

John Leng & Company Limited

**Directors' report and accounts
for the year ended 31 March 2000**

Registered number 44341



John Leng & Company Limited

Directors' report

The directors submit their annual report and accounts of the company for the year ended 31 March 2000.

Activities

The company carried on business as an investment company during the year to 31 March 2000.

Financial

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

Employees

The company has no directly employed persons.

Directors

Information relating to directors is given in note 3 to the accounts.

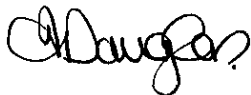
The directors have no interests in the issued share capital of the company. The directors are also directors of DC Thomson & Company Limited and their interests in the share capital of that company are disclosed in its directors' report.

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

Auditors

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

By Order of the Board



I Douglas
Secretary
Dundee

10 October 2000

John Leng & Company Limited

Statement of directors' responsibilities

The directors are required by law to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the company for the year. The accounts must be prepared in compliance with required formats and disclosures. The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

In preparing the accounts to 31 March 2000, the directors confirm that suitable accounting policies have been used, applied consistently and supported by reasonable and prudent judgements and estimates, and that applicable accounting standards have been followed.

Report of the auditors to the shareholders of John Leng & Company Limited

We have audited the accounts on pages 3 to 7.

Respective responsibilities of the directors and auditors

As described above the company's directors are responsible for the preparation of the 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 company'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 the company's affairs as at 31 March 2000 and of its revenue for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Henderson Loggie

Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

10 October 2000



John Leng & Company Limited

Profit and loss account for the year ended 31 March 2000

	Note	2000 £	As restated 1999 £
Income from listed investments			
Dividends		2,404,679	2,466,263
Interest		28,619	283,711
		<u>2,433,298</u>	<u>2,749,974</u>
Untaxed interest		335,151	435,713
		<u>2,768,449</u>	<u>3,185,687</u>
Administration expenses			
Management expenses		49,623	48,516
		<u>2,718,826</u>	<u>3,137,171</u>
Revenue before exceptional item			
Exceptional item	4	-	1,113,237
		<u>2,718,826</u>	<u>4,250,408</u>
Revenue before taxation			
Taxation	5	101,782	404,006
		<u>2,617,044</u>	<u>3,846,402</u>
Revenue after taxation			
Proposed dividend		2,000,000	2,000,000
		<u>617,044</u>	<u>1,846,402</u>
Revenue retained			
Revenue reserve brought forward		11,772,083	9,925,681
		<u>12,389,127</u>	<u>11,772,083</u>
Revenue reserve carried forward			

There are no recognised gains or losses other than the revenue for the year of £2,617,044 (1999 - £3,846,402). Revenue retained of £617,044 (1999 - £1,846,402) represents the only movement on shareholders' funds.

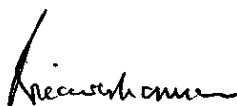
A statement of movement on reserves is given in note 11.

John Leng & Company Limited

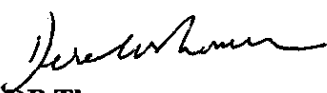
Balance sheet at 31 March 2000

	Note	£	2000 £	1999 £
Fixed assets				
Investments at cost	6		11,319,608	11,301,873
Current assets				
Debtors	7	282,328		282,328
Cash at bank and on deposit		6,425,450		6,121,999
		<u>6,707,778</u>		<u>6,404,327</u>
Creditors				
Amounts falling due within one year	8	2,215,866		2,511,724
Net current assets			<u>4,491,912</u>	<u>3,892,603</u>
Total assets less current liabilities			<u>15,811,520</u>	<u>15,194,476</u>
Creditors				
Amounts falling due after more than one year	9		(2,000,000)	(2,000,000)
			<u>13,811,520</u>	<u>13,194,476</u>
Capital and reserves				
Called up share capital	10		800,000	800,000
Reserves	11		13,011,520	12,394,476
			<u>13,811,520</u>	<u>13,194,476</u>

These accounts were approved by the board of directors on 10 October 2000 and were signed on its behalf by:



BH Thomson
Director



DB Thomson
Director

John Leng & Company Limited

Notes to the accounts

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

Cash flow statement

The company has taken advantage of the provisions of Financial Reporting Standard 1 which exempts it from preparing a cash flow statement on the grounds that its parent company produces one which deals with the cash flows of the group.

Investment and interest income

Investment and interest income receivable on or before the year end are treated as revenue for the year. Franked investment income is stated on the basis of cash receipts. This is a change from the policy followed in previous years, required to comply with the new Financial Reporting Standard 16 "current tax". Previously franked investment income was shown gross of related ACT with a corresponding tax charge. The comparative figures for income and taxation have been restated in line with the new policy. There is no effect on profit on ordinary activities after taxation or retained profit. Unfranked investment income is stated on the basis of gross receipts before deduction of income tax.

Management expenses

Management expenses are stated on the basis of amounts applicable to the financial years concerned.

2 Revenue before taxation

	2000 £	1999 £
Revenue before taxation is stated after charging:		
Auditors' remuneration - audit	2,050	1,950
- non audit	900	900
	<u>2,950</u>	<u>2,850</u>

3 Directors

The directors of the company at the date of these accounts and throughout the year were as follows:-

BH Thomson
DB Thomson
AF Thomson
AG Thomson
LM Thomson
CHW Thomson

The directors received no remuneration for their services during the year to 31 March 2000 (1999- £Nil).

John Leng & Company Limited

Notes to the accounts (continued)

4	Exceptional item	2000 £	1999 £
	Gain on sale of investments	-	1,113,237

5	Taxation	2000 £	As restated 1999 £
	Corporation tax	101,774	448,760
	Prior year adjustment:		
	Corporation tax	8	(44,754)
		<u>101,782</u>	<u>404,006</u>

The tax charge for the year includes £nil (1999 - £261,155) relating to the exceptional item.

6	Fixed asset investments	Listed on recognised Stock Exchange £
	At 31 March 1999	11,301,873
	Additions	17,735
	At 31 March 2000	<u>11,319,608</u>

	2000 £	1999 £
Market value of listed investments	<u>143,118,846</u>	<u>124,298,770</u>
Potential tax liability if sold at this value	<u>31,800,000</u>	<u>26,600,000</u>

7	Debtors	2000 £	1999 £
	Due by holding company	<u>282,328</u>	<u>282,328</u>

John Leng & Company Limited

Notes to the accounts (continued)

8 Creditors

	2000 £	1999 £
Amounts falling due within one year		
Dividend for previous year	2,000,000	2,000,000
Other creditors	2,401	2,291
Corporation tax	96,050	392,018
Group relief	117,415	117,415
	<u>2,215,866</u>	<u>2,511,724</u>

9 Creditors

Amounts falling due after more than one year:		
Proposed dividend for current year	<u>2,000,000</u>	<u>2,000,000</u>

10 Share capital

Authorised, allotted, called up and fully paid		
800,000 Ordinary shares of £1 each	<u>800,000</u>	<u>800,000</u>

11 Reserves

	Profit and loss account £	Other reserves £	Total £
At 31 March 1999	11,772,083	622,393	12,394,476
Profit and loss account - retained in year	617,044	-	617,044
At 31 March 2000	<u>12,389,127</u>	<u>622,393</u>	<u>13,011,520</u>

The above reserves are distributable.

12 Ultimate holding company

The company is a wholly owned subsidiary of DC Thomson & Company Limited, a company incorporated in Great Britain and registered in Scotland.