

Company Registration Number 287078

A & N MEDIA FLEET SERVICES LIMITED
(formerly Northcliffe Fleet Services Limited)

Report and Financial Statements

28 September 2008

WEDNESDAY



A18 *AXEVV7HZ* 18/02/2009 323
COMPANIES HOUSE

REPORT AND FINANCIAL STATEMENTS 2008

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	5
Independent auditors' report	6
Profit and loss account	7
Balance sheet	8
Reconciliation of movements in shareholders' funds	9
Note of historical cost profits and losses	9
Notes to the financial statements	10

A & N MEDIA FLEET SERVICES LIMITED
(formerly Northcliffe Fleet Services Limited)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P G Ashdown (Managing Director)
T G Lethaby
P H Millard
S D Roach

SECRETARY

P S Collins

REGISTERED OFFICE

Northcliffe Accounting Centre
PO Box 6795
St George Street
Leicester
LE1 1ZP

SOLICITORS

Foot Anstey
21 Derry's Cross
Plymouth
Devon
PL1 2SW

BANKERS

The Royal Bank of Scotland plc
PO Box 34
15 Bishopsgate
London
EC2P 2AP

AUDITORS

Deloitte LLP
London

A & N MEDIA FLEET SERVICES LIMITED
(formerly Northcliffe Fleet Services Limited)

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, the audited financial statements and auditors' report for the year ended 28 September 2008.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Daily Mail and General Trust plc ("DMGT") and operates as part of the group's Northcliffe Media division.

The company's principal activities are fleet management (vehicle contract hire operating leases) and the distribution of newspapers on behalf of fellow members of the Northcliffe Media group, which has remained unchanged since last year. On 10 November 2008, the company changed its name from Northcliffe Fleet Services Limited to A & N Media Fleet Services Limited, to more accurately reflect the work being carried out with other divisions of the DMGT group. The directors are not aware, at the date of this report, of any other likely changes in the company's activities in the forthcoming financial year.

The performance of the Northcliffe Media division of Daily Mail and General Trust plc, which includes the company, is discussed in the group's Annual Report (available on www.dmgmt.co.uk) which does not form part of this Report.

As shown in the company's profit and loss account on page 7, turnover has decreased by £57,000 (0.9%) during the year. Fleet management turnover has increased £288,000 (8.2%) due to the leased vehicles transferred following Northcliffe Media's purchase of titles in the South East in July 2007. The reduction in distribution turnover is once again due to efficiencies made on the restructure of distribution runs for fellow Northcliffe Media group companies.

Increases in motor expenses, largely third party leases, of £445,000 have been offset by savings in staff and contractor costs, leading to a decline in operating profit of £101,000 (23.0%). The profit of the company for the financial year after taxation amounted to £395,000 (2007: £550,000). The directors have not paid an ordinary dividend for the year (2007: £250 per share). The Board monitors the company's performance in a number of ways, including key performance indicators. The key performance indicators, together with the information for 2008 and 2007, are as follows:

	2008	2007	% movement
Fleet management turnover	£3,817,000	£3,529,000	8.2%
Distribution turnover	£2,772,000	£3,117,000	(11.1%)
Total turnover	£6,589,000	£6,646,000	(0.9%)
Operating profit	£338,000	£439,000	(23.0%)
% operating profit margin	5.1%	6.6%	(1.5%)
Employees (average number)	88	96	(8.3%)
Net assets	£974,000	£579,000	68.2%

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year-end has improved in net asset terms by £395,000, due to the profit for the year not being distributed to shareholders as dividends.

The company is financed by Sterling inter company accounts and equity share capital under Daily Mail and General Trust plc group arrangements. The Daily Mail and General Trust plc group has a centralised treasury function.

PRINCIPAL RISKS AND UNCERTAINTIES

General economic conditions and the financial health of our customers affect the performance of our business. A significant proportion of our customers' revenue is derived from advertising spending which has historically been cyclical, with companies spending less on advertising in times of economic slowdown. This may affect the demand for our services. The weakness of the used car market could potentially affect the residual values of our vehicles. Although the company has traditionally adopted a very conservative approach to residual values, this area is one that we continue to monitor very carefully.

The directors have considered the use of the going concern basis in the preparation of the financial statements in light of the net current liability position on the balance sheet as at 28 September 2008 and concluded that it is appropriate. More information is provided in note 1 to the financial statements.

DIRECTORS' REPORT (continued)

ENVIRONMENT

The Daily Mail and General Trust plc group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group Annual Report. Initiatives designed to minimise the company's net impact on the environment include recycling and reducing energy consumption. The company implemented a "green fleet" policy during the year, to reduce the levels of CO2 emitted by its fleet of vehicles.

DIRECTORS AND THEIR INTERESTS

The names of the current directors of the company, all of whom held office throughout the year, are set out on page 1. In addition, M J Hindley resigned on 24 October 2008.

No director of the company has or had a disclosable interest in any contract of significance during the year or the prior year.

EMPLOYEES

Details of the number of employees and related costs can be found in note 5 to the financial statements.

Applications for employment by disabled people are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

CHARITABLE AND POLITICAL DONATIONS

Charitable donations made by the company in the current year totalled £124 (2007: £279). There were no political donations made by the company in the year (2007: £nil).

SUPPLIER PAYMENT POLICY

As stated in note 12 to these financial statements, the company's purchase ledger is operated by Northcliffe Media Limited ("Northcliffe"), a parent company. Northcliffe's policy on supplier payments is to agree to terms of payment at the time of placing an order for goods or services. Unless different terms have been negotiated at the outset, the normal payment terms of the supplier will be accepted. The company makes every effort to abide by the terms agreed with each supplier.

Trade creditors for Northcliffe as at 28 September 2008 were equivalent to 19 days (2007: 16 days) purchases, based on the average daily amount invoiced by suppliers during the year.

DIRECTORS' REPORT (continued)

AUDITORS

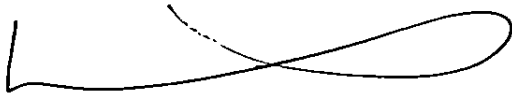
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have indicated their willingness to continue in office as the company's auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



P S Collins
Secretary

Date 23rd January 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- 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 proper accounting records that 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 1985. 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
A & N MEDIA FLEET SERVICES LIMITED (formerly Northcliffe Fleet Services Limited)**

We have audited the financial statements of A & N Media Fleet Services Limited (formerly Northcliffe Fleet Services Limited) for the year ended 28 September 2008 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds, the note of historical cost profits and losses and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 September 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

DELOITTE LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

Date9/2/09.....

A & N MEDIA FLEET SERVICES LIMITED
(formerly Northcliffe Fleet Services Limited)

PROFIT AND LOSS ACCOUNT
Year ended 28 September 2008

	Note	2008 £'000	2007 £'000
TURNOVER	2	<u>6,589</u>	<u>6,646</u>
OPERATING PROFIT	3	338	439
Profit on disposal of tangible fixed assets	4	<u>248</u>	<u>348</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		586	787
Tax on profit on ordinary activities	7	<u>(191)</u>	<u>(237)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>395</u>	<u>550</u>

All activities relate to continuing operations.

The company has no recognised gains and losses, other than the profit for the current and prior financial year above and accordingly, no separate statement of total recognised gains and losses has been presented.

A & N MEDIA FLEET SERVICES LIMITED
(formerly Northcliffe Fleet Services Limited)

BALANCE SHEET
At 28 September 2008

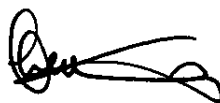
	Note	2008	2007
		£'000	£'000
FIXED ASSETS			
Tangible assets	9	7,914	7,776
CURRENT ASSETS			
Stocks	10	67	38
Debtors			
- amounts falling due within one year	11	461	580
Cash at bank and in hand		121	102
		<u>649</u>	<u>720</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(7,141)</u>	<u>(7,472)</u>
NET CURRENT LIABILITIES		<u>(6,492)</u>	<u>(6,752)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,422	1,024
PROVISIONS FOR LIABILITIES	13	<u>(448)</u>	<u>(445)</u>
NET ASSETS		<u>974</u>	<u>579</u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Revaluation reserve	15	200	207
Profit and loss account	15	772	370
SHAREHOLDERS' FUNDS		<u>974</u>	<u>579</u>

These financial statements were approved by the Board of Directors on 23 January 2009.

Signed on behalf of the Board of Directors



P G Ashdown
Director



T G Lethaby
Director

A & N MEDIA FLEET SERVICES LIMITED
(formerly Northcliffe Fleet Services Limited)

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Year ended 28 September 2008

	2008 £'000	2007 £'000
Profit for the financial year	395	550
Dividends	-	(500)
	<hr/>	<hr/>
Net increase in shareholders' funds	395	50
Opening shareholders' funds	579	529
	<hr/>	<hr/>
Closing shareholders' funds	<u>974</u>	<u>579</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 28 September 2008

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	586	787
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on revalued amounts	7	7
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	<u>593</u>	<u>794</u>
	<hr/>	<hr/>
Historical cost profit for the year after taxation	<u>402</u>	<u>557</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 September 2008

1. ACCOUNTING POLICIES

The company's financial year is the 52 week period ended 28 September 2008. The comparative figures are for the 52 week period ended 30 September 2007. The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. A summary of accounting policies, which have been applied consistently throughout the current and the prior financial year, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets. The company has net current liabilities as at 28 September 2008 and is reliant on the support of its parent company, Daily Mail and General Trust Plc ("DMGT"), to be able to meet its liabilities as they fall due. This creates an uncertainty over the use of the going concern basis in the preparation of the financial statements. However, the directors consider that the company is an integral part of DMGT's structure and strategy and this is evidenced by a letter of support from DMGT, which states its intent to provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation, adjusted for the revaluation of certain properties. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. The company has not adopted a policy of revaluation but, in line with FRS 15, 'Tangible fixed assets', is carrying certain tangible fixed assets at amounts reflecting revaluations made prior to the implementation of the standard.

Depreciation

Depreciation is calculated to amortise the cost or valuation of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Freehold buildings	50 years
Fixtures, plant, equipment, and motor vehicles	4 to 6 years

Freehold land is not depreciated.

Stocks

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision has been made for obsolete, slow-moving and defective stocks.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Operating lease income

Operating lease income is recognised in the profit and loss account equally over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 September 2008

1. ACCOUNTING POLICIES (continued)

Pension costs

The company participates in a defined benefit pension scheme which includes members from other companies within the Daily Mail and General Trust plc group. The company is unable to identify its share of the underlying assets and liabilities within the scheme and accounts for the scheme as a defined contribution scheme. In the opinion of the directors, the company's membership of the scheme falls within the multi-employer provisions of FRS 17 "Retirement benefits" and will be accounted for as if it were a defined contribution scheme.

The amount charged to the profit and loss account in respect of pension costs is the contribution payable for the year.

Cash flow statement

The company is ultimately a wholly owned subsidiary of Daily Mail and General Trust plc and the cash flows of the company are included in the consolidated cash flows of Daily Mail and General Trust plc.

Consequently, the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

2. TURNOVER

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied and is stated after the deduction of trade discounts. Distribution revenue is recognised at the point of distribution. Contract hire revenue is recognised on delivery of the vehicle. Contract rental revenue is recognised on the delivery of the vehicle.

Turnover consists entirely of sales made in the United Kingdom and is attributable to the principal activity of the company.

3. OPERATING PROFIT

	2008	2007
	£'000	£'000
Turnover	6,589	6,646
Other operating charges	(2,013)	(1,904)
Auditors' remuneration - audit fees	(6)	(5)
Total other operating charges	(2,019)	(1,909)
Staff costs	(2,104)	(2,198)
Depreciation - owned assets	(2,128)	(2,100)
	(6,251)	(6,207)
Operating profit	338	439

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 September 2008

4. PROFIT ON DISPOSAL OF TANGIBLE FIXED ASSETS

The profit on sale of tangible fixed assets of £248,000 (2007: £348,000) consists of the proceeds of £1,192,000 (2007: £1,533,000) and net book value of £944,000 (2007: £1,185,000) relating to fixtures, plant, equipment, and motor vehicles.

5. EMPLOYEES

	2008	2007
	No.	No.
Average number of persons employed by the company by activity:		
Fleet management and distribution	<u>88</u>	<u>96</u>
	£'000	£'000
Total staff costs comprised:		
Wages and salaries	1,823	1,907
Social security costs	150	158
Pension costs	<u>131</u>	<u>133</u>
	<u>2,104</u>	<u>2,198</u>

Staff costs and employee numbers include directors, except as disclosed in note 6.

6. DIRECTORS' EMOLUMENTS

	2008	2007
	£'000	£'000
The emoluments of the directors of the company were as follows:		
Aggregate emoluments (including benefits)	<u>321</u>	<u>303</u>

Included within the aggregate emoluments figure above are £76,000 (2007: £72,000) of performance related bonuses payable to certain directors by Northcliffe Media Limited, the parent company. These costs are not recharged to the company.

Of the directors at 28 September 2008 who received emoluments during the year, retirement benefits are accruing to four under a defined benefit scheme (2007: four).

The emoluments of M J Hindley are paid by Northcliffe Media Limited and are excluded from the details above. It is not practicable to split his remuneration between the services provided to A & N Media Fleet Services Limited (formerly Northcliffe Fleet Services Limited) and to fellow Northcliffe Media Limited subsidiary companies. His remuneration is fully disclosed in the financial statements of Northcliffe Media Limited.

	£'000	£'000
Highest paid director		
Aggregate emoluments	<u>111</u>	<u>106</u>
Accrued pension under a defined benefit scheme	<u>37</u>	<u>35</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 September 2008

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £'000	2007 £'000
Corporation tax		
Corporation tax charge for the year	188	183
Deferred tax		
Timing differences, origination and reversal	3	54
Tax on profit on ordinary activities	<u>191</u>	<u>237</u>

The current tax rate for the year is 29% (2007: 30%). This is calculated at a blended rate, based on UK standard rates of corporation tax, of 30% to 31 March 2008 and 28% from 1 April 2008. The current tax charge for the year is more than 29% (2007: less than 30%) for the reasons set out in the following reconciliation:

	£'000	£'000
Profit on ordinary activities before taxation	<u>586</u>	<u>787</u>
Tax on profit on ordinary activities at standard rate	170	236
Factors affecting the charge:		
Disallowable expenses	1	1
Capital allowances - timing differences	50	50
Profit on disposal of tangible fixed assets	(72)	(104)
Short-term timing differences	39	-
	<u>188</u>	<u>183</u>

8. DIVIDENDS

	2008 £'000	2007 £'000
Ordinary dividend paid of £nil (2007: £250) per share	<u>-</u>	<u>500</u>

A & N MEDIA FLEET SERVICES LIMITED
(formerly Northcliffe Fleet Services Limited)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 September 2008

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Fixtures, plant, equipment, and motor vehicles £'000	Total £'000
Cost or valuation			
At 1 October 2007	457	11,876	12,333
Additions	-	3,184	3,184
Disposals	-	(3,054)	(3,054)
Group transfers	-	26	26
At 28 September 2008	<u>457</u>	<u>12,032</u>	<u>12,489</u>
Accumulated depreciation			
At 1 October 2007	127	4,430	4,557
Charge for the year	11	2,117	2,128
Disposals	-	(2,110)	(2,110)
At 28 September 2008	<u>138</u>	<u>4,437</u>	<u>4,575</u>
Net book value			
At 28 September 2008	<u>319</u>	<u>7,595</u>	<u>7,914</u>
At 30 September 2007	<u>330</u>	<u>7,446</u>	<u>7,776</u>
Cost or valuation at 28 September 2008 is represented by:			
	£'000	£'000	£'000
Cost	53	12,032	12,085
Valuation	404	-	404
	<u>457</u>	<u>12,032</u>	<u>12,489</u>

Included within fixtures, plant, equipment, and motor vehicles are vehicles with a gross value of £11,722,000 (2007: £10,543,000) and accumulated depreciation of £4,188,000 (2007: £3,609,000) which are available to fellow group companies under operating lease agreements.

Certain freehold land and buildings were valued as at March 1996 by the directors at their open market value for existing use. The company has taken advantage of the transitional provisions of FRS 15 and retained the book amount of certain freehold properties which were revalued prior to the implementation of the standard.

If the freehold land and buildings had not been revalued, they would have been included in the following amounts:

	2008 £'000	2007 £'000
Historical cost	177	177
Depreciation based on cost	(58)	(54)
Net book value	<u>119</u>	<u>123</u>

A & N MEDIA FLEET SERVICES LIMITED
(formerly Northcliffe Fleet Services Limited)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 September 2008

10. STOCKS

	2008	2007
	£'000	£'000
Raw materials and consumables	<u>67</u>	<u>38</u>

The replacement cost of stocks is not materially different from that shown above.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£'000	£'000
Trade debtors	3	10
Amounts owed by group undertakings	239	240
Other debtors	-	48
Prepayments and accrued income	219	282
	<u>461</u>	<u>580</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£'000	£'000
Amounts owed to group undertakings	5,371	5,608
Corporation tax	370	495
Other taxation and social security	122	117
Accruals and deferred income	1,278	1,252
	<u>7,141</u>	<u>7,472</u>

The purchase ledger is operated by Northcliffe Media Limited, the parent company.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 September 2008

13. PROVISIONS FOR LIABILITIES

	£'000
Deferred taxation	
At 1 October 2007	445
Current year movement – capital allowances and pension fund contributions	3
	<u>448</u>
At 28 September 2008	<u>448</u>

Deferred taxation provided in the financial statements is analysed as follows:

	2008 £'000	2007 £'000
Accelerated capital allowances	536	408
Pension fund contributions	1	37
	<u>537</u>	<u>445</u>

Deferred taxation is expected to reverse at 28% (2007: 28%).

There is no unprovided deferred taxation. No deferred tax has been provided in respect of the revaluation surpluses as the directors have no intention of selling the revalued properties in the foreseeable future. No deferred tax has been provided on the gains arising from the revaluation as such tax would only become payable if the property were sold without rollover relief being obtained. The tax which would be payable in such circumstances is estimated to be £58,000 (2007: £58,000).

14. CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised, allotted, called up and fully paid		
2,000 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

15. STATEMENT OF MOVEMENTS IN RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 October 2007	207	370
Transfer	(7)	7
Profit for the financial year	-	395
	<u>200</u>	<u>772</u>
At 28 September 2008	<u>200</u>	<u>772</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 September 2008

16. FINANCIAL COMMITMENTS

	2008 £'000	2007 £'000
Tangible fixed assets contracted for but not provided in the financial statements	<u>214</u>	<u>720</u>

17. CONTINGENT LIABILITIES

The company, as part of an interest set-off arrangement, has guaranteed the overdraft facilities of a number of fellow subsidiaries of the Daily Mail and General Trust plc group. The maximum liability under the guarantee is limited to the credit balances on those bank accounts which are part of the interest set-off arrangement, together with the proceeds of any items in the course of collection for the credit of such bank accounts. At 28 September 2008, the potential liability was £91,000 (2007: £36,000).

18. PENSION ARRANGEMENTS

The company operates pension schemes under which contributions are paid by the employer and employees.

The schemes for most employees are defined benefit pension arrangements, providing service-related benefits based on final pensionable salary. The assets of the schemes are held independently from the company's finances and are administered by trustee companies. The most recent actuarial valuation of the schemes, upon which the current contributions are based, was carried out as at 31 March 2007 using the projected unit credit method.

On 30 November 2007 the members, assets and liabilities of the Mail Newspapers Pension Scheme (MNPS) were merged into the Harmsworth Pension Scheme which is the principal scheme for the company. As a condition of the merger Daily Mail and General Trust plc, as the principal employer, has provided letters of credit for £40 million to cover the period to 1 December 2011. The Trustee would have a call on this contingent asset in the event that the newly combined scheme begins to be wound up before 1 December 2011 and the assets of the scheme are insufficient to provide benefits in full for all members.

During the year, the trustee companies amended their procedure for appointing company-appointed and member-nominated directors in compliance with revised trust documentation and new legislation. This has resulted, in the case of the trustee company of the principal scheme, in a trustee board comprising four member-nominated directors, four company-appointed directors who are employees of Daily Mail and General Trust plc, and an independent chairman who is company-appointed. The new arrangements have been communicated to scheme members.

The funding strategy agreed with the trustee of the principal scheme made allowance for assumed future investment returns on the scheme's assets of 3.3% p.a. above price inflation, compared with the real return of some 2.6% p.a. implicit within the calculation of the Technical Provisions (i.e. the value of the scheme's benefit liabilities). Daily Mail and General Trust plc agreed with the trustee that this margin would be covered by a contingent asset and Daily Mail and General Trust plc has put in place a letter of credit (to be updated annually) of an amount sufficient to cover any potential shortfall in this additional investment return arising prior to the next triennial valuation. As at 28 September, 2008 the letter of credit had a value of £21.8 million (2007: £nil). In addition the company is paying annual cash contributions of 18% of members' scheme salaries (2007: 18%).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 September 2008

18. PENSION ARRANGEMENTS (continued)

Other key financial assumptions adopted were as follows:

Long-term assumed rate of	
Price inflation	3.0% pa
Salary increases	4.3% pa
Pension increases (on excess over GMP)	3.0% pa
Discount rate for accrued liabilities	
Pre-retirement	6.4% pa
Post-retirement	4.8% pa

The financial assumptions shown above used in the most recent actuarial valuation were selected to provide a basis for funding the schemes and are not intended to reflect the company's experience or policy regarding pay in any one financial year.

The valuation of the principal scheme showed that the combined accumulated assets of the scheme as at 31 March 2007 represented 99% of the scheme's Technical Provisions in respect of past service benefits. The scheme remains open to eligible new employees.

Members are able to make additional voluntary contributions (AVCs) into unit-linked funds held within each scheme. No benefit obligation arises to the Daily Mail and General Trust plc, or the company, from these AVCs and the related unit-linked AVC assets have been excluded from the valuation of assets and liabilities reported below.

The pension charge for the year ended 28 September 2008 was £131,000 (2007: £133,000).

Included in debtors in 2007 was an advance payment into the pension schemes amounting to £133,000. In accordance with the provisions of the contribution schedules for the schemes, the company has not made an advance payment in 2008, but will be making regular monthly contribution payments from October 2008.

FRS 17 'Retirement Benefits'

A & N Media Fleet Services Limited (formerly Northcliffe Fleet Services Limited) is unable to identify its share of the underlying assets and liabilities in the defined benefit schemes in which it participates. The schemes are operated on an aggregate basis with no segregation of the assets to individual participating employers and, therefore, the same contribution rate is charged to all participating employers (i.e. the contribution rate charged to each employer is affected by the experience of the schemes as a whole). The scheme is therefore accounted for as a defined contribution scheme by the company. This means that the pension charge reported in these financial statements is the same as the cash contributions due in the period.

The ultimate UK parent company, Daily Mail and General Trust plc, is required to account for the defined benefit scheme under International Accounting Standard 19 "Employee Benefits" ("IAS 19"). The IAS 19 disclosures in the Annual Report and Accounts of Daily Mail and General Trust plc have been based on calculations performed as part of the work carried out for the formal valuation of the main schemes as at 31 March 2007, and adjusted to 28 September 2008 by the actuary. The calculations are adjusted to allow for the assumptions and actuarial methodology required by IAS 19. These showed that the market value of the now merged principal scheme's assets was £1,322.5 million (2007: £650.0m) and that the actuarial value of these assets represented 99% (2007: 106%) of the benefits that had accrued to members (also calculated in accordance with IAS 19) resulting in a reported deficit of £16.5 million at 28 September 2008 (2007: £35.3m surplus). The size of the surplus or deficit in the scheme impacts on the calculations undertaken by the actuary to determine the cash funding (contributions) required from the companies that participate in the scheme. The valuations and disclosures required under IAS 19 for the financial statements of Daily Mail and General Trust plc are not materially different to the valuations and disclosures required under FRS 17.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 28 September 2008

18. PENSION ARRANGEMENTS (continued)

Stakeholder Pensions

The company provides access to a stakeholder pension plan for relevant employees who are not eligible for other pension schemes operated by the group.

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8, 'Related party disclosures', not to disclose related party transactions between companies which are 90% owned by the ultimate parent company.

20. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is 100% owned by Northcliffe Media Limited.

The directors regard the ultimate parent company as Rothermere Continuation Limited, a company incorporated in Bermuda. The ultimate controlling party is The Viscount Rothermere, the Chairman of Daily Mail and General Trust plc.

The largest and smallest group of which the company is a member and for which group financial statements are drawn up is that of Daily Mail and General Trust plc, registered in England and Wales. Copies of the report and financial statements are available from:

The Company Secretary
Daily Mail and General Trust plc
Northcliffe House
2 Derry Street
Kensington
London
W8 5TT