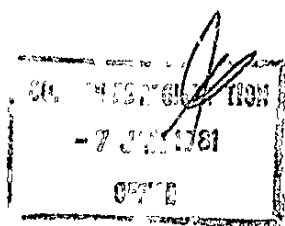


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D. C. THOMSON & COMPANY LIMITED AND SUBSIDIARY COMPANIES

Accounts for year ended 31 March 1980



**Thomson McLintock & Co**  
Chartered Accountants

**D. C. THOMSON & COMPANY LIMITED**

REPORT by the Directors to the Seventy Sixth Annual General Meeting of D. C. Thomson & Company Limited, to be held at 22 Meadowside, Dundee on 25 November 1980 at 12 o'clock noon.

The Directors submit herewith the audited Accounts of the Company and of the Group for the year to 31 March 1980.

	<u>£'000</u>	<u>£'000</u>
The Income of the Group for the year after charging all expenses including Depreciation and after providing for Taxation amounts to		5,254
<u>Add</u> - Amount at credit of Group Profit and Loss Account brought forward		<u>4,286</u>
		9,540
<u>Less</u> - Dividends for year ended 31 March 1980 -		
Interim (paid since date of Balance Sheet)	600	
Final (proposed)	<u>900</u>	<u>1,500</u>
		8,040
<u>Less</u> - Amount transferred to Reserve Fund	2,000	
Amount transferred to Staff Benefit and Pension Fund		
Amount transferred to Stock Reserve	<u>300</u>	<u>3,000</u>
<u>Leaving at Credit of Group Profit and Loss Account</u>		<u>5,040</u>

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

The average number of employees during the year including part-time staff was 3,070 and aggregate remuneration £15,300,000.

The value of exports from the United Kingdom was £1,741,300.

Educational and charitable contributions were £2,098

Capital expenditure on fixed assets are as shown in Note 10.

The Directors are of the opinion that the value of heritable properties at 31 March 1980 was not less than book value.

## DIRECTORS

The Directors in office throughout the year were B. H. Thomson, D. B. Thomson, A. S. Nicoll, A. F. Thomson, A. G. Thomson and L. M. Thomson.

The respective interests of the Directors in the £1 Ordinary Shares of the Company including shares held as Trustees without beneficial interest were:

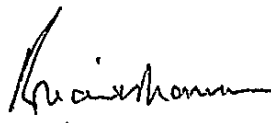
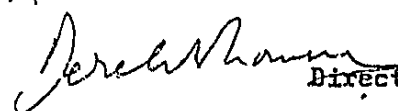
	<u>1 April 1979</u>	<u>31 March 1980</u>
Interest in £1 Ordinary Shares including Shares held as Trustees without Beneficial Interest		
B. H. Thomson	211,788	211,788
D. B. Thomson	564,097	564,097
A. S. Nicoll	146,383	225,002
A. G. Thomson	80,720	80,720
A. F. Thomson	162,065	167,465
L. M. Thomson	65,300	65,300

### In Addition As Joint Trustees without Beneficial Interest

B. H. Thomson )		
D. B. Thomson )	68,646	68,646
B. H. Thomson )		
D. B. Thomson )	117,249	117,249
A. F. Thomson )		
B. H. Thomson )		
D. B. Thomson )	433,749	433,749
A. S. Nicoll )		
A. G. Thomson )		
L. M. Thomson )	83,745	83,745

## AUDITORS

Thomson McLintock & Co., Chartered Accountants will be proposed for reappointment as Auditors in accordance with Section 14 of the Companies Act 1976.

 Director  
 Director

DUNDEE, 20 October 1980



# D. C. THOMSON & COMPANY LIMITED AND SUBSIDIARY COMPANIES

## Group Balance Sheet at 31 March 1980

<u>1979</u> <u>£'000</u>		<u>£'000</u>	<u>1980</u> <u>£'000</u>
	<u>Capital and Reserves</u>		
	<u>Capital</u>		
6,000	<u>Authorised, Issued and Fully Paid</u> Ordinary Shares of £1 each		6,000
	<u>Reserves</u>		
1,314	Capital	1,214	
18,681	Reserve Fund	20,681	
4,962	Staff Benefit and Pension Fund	5,662	
1,700	Stock Reserve	2,000	
4,286	Profit and Loss Account	5,040	
			<u>34,597</u>
36,843			40,597
466	<u>Regional Development Grants (Note 8)</u>		641
2,618	<u>Deferred Taxation (Note 9)</u>		4,309
	<u>Current Liabilities</u>		
3,131	Trade and other Creditors	3,887	
2,762	Corporation Tax	2,047	
1,248	Other Taxation	1,116	
	Interim Dividend paid since date of		
375	Balance Sheet	600	
975	Proposed Final Dividend	900	
8,491			<u>8,550</u>
48,418			<u>54,097</u>

The notes on pages 8 to 12 form part of these Accounts.

<u>1979</u> <u>\$'000</u>		<u>\$'000</u>	<u>1980</u> <u>\$'000</u>
	<u>Fixed Assets (Note 10)</u>		
	<u>Heritable Properties</u>		
7,439	Cost	7,785	
3,902	Less - Depreciation	4,177	
<u>3,537</u>			<u>3,608</u>
	<u>Plant and Equipment</u>		
13,440	Cost	17,020	
10,435	Less - Depreciation	11,604	
<u>3,005</u>			<u>5,416</u>
<u>6,542</u>			<u>9,024</u>
	<u>Investments at or under cost (Note 11)</u>		
19,657	Listed	22,988	
360	Unlisted	227	
<u>20,217</u>			<u>23,215</u>
	<u>Current Assets</u>		
11,436	Stock and Work-in-Progress (Note 12)	12,717	
5,617	Trade and other Debtors	7,363	
4,216	Temporary Deposits	1,335	
390	Cash in Bank and on Hand	443	
<u>21,659</u>			<u>21,858</u>
<u>48,418</u>			<u>54,097</u>

*Francis Thomson* — Director

*Percy Thomson*  
Director

# D. C. THOMSON & COMPANY LIMITED

## Balance Sheet at 31 March 1980

1979		1980	
£'000		£'000	£'000
	<u>Capital and Reserves</u>		
	<u>Capital</u>		
6,000	Authorised, Issued and Fully Paid Ordinary Shares of £1 each		6,000
	<u>Reserves</u>		
1,214	Capital	1,214	
18,289	Reserve Fund	20,289	
4,962	Staff Benefit and Pension Fund	5,662	
1,700	Stock Reserve	2,000	
3,515	Profit and Loss Account	4,043	33,208
35,680			39,208
450	<u>Regional Development Grants (Note 6)</u>		628
2,480	<u>Deferred Taxation (Note 7)</u>		3,234
	<u>Current Liabilities</u>		
3,124	Trade and other Creditors	3,496	
2,728	Corporation Tax	2,010	
1,248	Other Taxation	1,116	
175	Interim Dividend paid since date of Balance Sheet	600	
975	Proposed Final Dividend	900	
8,450			8,122
47,060			51,192

The notes on pages 9 to 12 form part of these Accounts.

1979 £'000		1980 £'000	1980 £'000
	<u>Fixed Assets (Note 10)</u>		
	<u>Heritable Properties</u>		
7,439	Cost	7,785	
3,902	Less - Depreciation	4,177	
3,537			3,608
	<u>Plant and Equipment</u>		
13,169	Cost	14,879	
10,430	Less - Depreciation	11,532	
2,739			3,347
6,276			6,955
	<u>Subsidiary Companies (Note 13)</u>		
900	Shares at cost, less amount written off	900	
95	Amount due by subsidiary company	937	
995			1,837
	<u>Investments at or under Cost (Note 11)</u>		
17,978	Listed	20,802	
260	Unlisted	227	
18,238			21,029
	<u>Current Assets</u>		
11,436	Stock and Work-in-Progress (Note 12)	12,717	
5,581	Trade and other Debtors	7,143	
4,216	Temporary Deposits	1,335	
318	Cash in Bank and on Hand	176	
21,551			21,371
47,060			51,192

*W. J. Mcintosh* Director  
*Derek H. Mcintosh* Director



## NOTES ON THE ACCOUNTS

### 1. Accounting Policies

#### (i) Depreciation of Fixed Assets

Depreciation is written off fixed assets on a reducing balance basis over the estimated useful life of these assets. Depreciation on assets attracting capital expenditure grants is calculated on the full amount of the qualifying expenditure. The rates used are as follows:-

Heritable Properties	5% - 7½%
Plant and Equipment	25%
Motor Vehicles	30%

The cost of plant, equipment and vehicles owned by the leasing subsidiary is depreciated on a straight line basis over the primary period of the relevant lease. Leases presently in force have primary periods of three to seven years.

#### (ii) Regional Development Grants on Capital Expenditure

These are credited to profit and loss account over the estimated useful life of the fixed assets to which they relate. The regional development grants shown in the balance sheet represent grants received or receivable less the amount so far credited to profits.

#### (iii) Stock and Work-in-Progress

Stock and work-in-progress is valued at the lower of cost, including overheads, and net realisable value.

#### (iv) Deferred Taxation

Provision is made in the accounts for taxation at current rates on the excess of the net book value of fixed assets eligible for capital allowances over the written down value of such fixed assets for taxation purposes. Taxation deferred by stock appreciation relief is also held at current rates on deferred taxation account.

#### (v) 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.

### 2. Turnover

	<u>1980</u> <u>£'000</u>	<u>1979</u> <u>£'000</u>
Sales and advertising revenue for the year	46,454	40,787

### 3. Trading Profit

	<u>1980</u> <u>£'000</u>	<u>1979</u> <u>£'000</u>
The trading profit has been arrived at after charging -		
Depreciation of fixed assets	1,507	1,228
Audit fee	12	10
Additional contributions to Provident Fund	800	105
and after crediting		
Regional development grants	212	150

4. Remuneration of Directors of the Company

	<u>1980</u> <u>£'000</u>	<u>1979</u> <u>£'000</u>
Management Remuneration	121	102
Pension Scheme Contributions	45	27
	<u>166</u>	<u>129</u>

Particulars of director's management remuneration for the year are as follows:-

Pre-tax remuneration of chairman and highest paid director

	<u>£24,266</u>	<u>£20,866</u>
--	----------------	----------------

The pre-tax remuneration of all directors including the above, were in the following scale

	<u>Number</u>	<u>Number</u>
£10,001 - £15,000	-	3
£15,001 - £20,000	4	1
£20,001 - £25,000	2	2

5. Investment Income

	<u>1980</u> <u>£'000</u>	<u>1979</u> <u>£'000</u>
Income from Investments -		
Listed	2,647	2,198
Unlisted	498	633
Income from deposits	717	420
	<u>3,862</u>	<u>3,251</u>

6. Taxation

	<u>1980</u> <u>£'000</u>	<u>£'000</u>	<u>1979</u> <u>£'000</u>	<u>£'000</u>
(i) On income of year -				
Corporation tax @ 52%		1,797		2,817
Transfer to deferred taxation		1,691		463
		<u>3,488</u>		<u>3,280</u>
Income tax on franked investment income				
Company	578		581	
Subsidiary	177	755	160	741
		<u>4,243</u>		<u>4,021</u>
(ii) Adjustment of prior years -				
Provision for corporation tax no longer required	-		(36)	
Provision for higher rate taxation in respect of year ended 31 March 1979 (1979 - in respect of year ended 31 March 1978)	903		648	
Adjustment to provision of earlier years in respect of higher rate taxation	-	903	106	718
		<u>5,146</u>		<u>4,739</u>

The provisions for higher rate taxation in paragraph (ii) above arise from a "Shortfall" in distributions in the accounting periods stated. No provision has been made in these accounts for higher rate taxation for the year ended 31 March 1980. This liability has not been determined, but it is estimated that it will amount approximately to £121,000.

7. Extraordinary Items

	1980 £'000	1979 £'000
Gain on disposal of heritable property, less taxation	51	51
Gain on disposals of investments, less taxation	1,001	390
	1,052	451
Gain on investments disposed of as a result of take-overs, less taxation	--	392
	1,052	843

8. Regional Development Grants

	1980	
	Company £'000	Group £'000
At 31 March 1979	450	466
Estimated grants for year	387	387
	837	853
Transferred to profit and loss account	209	212
At 31 March 1980	628	641

9. Deferred Taxation

	1980		1979	
	Company £'000	Group £'000	Company £'000	Group £'000
Deferred in respect of capital allowances on fixed assets	2,008	3,083	1,583	1,721
Deferred by stock appreciation relief	1,226	1,226	897	897
	3,234	4,309	2,480	2,618

10. Fixed Assets

	Heritable Properties £'000	Plant and Equipment £'000
<u>Group</u>		
Cost at 31 March 1979	7,439	13,440
Additions	361	3,655
Disposals	(15)	(75)
Gross amount of depreciable assets at 31 March 1980	7,785	17,020
Accumulated depreciation at 31 March 1980	4,177	11,604
Written down value at 31 March 1980	3,608	5,416
Written down value at 31 March 1979	3,537	3,005
<u>Company/</u>		

<u>Company</u>	<u>Heritable Properties</u>	<u>Plant and Equipment</u>
Cost at 31 March 1979	<u>£'000</u>	<u>£'000</u>
Additions	7,439	13,169
Disposals	361	1,785
	<u>(15)</u>	<u>(75)</u>
Gross amount of depreciable assets at 31 March 1980	7,785	14,879
Accumulated depreciation at 31 March 1980	<u>4,177</u>	<u>11,532</u>
Written down value at 31 March 1980	3,608	3,347
Written down value at 31 March 1979	<u>3,537</u>	<u>2,739</u>

The cost of heritable properties above includes the cost of land which is not separately identifiable.

Included in heritable properties are leaseholds of over 50 years duration -	<u>1980</u> <u>£'000</u>	<u>1979</u> <u>£'000</u>
Cost to 31 March 1980	13	13
Accumulated depreciation to 31 March 1980	<u>12</u>	<u>12</u>
	1	1

# 11. Investments

- (i) The unlisted investments include a holding by the company of 24.8% of the issued ordinary share capital of Southern Television Limited a company registered in England.

The directors do not consider that the above company is an "associated company" in terms of current accounting practice and accordingly, the group's share of the earnings and net assets has not been consolidated.

(ii) <u>Value of Investments</u>	<u>1980</u> <u>£'000</u>	<u>1979</u> <u>£'000</u>
Group -		
Listed - market value	52,736	58,757
Unlisted - directors' valuation	<u>803</u>	<u>964</u>
Company -		
Listed - market value	42,188	46,749
Unlisted - directors' valuation	<u>803</u>	<u>836</u>

Had the investments been realised at the values stated at 31 March 1980, a liability to corporation tax on capital gains would have arisen amounting to £3,498,000 (1979 - £4,194,000) in the group and £2,771,000 (1979 - £3,479,000) in the company.

# 12. Stock and Work-in-Progress

Company -	<u>1980</u> <u>£'000</u>	<u>1979</u> <u>£'000</u>
Materials and stores	9,718	8,788
Work-in-progress	<u>2,999</u>	<u>2,648</u>
	<u>12,717</u>	<u>11,436</u>

13. Subsidiary Companies

The company owns the whole issued share capital, consisting of ordinary shares of John Leng & Company Limited, Meadowside Leasing Limited, Scots Magazine Limited and Radio Dundee Limited.

14. Future Capital Expenditure of the Company and the Group

	<u>1980</u> <u>£'000</u>	<u>1979</u> <u>£'000</u>
Contracts for capital expenditure at 31 March 1980 not provided for in the accounts amounted approximately to	<u>2,503</u>	<u>1,025</u>
Further capital expenditure authorised or contracted for after 31 March 1980	<u>204</u>	<u>1,148</u>

D. C. THOMSON & COMPANY LIMITED AND SUBSIDIARY COMPANIES

Statement of Source and Application of Funds  
for year ended 31 March 1980

Thomson McIntock & Co.

SOURCE OF FUNDS	1980		1979	
	£'000	£'000	£'000	£'000
Income before tax and extraordinary items		9,348		8,686
Extraordinary items, gross of applicable taxation		1,095		928
		<u>10,443</u>		<u>9,614</u>
Adjustment for items not involving the movement of funds:				
Depreciation of fixed assets		1,507		1,226
Total generated from operations		<u>11,950</u>		<u>10,842</u>
Funds from other sources:				
Regional development grants on capital expenditure		175		139
Investments realised		4,522		2,454
TOTAL FUNDS GENERATED		<u>16,647</u>		<u>13,435</u>
APPLICATION OF FUNDS				
Purchase of fixed assets, less disposals		3,989		1,938
Taxation paid		4,346		2,840
Dividends paid		1,350		1,196
Investments made		7,519		6,236
		<u>17,204</u>		<u>12,210</u>
		(557)		1,225
INCREASE/(DECREASE) IN WORKING CAPITAL				
Stocks	1,281		(17)	
Debtors	1,746		1,301	
Creditors	(756)		(875)	
	<u>2,271</u>		<u>409</u>	
(Decrease)/Increase in cash and other liquid balances	(2,828)	(557)	816	1,225

AUDITORS' REPORT TO THE MEMBERS OF D. C. THOMSON & COMPANY LIMITED

DUNDEE, 20 October 1980. We have audited the financial statements on pages 3 to 13 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention give a true and fair view of the state of affairs of the company and the group at 31 March 1980 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 and 1967.

*Thomson McLintock & Co*

Chartered Accountants

Thomson McLintock & Co.