

SC5830

DC THOMSON & COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the year ended 31 March 1992



Registered Number 5830

REPORT by the directors to the eighty-eighth Annual General Meeting of DC Thomson & Company Limited, to be held at 22 Meadowside, Dundee on 24 November 1992 at 12 noon.

The directors submit the audited accounts of the company and of the group for the year ended 31 March 1992.

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 £3,330,000 be paid, which together with the interim dividend of £600,000 already paid, will make a total of £3,930,000 for the year.

ACTIVITIES

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

REVIEW OF BUSINESS

The recession in the UK continued to affect revenue from both sales and advertising.

All newspaper production has been transferred successfully to the new printing plants in Dundee and Glasgow. The present state of the property market is delaying sales of buildings no longer required.

It has become necessary to write off the value of redundant plant to the extent of £1,387,000. In addition the charge to depreciation has risen because of high expenditure on new plant and buildings.

Central Independent Television PLC, in which the company has a substantial shareholding, was relicenced by the Independent Television Commission in November 1991 and it has been decided to treat this as an associated undertaking in the group's accounts. The comparative figures for the year to 31 March 1991 have been restated to reflect this change in treatment.

FIXED ASSETS

Information relating to changes in fixed tangible assets is given in note 12 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.

DIRECTORS

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

The directors' interests in the issued share capital of the company are shown in note 28 to these accounts.

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

DIRECTORS' REPORT (continued)

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 £2,518,630.

CHARITABLE AND POLITICAL CONTRIBUTIONS

Most of the group's charitable contributions are made by charitable trusts the capital of which was privately contributed. In addition the group made charitable donations of £805. The group made no political contributions during the year.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

A McDougall
Secretary

DUNDEE
27 October 1992

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1992

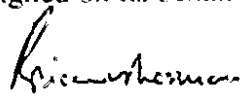
	<u>Notes</u>	<u>1992</u> <u>£'000</u>	<u>1991</u> <u>£'000</u>
Turnover	2	86,556 =====	85,314 =====
Profit on ordinary activities before taxation	3	21,124	27,307
Taxation	9	(3,430)	(6,629)
Profit after taxation		<u>17,694</u>	<u>20,678</u>
Extraordinary items	10	7,621	(6,287)
Profit for the financial year		<u>25,315</u>	<u>14,391</u>
Appropriations:			
Transfer to reserves	21	17,700	10,700
Dividends paid and proposed	11	3,930	3,630
		<u>21,630</u>	<u>14,330</u>
Retained profit for the year		<u>3,685</u> =====	<u>61</u> =====


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

CONSOLIDATED BALANCE SHEET
At 31 March 1992

	Notes	1992 £'000	1991 £'000
FIXED ASSETS			
Tangible assets	12	98,988	85,834
Investments	13	32,823	34,317
		<u>131,811</u>	<u>120,151</u>
CURRENT ASSETS			
Stocks	14	12,522	14,035
Debtors	15	16,639	14,743
Investments	16	12,928	23,522
Short-term deposits		60,445	40,578
Cash at bank and in hand		188	198
		<u>102,722</u>	<u>93,076</u>
CREDITORS: Amounts falling due within one year	17	20,778	20,469
NET CURRENT ASSETS		<u>81,944</u>	<u>72,607</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>213,755</u>	<u>192,758</u>
PROVISIONS FOR LIABILITIES AND CHARGES	18	(8,215)	(8,217)
ACCRUALS AND DEFERRED INCOME	19	(1,184)	(1,375)
		<u>204,356</u>	<u>183,166</u>
CAPITAL AND RESERVES			
Called up share capital	20	6,000	6,000
Capital reserve	21	1,214	1,214
Reserve fund	21	123,215	105,515
Staff benefit and pension reserve	21	21,912	21,912
Stock reserve	21	8,700	8,700
Profit and loss account	22	43,305	39,825
Minority interest		10	-
		<u>204,356</u>	<u>183,166</u>

The accounts on pages 3 to 22 were approved by the Board of Directors on 27 October 1992 and signed on its behalf by


BH Thomson
Director

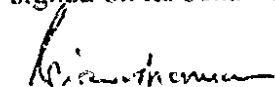

DB Thomson
Director

D C THOMSON & COMPANY LIMITED

BALANCE SHEET
At 31 March 1992

	<u>Notes</u>	<u>£'000</u>	<u>1992</u> <u>£'000</u>	<u>1991</u> <u>£'000</u>
FIXED ASSETS				
Tangible assets	12		98,141	84,461
Investments, including subsidiary companies	13		28,892	28,013
			<u>127,033</u>	<u>112,474</u>
CURRENT ASSETS				
Stocks	14	12,522	.	14,035
Debtors	15	16,306		14,261
Investments	16	12,928		23,522
Short-term deposits		45,921		30,607
Cash at bank and in hand		64		74
		<u>87,741</u>		<u>82,499</u>
CREDITORS: Amounts falling due within one year	17	21,075		19,844
			<u>66,666</u>	<u>62,655</u>
NET CURRENT ASSETS				
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>193,699</u>	<u>175,129</u>
PROVISIONS FOR LIABILITIES AND CHARGES	18		(8,296)	(8,327)
ACCRUALS AND DEFERRED INCOME	19		(1,184)	(1,375)
			<u>184,219</u>	<u>165,427</u>
CAPITAL AND RESERVES				
Called up share capital	20		6,000	6,000
Capital reserve	21		1,214	1,214
Reserve fund	21		122,592	104,892
Staff benefit and pension reserve	21		21,912	21,912
Stock reserve	21		8,700	8,700
Profit and loss account	22		23,801	22,709
			<u>184,219</u>	<u>165,427</u>

The accounts on pages 3 to 22 were approved by the Board of Directors on 27 October 1992 and signed on its behalf by



BH Thomson
Director



DB Thomson
Director
kbb:1 Feat Warwick

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 1992

	<u>Notes</u>	<u>1992</u> <u>£000</u>	<u>1991</u> <u>£000</u>
Net cash inflow from operating activities	23	8,558	10,779
Returns on investments and servicing of finance			
Income from fixed asset investments		7,139	6,614
Other interest receivable		4,837	8,902
Dividends paid		(3,630)	(3,330)
Dividend from associated undertaking		1,455	1,455
		<u>9,801</u>	<u>13,641</u>
Taxation			
Tax paid		<u>(688)</u>	<u>(5,140)</u>
Investing activities			
Purchase of tangible fixed assets		(19,603)	(46,265)
Sale of tangible fixed assets		438	227
Purchase of investments		(2,994)	(2,637)
Sale of investments		24,335	10,271
Minority investment in subsidiary		10	-
		<u>2,186</u>	<u>(38,404)</u>
Increase/(decrease) in cash and cash equivalents	24	<u>19,857</u> <u>=====</u>	<u>(19,124)</u> <u>=====</u>

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

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.

Depreciation

The cost of fixed tangible assets, except freehold land, is depreciated to estimated residual value by equal annual instalments over the following estimated useful economic lives:-

Freehold buildings	-	50 years
Leasehold land and buildings	-	life of lease
Plant and equipment	-	4 to 40 years

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

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.

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.

NOTES ON THE ACCOUNTS (continued)

1 ACCOUNTING POLICIES (continued)

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.

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.

2 **TURNOVER**

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

NOTES ON THE ACCOUNTS (continued)

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Notes	1992 £000	1991 £000
Turnover		86,556	85,314
Increase in stock of finished goods and work in progress	92		446
Regional Development Grants	191		232
Raw materials and consumables	(20,409)		(20,576)
Other external charges	(581)		(763)
		(20,707)	(20,661)
		65,849	64,653
Staff costs	4	(37,888)	(36,628)
Depreciation	12	(5,044)	(4,787)
Other operating charges		(17,343)	(16,220)
Trading profit before exceptional items		5,574	7,018
Share of profits of associated undertaking		4,694	3,702
Income from fixed asset investments	6	10,004	9,276
Other interest receivable	7	5,089	9,311
Profit before exceptional items		25,361	29,307
Exceptional items	8	4,237	2,000
Profit on ordinary activities before taxation		21,124	27,307
Trading profit is stated after charging:		=====	=====
Auditors' remuneration		48	43
and after crediting:		=====	=====
Gain on sale of fixed tangible assets		347	143
Net income from rents		68	47
		=====	=====

NOTES ON THE ACCOUNTS (continued)

4 EMPLOYEES

	<u>1992</u> Number	<u>1991</u> Number
The average weekly number of employees during the year was	2,353 =====	2,481 =====
	£'000	£'000
Employee costs during the year (including directors remuneration) amounted to:-		
Wages and salaries	35,827	33,919
Social security costs	2,579	2,343
Other pension costs (Note 27)	(518)	366
	<u>37,888</u> =====	<u>36,628</u> =====

5 DIRECTORS' EMOLUMENTS

Management remuneration	348	317
Pension scheme contributions	54	47
	<u>402</u> =====	<u>364</u> =====

The emoluments, excluding pension contributions, of the chairman and highest paid director amounted to £74,286 (1991 - £68,086).

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

	<u>1992</u> Number	<u>1991</u> Number
£60,001 - £65,000	-	3
£65,001 - £70,000	3	2
£70,001 - £75,000	2	-
	<u>==</u>	<u>==</u>

NOTES ON THE ACCOUNTS (continued)

6	INCOME FROM FIXED ASSET INVESTMENTS	<u>1992</u> £'000	<u>1991</u> £'000
	Listed	9,938	9,149
	Unlisted	66	127
		<u>10,004</u>	<u>9,276</u>
		=====	=====
7	OTHER INTEREST RECEIVABLE		
	Income from listed UK government securities	1,015	1,054
	Income from short-term deposits and other sources	4,074	8,257
		<u>5,089</u>	<u>9,311</u>
		=====	=====
8	EXCEPTIONAL ITEMS		
	Severance payments	2,850	2,000
	Loss on scrapping of fixed tangible assets	1,387	-
		<u>4,237</u>	<u>2,000</u>
		=====	=====
9	TAX ON PROFIT ON ORDINARY ACTIVITIES		
	UK corporation tax at 33% (1991 - 34%)	(1,434)	1,051
	Transfer (from)/to deferred tax	(2)	2,805
	Tax on franked investment income	2,766	2,570
	Unrelieved overseas tax	48	20
	Attributable tax of associated undertaking	1,831	1,445
		<u>3,209</u>	<u>7,891</u>
	Adjustment for previous years		
	Corporation tax	298	(544)
	Deferred tax	-	(333)
	Higher rate taxation	(77)	(385)
		<u>3,430</u>	<u>6,629</u>
		=====	=====

NOTES ON THE ACCOUNTS (continued)

10	EXTRAORDINARY ITEMS	£000	£000
	Extraordinary credit:		
	Gain on disposal of investments	9,774	1,869
	Extraordinary charges:		
	Provision against unlisted investments	(271)	(4,365)
	Loss arising in subsidiary	-	(354)
	Attributable extraordinary items of associated undertaking	(1,992)	(4,912)
	Extraordinary profit/(loss)	<u>7,511</u>	<u>(7,762)</u>
	Taxation:		
	Current - corporation tax	(429)	418
	deferred tax	-	(292)
	Prior year - corporation tax	-	9
	deferred tax	-	(40)
	Attributable to associated undertaking	539	1,380
		<u>7,621</u>	<u>(6,287)</u>
		=====	=====
11	DIVIDENDS		
		<u>1992</u>	<u>1991</u>
		£'000	£'000
	Ordinary shares - interim of 10p paid (1991 - 10p)	600	600
	- proposed final of 55.5p per share		
	(1991 - 50.5p)	3,330	3,030
		<u>3,930</u>	<u>3,630</u>
		=====	=====

NOTES ON THE ACCOUNTS (continued)

12 FIXED TANGIBLE ASSETS

Group	Freehold property £'000	Plant and equipment £'000	Assets in course of construction £'000	Total £'000
Cost				
At 31 March 1991	39,256	60,640	44,844	144,740
Additions	5,006	8,493	6,227	19,726
Disposals	(82)	(15,128)	-	(15,210)
Revaluation of land	(50)	-	-	(50)
Transfers	-	41,643	(41,643)	-
At 31 March 1992	44,130	95,648	9,428	149,206
Depreciation				
At 31 March 1991	10,006	48,900	-	58,906
Charge for year	681	4,363	-	5,044
Disposals	(59)	(13,673)	-	(13,732)
At 31 March 1992	10,628	39,590	-	50,218
Net book value				
At 31 March 1992	33,502	56,058	9,428	98,988
	=====	=====	=====	=====
At 31 March 1991	29,250	11,740	44,844	85,834
	=====	=====	=====	=====

NOTES ON THE ACCOUNTS (continued)

12 FIXED TANGIBLE ASSETS (continued)

Company	Freehold property £'000	Plant and equipment £'000	Assets in course of construction £'000	Total £'000
Cost				
At 31 March 1991	38,683	50,586	44,844	134,113
Additions	5,006	8,439	6,227	19,672
Disposals	(59)	(11,365)	-	(11,424)
Transfers	-	41,643	(41,643)	-
At 31 March 1992	43,630	89,303	9,428	142,361
Depreciation				
At 31 March 1991	9,991	39,661	-	49,652
Charge for year	673	3,857	-	4,530
Disposals	(36)	(9,926)	-	(9,962)
At 31 March 1992	10,628	33,592	-	44,220
Net book value				
At 31 March 1992	33,002	55,711	9,428	98,141
At 31 March 1991	28,692	10,925	44,844	84,461

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

NOTES ON THE ACCOUNTS (continued)

13 FIXED ASSET INVESTMENTS

	<u>Listed</u> <u>Associated</u> <u>Undertaking</u>	<u>Unlisted</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Group			
At 31 March 1991	16,050	7,163	34,317
Additions	2,611	383	2,994
Disposals	(2,883)	(1,084)	(3,967)
Provisions	-	(271)	(271)
Movement in year	-	-	(250)
At 31 March 1992	<u>15,778</u>	<u>6,191</u>	<u>32,823</u>
	=====	=====	=====
Interest in listed associated undertaking			
At 31 March 1991			11,104
Dividend		(1,455)	
Share of profit before taxation		4,694	
Share of tax		(1,831)	
Share of extraordinary item		(1,453)	
Share of reserve movements		(205)	
		<u></u>	(250)
At 31 March 1992			<u>10,854</u>
			=====

NOTES ON THE ACCOUNTS (continued)

13 FIXED ASSET INVESTMENTS (CONTINUED)

Company	Subsidiary companies <u>unlisted</u> £'000	Other companies			Total £'000
		<u>Listed</u> £'000	<u>Listed associated undertaking</u> £'000	<u>Unlisted</u> £'000	
Shares					
Cost less provisions					
At 31 March 1991	921	11,602	6,011	6,961	25,495
Additions	10	2,208	-	233	2,451
Disposals	-	(817)	-	(1,032)	(1,849)
Provisions	(21)	-	-	(271)	(292)
At 31 March 1992	910	12,993	6,011	5,891	25,805
	=====	=====	=====	=====	=====
Loans less provisions					
At 31 March 1991	2,518	-	-	-	2,518
Additions	633	-	-	-	633
Repayments	(64)	-	-	-	(64)
Provisions	-	-	-	-	-
At 31 March 1992	3,087	-	-	-	3,087
	=====	=====	=====	=====	=====
Total					
At 31 March 1992	3,997	12,993	6,011	5,891	28,892
	=====	=====	=====	=====	=====
At 31 March 1991	3,439	11,602	6,011	6,961	28,013
	=====	=====	=====	=====	=====

Accumulated provision against cost of unlisted investments is £9,413,000 (1991 - £9,142,000) for the group and £11,296 000 (1991 - £11,004,000) for the company.

NOTES ON THE ACCOUNTS (continued)

13 FIXED ASSET INVESTMENTS (CONTINUED)

Valuation	1992		1991	
	Group £'000	Company £'000	Group £'000	Company £'000
At market value -				
Fully listed	286,703 =====	232,811 =====	249,441 =====	192,758 =====
Quoted on Unlisted Securities Market (included in unlisted investments)	810 =====	810 =====	484 =====	449 =====
At directors valuation -				
Unlisted	8,412 =====	8,112 =====	8,800 =====	8,650 =====
Potential tax liability if sold at this value	57,915 =====	48,245 =====	49,124 =====	38,382 =====

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

	<u>Country of registration or incorporation</u>	<u>Principal activity</u>	<u>Class and percentage of shares held</u>
Subsidiary companies			
John Leng & Company Limited	Scotland	Investment Company	100% Ordinary £1 shares
Meadowside Leasing Limited	Scotland	Plant Leasing	100% Ordinary £1 shares
Scots Magazine Limited	Scotland	Dormant	100% Ordinary £1 shares
Taytel Limited	Scotland	Publisher	100% Redeemable £1 shares
Opera Now	England	Publisher	80.02 % Ordinary 10p shares
Wendy Promotions	England	Merchandising	50% Ordinary £1 shares
Unlisted companies			
Starstream Limited	England	Satellite Television Programming	18.77% Ordinary £1 shares

The directors do not consider that the unlisted investment noted above constitutes an "associated undertaking". The directors consider that the group's share of earnings and book value of net assets is not material to the Consolidated Accounts.

Investment in associated undertaking

The company holds 19.1% of the ordinary 50p shares of Central Independent Television plc, a company registered in England and providing a television broadcasting service. The associated undertaking is accounted for on an equity basis for the year to the previous 31 December. The comparative figures for the year to 31 March 1991 have been restated to reflect this change in treatment.

NOTES ON THE ACCOUNTS (continued)

14 STOCKS

Group and Company

	<u>1992</u> <u>£'000</u>	<u>1991</u> <u>£'000</u>
Raw materials and consumables	7,433	9,038
Work in progress	2,822	2,656
Finished goods and goods for resale	2,267	2,341
	<u>12,522</u>	<u>14,035</u>
	=====	=====

Estimated replacement costs exceed the above values by £220,000 (1991 - £350,000).

15 DEBTORS

	Due within one year <u>£'000</u>	<u>1992</u> Due outwith one year <u>£'000</u>	<u>Total</u> <u>£'000</u>	Due within one year <u>£'000</u>	<u>1991</u> Due outwith one year <u>£'000</u>	<u>Total</u> <u>£'000</u>
Group						
Trade debtors	10,832	-	10,832	10,609	-	10,609
Other debtors	2,608	1,236	3,844	1,566	1,149	2,715
Prepayments and accrued income	1,963	-	1,963	1,034	385	1,419
	<u>15,403</u>	<u>1,236</u>	<u>16,639</u>	<u>13,209</u>	<u>1,534</u>	<u>14,743</u>
	=====	=====	=====	=====	=====	=====
Company						
Trade debtors	10,714	-	10,714	10,439	-	10,439
Other debtors	2,514	1,236	3,750	1,294	1,149	2,443
Prepayments and accrued income	1,842	-	1,842	994	385	1,379
	<u>15,070</u>	<u>1,236</u>	<u>16,306</u>	<u>12,727</u>	<u>1,534</u>	<u>14,261</u>
	=====	=====	=====	=====	=====	=====

16 CURRENT ASSET INVESTMENTS

Group and Company

	<u>1992</u> <u>£'000</u>	<u>1991</u> <u>£'000</u>
Cost		
Listed	12,928	23,522
	<u>=====</u>	<u>=====</u>
Valuation		
Market value of listed investments	16,044	28,685
	<u>=====</u>	<u>=====</u>
Potential tax liability if sold at this value	NIL	NIL
	<u>=====</u>	<u>=====</u>

NOTES ON THE ACCOUNTS (continued)

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1992</u>		<u>1991</u>	
	<u>Group</u> £'000	<u>Company</u> £'000	<u>Group</u> £'000	<u>Company</u> £'000
Trade creditors	938	717	831	521
Corporation tax	5,269	5,020	6,779	6,210
Group relief	-	450	-	450
Other taxes and social security	2,278	2,278	925	918
Other creditors	8,363	8,680	8,304	8,115
Interim dividend paid since date of balance sheet	600	600	600	600
Proposed final dividend	3,330	3,330	3,030	3,030
	<u>20,778</u>	<u>21,075</u>	<u>20,469</u>	<u>19,844</u>

18 PROVISIONS FOR LIABILITIES AND CHARGES

<u>Deferred taxation:</u>	<u>Accelerated capital allowances</u> £'000	<u>Other timing differences</u> £'000	<u>Total</u> £'000
As provided			
Group			
At 31 March 1991	8,954	(737)	8,217
Transfer to/(from) profit and loss account	188	(190)	(2)
At 31 March 1992	<u>9,142</u>	<u>(927)</u>	<u>8,215</u>
Company			
At 31 March 1991	8,954	(627)	8,327
Transfer from profit and loss account	-	(31)	(31)
At 31 March 1992	<u>8,954</u>	<u>(658)</u>	<u>8,296</u>
On full deferral basis			
Group			
At 31 March 1992	<u>11,957</u>	<u>(658)</u>	<u>11,299</u>
At 31 March 1991	<u>8,954</u>	<u>(737)</u>	<u>8,217</u>
Company			
At 31 March 1992	<u>12,145</u>	<u>(927)</u>	<u>11,218</u>
At 31 March 1991	<u>8,954</u>	<u>(627)</u>	<u>8,327</u>

NOTES ON THE ACCOUNTS (continued)

19 ACCRUALS AND DEFERRED INCOME

Group and Company	Group £'000	Company £'000
Government grants		
At 31 March 1991	1,375	1,375
Credited to operating profit	191	191
At 31 March 1992	<u>1,184</u>	<u>1,184</u>
	=====	=====

20 CALLED UP SHARE CAPITAL

	Authorised		Allotted, called up and fully paid			
	1992	1991	1992		1991	
	£'000	£'000	No	£'000	No	£'000
Ordinary shares of £1 each	6,000	6,000	6,000,000	6,000	6,000,000	6,000
	=====	=====	=====	=====	=====	=====

21 RESERVES

	Capital £'000	Reserve Fund £'000	Staff Benefit and Pension £'000	Stock £'000
Group				
At 31 March 1991	1,214	105,515	21,912	8,700
Transfer from profit and loss account	-	17,700	-	-
At 31 March 1992	<u>1,214</u>	<u>123,215</u>	<u>21,912</u>	<u>8,700</u>
	=====	=====	=====	=====
Company				
At 31 March 1991	1,214	104,892	21,912	8,700
Transfer from profit and loss account	-	17,700	-	-
At 31 March 1992	<u>1,214</u>	<u>122,592</u>	<u>21,912</u>	<u>8,700</u>
	=====	=====	=====	=====

22 PROFIT AND LOSS ACCOUNT

	Group		Company	
	1992 £000	1991 £000	1992 £000	1991 £000
Retained profits at beginning of year				
- as previously reported	34,732	31,941	22,709	21,687
Prior year adjustment	5,093	7,823	-	-
- as restated	<u>39,825</u>	<u>39,764</u>	<u>22,709</u>	<u>21,687</u>
Retained profit for the year	3,685	61	1,092	1,022
Share of associated undertaking reserve movements	(205)	-	-	-
	<u>43,305</u>	<u>39,825</u>	<u>23,801</u>	<u>22,709</u>
	=====	=====	=====	=====

NOTES ON THE ACCOUNTS (continued)

23 RECONCILIATION OF TRADING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1992</u> £000	<u>1991</u> £000
Trading profit	5,574	7,018
Exceptional item - severance payments made	(2,102)	(1,276)
Extraordinary item	-	(354)
Depreciation	5,044	4,826
Gain on sale of fixed assets	(347)	(143)
Amortisation of Regional Development Grants	(191)	(232)
Decrease in stock	1,513	1,838
Increase in debtors	(1,631)	(599)
Increase in creditors	698	(299)
	<hr/>	<hr/>
Net cash inflow from operating activities	8,558	10,779
	=====	=====

24 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	Short term deposits £000	Cash at bank and in hand £000	Total £000
At 1 April 1990	59,502	398	59,900
Movement of year	(18,924)	(200)	(19,124)
	<hr/>	<hr/>	<hr/>
At 31 March 1991	40,578	198	40,776
Movement of year	19,867	(10)	19,857
	<hr/>	<hr/>	<hr/>
At 31 March 1992	60,445	188	60,633
	=====	====	=====

25 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 £4,717,000 (1991 - £717,000).

26 CAPITAL COMMITMENTS

	<u>1992</u> £'000	<u>1991</u> £'000
<u>Group and Company</u>		
Contracted for but not provided	5,471	15,166
	=====	=====
Authorised but not contracted for	8,059	3,892
	=====	=====

NOTES ON THE ACCOUNTS (continued)

27 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 £570,300 (1991 - charge of £263,000) after a reduction of £4,082,000 (1991 - £2,910,000) 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 1991, 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 7% per annum and post retirement pension increases of 5% 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 £168,611,000.

A prepayment of £1,218,300 (1991 - £648,000) included in debtors is the cumulative excess of contributions paid over funding requirements.

In addition, contributions of £52,000 (1991 - £103,000) were paid in respect of defined contribution schemes.

28 DIRECTORS INTEREST IN SHARE CAPITAL

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

	<u>31 March 1992</u>	<u>31 March 1991</u>
Beneficial interest:-		
BH Thomson	33,272	43,272
DB Thomson	49,000	49,000
AF Thomson	64,252	62,852
AG Thomson	47,752	61,292
LM Thomson	65,300	65,300
As trustees without beneficial interest:-		
BH Thomson	228,577	193,302
DB Thomson	532,597	532,597
AF Thomson	312,094	386,497
As joint trustees without beneficial interest:-		
BH Thomson)		
DB Thomson)	448,213	448,213
BH Thomson)		
DB Thomson)	246,785	246,785
AF Thomson)		
AG Thomson)		
LM Thomson)	216,953	216,953

**REPORT OF THE AUDITORS, KPMG Peat Marwick
to the members of DC Thomson & Company Limited**

We have audited the accounts on pages 3 to 22 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31 March 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

[Signature]

KPMG Peat Marwick
Chartered Accountants
Registered Auditors
DUNDEE
27 October 1992