000	Stock £000
Group			
At 31 March 1995	157,087	21,912	8,700
Transfer from profit and loss account	27,500	-	-
	=====	=====	=====
At 31 March 1996	184,587	21,912	8,700
	=====	=====	=====
Company			
At 31 March 1995	156,464	21,912	8,700
Transfer from profit and loss account	27,500	-	-
	=====	=====	=====
At 31 March 1996	183,964	21,912	8,700
	=====	=====	=====

22 Profit and loss account

	Group		Company	
	1996 £000	1995 £000	1996 £000	1995 £000
Retained profits at beginning of year	57,039	53,528	41,018	38,326
Retained profit for the year	3,483	3,511	2,545	2,692
Goodwill written off	(615)	-	-	-
	=====	=====	=====	=====
	59,907	57,039	43,563	41,018
	=====	=====	=====	=====

The cumulative goodwill written off to date is £1,861,000. All the reserves detailed in notes 21 and 22 above are distributable.

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Notes (continued)

23 Reconciliation of movements in shareholders' funds

	1996 £000	1995 £000
Profit for the financial year	36,383	23,975
Dividends	(5,400)	(4,964)
	<u>30,983</u>	<u>19,011</u>
Share buyback - nominal value of shares	-	(1,404)
- other	-	(38,438)
Goodwill written off	(615)	-
	<u>30,368</u>	<u>(20,831)</u>
Net addition to/reduction in shareholders' funds	250,738	271,569
	<u>281,106</u>	<u>250,738</u>
	=====	=====
Closing shareholders funds		

24 Reconciliation of trading profit to net cash inflow from operating activities

	1996 £	1995 £
Trading profit	11,125	10,275
Depreciation	4,491	4,687
Loss/(gain) on sale of fixed assets	(36)	12
Amortisation of Regional Development Grants	(95)	(112)
(Increase)/decrease in stock	(2,401)	(716)
Increase in debtors	(5,021)	(1,720)
Decrease in creditors	(1,124)	(1,136)
	<u>6,939</u>	<u>11,290</u>
	=====	=====
Net cash inflow from operating activities		

25 Analysis of changes in cash and cash equivalents

	Short term deposits £000	Cash at bank and in hand £000	Total £000
At 31 March 1994	121,734	3,511	125,245
Movement of year	(65,321)	909	(64,412)
	<u>56,413</u>	<u>4,420</u>	<u>60,833</u>
At 31 March 1995	18,472	(829)	17,643
	<u>74,885</u>	<u>3,591</u>	<u>78,476</u>
	=====	=====	=====
At 31 March 1996			

DC Thomson & Company Limited

Notes (continued)

26 Contingent liabilities

The Company has guaranteed payments in favour of Customs and Excise in respect of raw materials imports and other materials the maximum liability under which would be £517,000 (1995 - £517,000).

27 Capital commitments

	1996 £000	1995 £000
Group and Company		
Contracted for but not provided	284 ===	837 ===
Authorised but not contracted for	534 ===	916 ===

28 Pension commitments

The group operates both defined benefit and defined contribution pension schemes covering the majority of employees with assets held in separate, trustee administered funds.

The pension credit for the year was £66,000 (1995 - £12,000) after a reduction of £177,000 (1995 - £173,000) in respect of the amortisation of existing surpluses over 13 years, the expected average remaining working lifetime of current employees.

Independent valuations are carried out by a qualified actuary every three years using the Projected Unit Credit Method.

The latest actuarial assessment was on 31 March 1996, when the overall level of funding was assessed at 139% of the accruing liabilities. The main assumptions used were a rate of interest of 8.5% per annum, salary increases at the rate of 6.5% per annum and post retirement pension increases of 4% per annum on the excess over the guaranteed minimum pension and 3% per annum on the post 1988 guaranteed minimum pension. The market value of assets in the scheme at that date was £177,780,000.

A prepayment of £2,467,000 (1995 - £2,290,000) included in debtors is the cumulative excess of contributions paid over funding requirements.

Contributions of £46,000 (1995 - £45,000) were paid in respect of defined contribution schemes. £25,000 included in debtors is the excess of contributions made over those required.

DC Thomson & Company Limited

Notes (continued)

29 Directors interest in share capital

The directors who held office at the year end had the following interests in the £1 ordinary shares of the company:

	31 March 1996	31 March 1995
Beneficial interest:		
BH Thomson	23,454	23,454
DB Thomson	36,750	36,750
AF Thomson	45,333	45,333
AG Thomson	29,253	29,253
LM Thomson	48,975	48,975
CHW Thomson	14,963	14,963
As trustees without beneficial interest:		
BH Thomson	206,370	198,050
DB Thomson	399,451	399,451
AF Thomson	193,636	193,636
As joint trustees without beneficial interest:		
BH Thomson)		
DB Thomson)	332,734	334,554
BH Thomson)		
DB Thomson)	169,611	169,611
AF Thomson)		
AG Thomson)		
LM Thomson)	169,672	169,672

DC Thomson & Company Limited

Directors' responsibilities for the preparation of accounts

The Directors are required by law to prepare accounts which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit of the Group for the year. In addition, the Directors are responsible for ensuring that adequate accounting records are maintained, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Directors confirm that the accounts of the Company and the Group for the year ended 31 March 1996 have been prepared on a going concern basis and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in their preparation and that applicable accounting standards have been followed.



Report of the auditors to the members of DC Thomson & Company Limited

We have audited the accounts on pages 3 to 21.

Respective responsibilities of the directors and auditors

As described above the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 31 March 1996 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'KPMG'.

KPMG
Chartered Accountants
Registered Auditors

Royal Exchange
Dundee
DD1 1DZ
24 October 1996