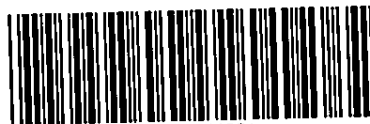


**A&N MEDIA FLEET SERVICES LIMITED**

**Report and Financial Statements**

**4 October 2009**

TUESDAY



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**REPORT AND FINANCIAL STATEMENTS 2009**

**CONTENTS**

	<b>Page</b>
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

**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  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
Devon  
PL4 0BN

**BANKERS**

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

**AUDITORS**

Deloitte LLP  
Bristol

**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 4 October 2009.

**BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

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

The company's principal activities during the year were 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 30 September 2009, the contract hire car fleet was sold to Hitachi Capital Vehicle Solutions Limited. Although the company will continue to provide fleet management advice for subsidiaries of the DMGT group, future revenues will only be generated from the distribution side of the business.

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](http://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 £549,000 (8.3%) during the year. Fleet management turnover has decreased by £522,000 (13.7%) due to a reduction in vehicle numbers resulting from restructuring within the Northcliffe Media group.

Operating profit has decreased by £92,000 (27.2%). In addition profits from the disposal of vehicles totalled £1,818,000 this year (2008: profit of £248,000). The profit of the company for the financial year after taxation amounted to £1,506,000 (2008: £395,000). The directors have not paid an ordinary dividend for the year (2008: £nil).

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 2009 and 2008, are as follows:

	<b>2009</b>	<b>2008</b>	<b>% movement</b>
Fleet management turnover	£3,295,000	£3,817,000	(13.7%)
Distribution turnover	£2,745,000	£2,772,000	(1.0%)
Total turnover	£6,040,000	£6,589,000	(8.3%)
Operating profit	£246,000	£338,000	(27.2%)
% operating profit margin	4.1%	5.1%	(19.6%)
Employees (average number)	84	88	(4.5%)
Net assets	£2,480,000	£974,000	154.6%

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 £1,506,000, 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.

**GOING CONCERN**

The directors have considered the use of the going concern basis in the preparation of the financial statements in light of current trading conditions. These create 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 profitable, with net assets and net current assets and this is expected to continue. In addition, it is an integral part of Daily Mail and General Trust plc's ('DMGT') structure and strategy and this is evidenced by a letter of support from DMGT, which states its intention to provide any financial support required to ensure that the company is a going concern for at least 12 months from the date of signing 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.

**DIRECTORS' REPORT (continued)**

**PRINCIPAL RISKS AND UNCERTAINTIES**

General economic conditions and the financial health of the company's customers affect the performance of its business. A significant proportion of its 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 the company's distribution services.

**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 which does not form part of this Report. Initiatives designed to minimise the company's net impact on the environment include recycling and reducing energy consumption. The company has implemented a "green fleet" policy, 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 £nil (2008: £124). There were no political donations made by the company in the year (2008: £nil).

**DIRECTORS' REPORT (continued)**

**SUPPLIER PAYMENT POLICY**

As stated in note 11 to these financial statements, the company's purchase ledger is operated by A&N Media Finance Services Limited ("ANMFS"), a fellow subsidiary of Daily Mail and General Trust plc. Prior to July 2009, it was operated by Northcliffe Media Limited, the parent company. The policy of ANMFS, and companies using ANMFS's services, 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 ANMFS as at 4 October 2009 were equivalent to 17 days (2008: Northcliffe Media Limited: 19 days) purchases, based on the average daily amount invoiced by suppliers during the year.

**AUDITORS**

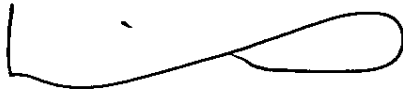
In the case of each of the persons who is a director of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information 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 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 s418 of the Companies Act 2006.

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

11 December 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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**

We have audited the financial statements of A&N Media Fleet Services Limited for the year ended 4 October 2009 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 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 4 October 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

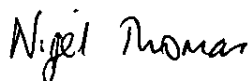
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Nigel Thomas (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Bristol, United Kingdom

11 December 2009



**A&N MEDIA FLEET SERVICES LIMITED****PROFIT AND LOSS ACCOUNT**  
**Year ended 4 October 2009**

	<b>Note</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
<b>TURNOVER</b>	2	<u>6,040</u>	<u>6,589</u>
<b>OPERATING PROFIT</b>	3	246	338
Profit on disposal of tangible fixed assets	4	<u>1,818</u>	<u>248</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,064	586
Tax on profit on ordinary activities	7	<u>(558)</u>	<u>(191)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	14	<u>1,506</u>	<u>395</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

## BALANCE SHEET At 4 October 2009

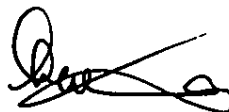
	Note	2009		2008	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	8		880		7,914
<b>CURRENT ASSETS</b>					
Stocks	9	60		67	
Debtors					
- amounts falling due within one year	10	5,307		461	
Cash at bank and in hand		178		121	
		<u>5,545</u>		<u>649</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	11	<u>(3,793)</u>		<u>(7,141)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>1,752</u>		<u>(6,492)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,632		1,422
<b>PROVISIONS FOR LIABILITIES</b>	12		<u>(152)</u>		<u>(448)</u>
<b>NET ASSETS</b>			<u>2,480</u>		<u>974</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		2		2
Revaluation reserve	14		193		200
Profit and loss account	14		<u>2,285</u>		<u>772</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>2,480</u>		<u>974</u>

The financial statements of A&N Media Fleet Services Limited, registered number 287078, were approved by the Board of Directors and authorised for issue on 11 December 2009.

Signed on behalf of the Board of Directors



P G Ashdown  
Director



T G Lethaby  
Director

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Year ended 4 October 2009**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	1,506	395
Net increase in shareholders' funds	1,506	395
Opening shareholders' funds	974	579
Closing shareholders' funds	<u>2,480</u>	<u>974</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

**Year ended 4 October 2009**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before taxation	2,064	586
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on revalued amounts	7	7
Historical cost profit on ordinary activities before taxation	<u>2,071</u>	<u>593</u>
Historical cost profit for the year after taxation	<u>1,513</u>	<u>402</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**1. ACCOUNTING POLICIES**

The company's financial year is the 53 weeks ended 4 October 2009. The comparative figures are for the 52-week period ended 28 September 2008. 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 directors have considered the use of the going concern basis in the preparation of the financial statements, in light of current trading conditions, and concluded that it is appropriate. More information is provided in the Directors' report.

**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. Impairment reviews are undertaken annually.

**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 4 October 2009**

**1. ACCOUNTING POLICIES (continued)**

**Pension costs**

*Defined Benefit Scheme*

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.

*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 from the date of delivery of the vehicle. Contract rental revenue is recognised from the date of 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**

	<b>2009</b>		<b>2008</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Turnover		6,040		6,589
Other operating charges	(1,834)		(2,013)	
Auditors' remuneration - audit fees	(4)		(6)	
Amounts paid under operating leases				
- plant and machinery	(9)		-	
Total other operating charges	(1,847)		(2,019)	
Staff costs	(2,115)		(2,104)	
Depreciation - owned assets	(1,832)		(2,128)	
		(5,794)		(6,251)
Operating profit		246		338

There were no non-audit services in either period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**4. PROFIT ON DISPOSAL OF TANGIBLE FIXED ASSETS**

The profit on disposal of tangible fixed assets of £1,818,000 (2008: £248,000), consists of proceeds of £6,720,000 (2008: £1,192,000) and net book value of £5,833,000 (2008: £944,000) relating to fixtures, plant, equipment and motor vehicles and a release of a maintenance reserve of £931,000 (2008: £nil) due to the sale of the company's car fleet to Hitachi Capital Vehicle Solutions Limited.

**5. EMPLOYEES**

	2009 No.	2008 No.
Average number of persons employed by the company by activity:		
Fleet management and distribution	84	88
	<u>£'000</u>	<u>£'000</u>
Total staff costs comprised:		
Wages and salaries	1,785	1,823
Social security costs	140	150
Pension costs	190	131
	<u>2,115</u>	<u>2,104</u>

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

**6. DIRECTORS' EMOLUMENTS**

	2009 £'000	2008 £'000
The emoluments of the directors of the company were as follows:		
Aggregate emoluments (including benefits)	300	321

Included within the aggregate emoluments figure above are £33,000 (2008: £76,000) of performance related bonuses payable to certain directors by Northcliffe Media Limited, a fellow subsidiary company. These costs are not recharged to the company.

Of the directors at 4 October 2009 who received emoluments during the year, retirement benefits are accruing to four under a defined benefit scheme (2008: four).

The emoluments of M J Hindley (to date of resignation) 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 and to Northcliffe Media Limited subsidiary companies. His remuneration is fully disclosed in the financial statements of Northcliffe Media Limited.

	£'000	£'000
<b>Highest paid director</b>		
Aggregate emoluments	94	111
Accrued pension under a defined benefit scheme	39	37

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>Corporation tax</b>		
Corporation tax charge for the year	854	188
<b>Deferred tax</b>		
Timing differences, origination and reversal	(296)	3
<b>Tax on profit on ordinary activities</b>	<u>558</u>	<u>191</u>

The current tax rate for the year is 28% (2008: 29%). The current tax charge for the year is more than 28% (2008: more than 29%) for the reasons set out in the following reconciliation:

	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before taxation	<u>2,064</u>	<u>586</u>
Tax on profit on ordinary activities at standard rate	578	170
Factors affecting the charge:		
Disallowable expenses	3	1
Capital allowances - timing differences	273	50
Profit on disposal of tangible fixed assets	-	(72)
Short-term timing differences	-	39
	<u>854</u>	<u>188</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**8. TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £'000</b>	<b>Fixtures, plant, equipment, and motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>			
At 29 September 2008	457	12,032	12,489
Additions	-	596	596
Disposals	-	(11,207)	(11,207)
Transfers from fellow group companies	-	36	36
Transfers to fellow group companies	-	(10)	(10)
At 4 October 2009	457	1,447	1,904
<b>Accumulated depreciation</b>			
At 29 September 2008	138	4,437	4,575
Charge for the year	11	1,821	1,832
Disposals	-	(5,380)	(5,380)
Transfers to fellow group companies	-	(3)	(3)
At 4 October 2009	149	875	1,024
<b>Net book value</b>			
At 4 October 2009	308	572	880
At 28 September 2008	319	7,595	7,914
Cost or valuation at 4 October 2009 is represented by:			
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cost	53	1,447	1,500
Valuation	404	-	404
	457	1,447	1,904

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. The value of freehold land that has not been depreciated is £300,000 (2008: £300,000).

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

	<b>2009 £'000</b>	<b>2008 £'000</b>
Historical cost	177	177
Depreciation based on cost	(62)	(58)
Net book value	115	119



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**9. STOCKS**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Raw materials and consumables	<u>60</u>	<u>67</u>

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

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	-	3
Amounts owed by group undertakings	5,172	239
Other debtors	39	-
Prepayments and accrued income	96	219
	<u>5,307</u>	<u>461</u>

The large increase in amounts owed by group undertakings is due to the proceeds on the disposal of the fleet of motor vehicles being paid to another group company as part of the banking arrangements.

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	1,184	5,371
Corporation tax	1,041	370
Other taxation and social security	1,244	122
Accruals and deferred income	324	1,278
	<u>3,793</u>	<u>7,141</u>

At the 2009 balance sheet date, the purchase ledger was operated by A&N Media Finance Services Limited, a fellow subsidiary of Daily Mail and General Trust plc.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**12. PROVISIONS FOR LIABILITIES**

	<b>£'000</b>
<b>Deferred taxation</b>	
At 29 September 2008	448
Current year movement – capital allowances and pension fund contributions	(273)
Prior year movement – depreciation and other timing differences	(23)
	<u>152</u>
At 4 October 2009	<u>152</u>

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

	<b>2009 £'000</b>	<b>2008 £'000</b>
Accelerated capital allowances	152	447
Pension fund contributions	-	1
	<u>152</u>	<u>448</u>

Deferred taxation is expected to reverse at 28% (2008: 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 £54,000 (2008: £58,000).

**13. CALLED UP SHARE CAPITAL**

	<b>2009 £'000</b>	<b>2008 £'000</b>
<b>Authorised, allotted, called up and fully paid</b>		
2,000 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**14. STATEMENT OF MOVEMENTS IN RESERVES**

	<b>Revaluation reserve £'000</b>	<b>Profit and loss account £'000</b>
At 29 September 2008	200	772
Profit for the financial year	-	1,506
Transfer of reserves	(7)	7
	<u>193</u>	<u>2,285</u>
At 4 October 2009	<u>193</u>	<u>2,285</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**15. FINANCIAL COMMITMENTS**

**Operating lease commitments**

At 4 October 2009 and 28 September 2008, the company had annual commitments under non-cancellable operating leases as follows:

	2009	2008
	Other £'000	Other £'000
Operating leases which expire:		
- between one and two years inclusive	12	-
- between two and five years inclusive	6	-
	<u>18</u>	<u>-</u>
	2009	2008
	£'000	£'000
<b>Capital commitments</b>		
Tangible fixed assets contracted for but not provided in the financial statements	<u>-</u>	<u>214</u>

**16. 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 4 October 2009, the potential liability was £178,000 (2008: £91,000).

**17. PENSION ARRANGEMENTS**

The company operates AN PensionSaver, a group personal pension arrangement under which contributions are paid by the employer and employees. It also participates in defined benefit pension schemes operated by Daily Mail and General Trust plc.

**AN PensionSaver**

AN PensionSaver was launched on 1 October 2007 and, since 1 April 2008, has been the principal pension arrangement offered to employees of the company.

Assets of the plan are invested in funds selected by members and held independently from the company's finances. The investment and administration of the plan is undertaken by Fidelity Pension Management.

**Harmsworth Pension Scheme**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**17. PENSION ARRANGEMENTS (continued)**

On 14 September 2009 Daily Mail and General Trust plc announced a number of changes affecting the Harmsworth Pension Scheme, the principal defined benefit scheme for the group, that are designed to help secure the financial health of this scheme into the future and to control the cost to the group of its operation. Daily Mail and General Trust plc decided that the scheme would remain open for future accrual of pension benefits for current employees. However, from 1 October 2009 new employees will no longer be offered the option to transfer from PensionSaver plans to the Harmsworth Pension Scheme after five years' service. Existing members of the scheme will continue to be able to earn additional pension benefits in the scheme but their pay increases counting towards pension will be limited to those at or below the prevailing rate of inflation, with inflation capped at 5%. In addition, the group plans to introduce a series of measures principally designed to limit the group's exposure to people living longer than is currently expected. The measures will be discussed with scheme trustees and a formal process of employee consultation will begin as soon as the proposals have been finalised.

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 the group 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 4 October 2009, the letter of credit had a value of £32.1 million (2008: £21.8 million).

Cash contributions paid by the company to the Harmsworth Pension Scheme as required by the schedule of contributions remain at the level of 18.0% of members' scheme salaries (2008: 18.0%) with employees contributing either 5% or 7.5% depending on which section of the scheme they are in. However, since 1 January 2009 a majority of members has agreed to a salary sacrifice arrangement whereby the Company pays the equivalent of the employee's contribution in exchange for a corresponding reduction in salary. In addition, Daily Mail and General Trust plc agreed to make a series of funding payments amounting to £3.17 million over a period of 27 months commencing in September 2009 in exchange for which the Trustees agreed to accept the cancellation of letters of credit that had been provided by Daily Mail and General Trust plc following the merger of the two main pension schemes of the group in November 2007. The first payment of £1 million under this agreement was made on 29 September 2009.

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 Guaranteed Minimum Pension)	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. However, in common with the majority of defined benefit schemes, there was a sharp deterioration over the following 12 months, with the equivalent funding level falling to 84% as at 31 March 2008.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 4 October 2009**

**17. PENSION ARRANGEMENTS (continued)**

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 4 October 2009 totalled £190,000 (2008: £131,000).

The company 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 schemes are therefore accounted for as defined contribution schemes 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 parent company, Daily Mail and General Trust plc, is required to account for defined benefit schemes 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 4 October 2009 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 principal scheme's assets was £1,228.4 million (2008: £1,322.5m) and that the actuarial value of these assets represented 78% (2008: 99%) of the benefits that had accrued to members (also calculated in accordance with IAS 19) resulting in a reported deficit of £339.4 million at 4 October 2009 (2008: £16.5m deficit). The size of the surplus or deficit in the schemes, as measured for funding purposes, impacts on the calculations undertaken by the actuary to determine the cash funding (contributions) required from the companies that participate in the schemes. 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.

**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.

**18. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by FRS 8.31(C) revised 'Related party disclosures', and has not disclosed transactions with other group companies which are 100% owned by the same parent company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**19. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The company is 100% owned by A&N Media Services. Ownership was transferred from Northcliffe Media Limited during the year.

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  
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Kensington  
London  
W8 5TT