Company Registration Number 287078

A&N MEDIA FLEET SERVICES LIMITED

Report and Financial Statements

3 October 2010

REPORT AND FINANCIAL STATEMENTS 2010

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P H Millard

SECRETARY

P S Collins

REGISTERED OFFICE

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AUDITORS

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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 3 October 2010

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 A&N Media division

The company's principal activities during the year were fleet management advice and the distribution of newspapers on behalf of fellow members of the A&N Media group

The performance of the A&N Media division of Daily Mail and General Trust plc, which includes the company, is discussed in the DMGT Annual Report (available on www dmgt 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 £3,218,000 (53 3%) during the year Fleet management turnover has decreased by £3,136,000 (95 2%) due to the contract hire car fleet being sold to Hitachi Capital Vehicle Solutions Limited on 30 September 2009 On 15 November 2010 the company ceased trading

Operating profit has decreased by £825,000 (335 4%), the reduced turnover only partially being offset by reduced depreciation, staff and other costs Profits from the disposal of tangible fixed assets totalled £300,000 this year (2009 profit of £1,818,000) The loss of the company for the financial year after taxation amounted to £230,000 (2009 profit of £1,506,000) The directors have not paid an ordinary dividend for the year (2009 £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 2010 and 2009, are as follows

	2010	2009	% movement
Fleet management turnover	£159,000	£3,295,000	(95 2%)
Distribution turnover	£2,663,000	£2,745,000	(3 0%)
Total turnover	£2,822,000	£6,040,000	(53 3%)
Operating (loss)/ profit	(£579,000)	£246,000	(335 4%)
% operating (loss)/ profit margin	(20 5%)	4 1%	(600 0%)
Employees (average number)	75	84	(10 7%)
Net assets	£2,250,000	£2,480,000	(9 3%)

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year-end has decreased in net asset terms by £230,000, due to the loss 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

As described in the post balance sheet events review in note 19, the company ceased trading on 15 November 2010 Accordingly the financial statements have been prepared on a basis other than that of a going concern, which includes, where appropriate, writing down the Company's assets to net realisable value Provision has also been made for any onerous contractual commitments at the balance sheet date The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such were committed at the balance sheet date

PRINCIPAL RISKS AND UNCERTAINTIES

The company had ceased trading and therefore risks and uncertainties are minimal

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 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 CO_2 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, T G Lethaby resigned on 28 February 2010, S D Roach and P G Ashdown resigned on 30 November 2010

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 £10 (2009 £nil) There were no political donations made by the company in the year (2009 £nil)

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 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 3 October 2010 were equivalent to 24 days (2009 17 days) purchases, based on the average daily amount invoiced by suppliers during the year

DIRECTOR'S REPORT (contınued)

AUDITORS

In the case of each of the persons who ıs a dırector of the company at the date when thıs report ıs approved

- so far as each of the dırectors ıs aware, there ıs no relevant audıt ınformatıon of whıch the company's audıtors are unaware, and
- each of the dırectors has taken all the steps that they ought to have taken as a dırector to make themselves aware of any relevant audıt ınformatıon and to establısh that the company's audıtors are aware of that ınformatıon

Thıs confirmatıon ıs gıven and should be ınterpreted ın accordance wıth the provısıons of s418 of the Companıes Act 2006

Deloıtte LLP have ındıcated theır wıllıngness to contınue ın office as the company's audıtors and a resolutıon for theır reappoıntment wıll be proposed at the forthcomıng Annual General Meetıng

Approved by the Board of Dırectors
and sıgned on behalf of the Board

P S Collıns
Secretary

13 January 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

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, 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 3 October 2010 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 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 Chapter 3 of Part 16 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

Emphasis of matter- Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

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 3 October 2010 and of its loss 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

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

13 January 2011

PROFIT AND LOSS ACCOUNT
Year ended 3 October 2010

	Note	2010 £'000	2009 £'000
TURNOVER	2	2,822	6,040
OPERATING (LOSS)/ PROFIT	3	(579)	246
Profit on disposal of tangible fixed assets	4	300	1,818
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(279)	2,064
Tax on (loss)/ profit on ordinary activities	7	49	(558)
(LOSS)/ PROFIT FOR THE FINANCIAL YEAR	14	(230)	1,506

All activities relate to discontinuing operations

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

BALANCE SHEET
At 3 October 2010

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
FIXED ASSETS					
Tangible assets	8		365		880
CURRENT ASSETS					
Stocks	9	29		60	
Debtors					
- amounts falling due within one year	10	3,115		5,307	
Cash at bank and in hand		50		178	
		3,194		5,545	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(1,208)		(3,793)	
NET CURRENT ASSETS			1,986		1,752
TOTAL ASSETS LESS CURRENT LIABILITIES			2,351		2,632
PROVISIONS FOR LIABILITIES	12		(101)		(152)
NET ASSETS			2,250		2,480
CAPITAL AND RESERVES					
Called up share capital	13		2		2
Revaluation reserve	14		-		193
Profit and loss account	14		2,248		2,285
SHAREHOLDERS' FUNDS			2,250		2,480

The financial statements of A&N Media Fleet Services Limited, registered number 287078, were approved by the Director and authorised for issue on 13 January 2011

Signed by the Director

Patricia Millard

P Millard
Director

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 3 October 2010

	2010 £'000	2009 £'000
(Loss)/ profit for the financial year	(230)	1,506
Net (decrease)/ increase in shareholders' funds	(230)	1,506
Opening shareholders' funds	2,480	974
Closing shareholders' funds	2,250	2,480

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 3 October 2010

	2010 £'000	2009 £'000
(Loss)/ profit on ordinary activities before taxation	(279)	2,064
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on revalued amounts	-	7
Transfer of revaluation reserve on sale of property	193	-
Historical cost (loss)/ profit on ordinary activities before taxation	(86)	2,071
Historical cost (loss)/ profit for the year after taxation	(37)	1,513

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

1. ACCOUNTING POLICIES

The company's financial year is the 52 weeks ended 3 October 2010 The comparative figures are for the 53 week period ended 4 October 2009 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

Post year end, the company ceased to trade and therefore the accounts have been prepared on a basis other than as a going concern Full details are given 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 3 October 2010

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 (LOSS)/ PROFIT

	2010		2009	
	£'000	£'000	£'000	£'000
Turnover		2,822		6,040
Other operating charges	(1,252)		(1,834)	
Auditors' remuneration - audit fees	(4)		(4)	
Amounts paid under operating leases - plant and machinery	(18)		(9)	
Total other operating charges	(1,274)		(1,847)	
Staff costs	(1,834)		(2,115)	
Depreciation - owned assets	(173)		(1,832)	
Staff severance costs	(120)		-	
		(3,401)		(5,794)
Operating (loss)/ profit		(579)		246

There were no non-audit services in either period

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

4 PROFIT ON DISPOSAL OF TANGIBLE FIXED ASSETS

The profit on disposal of tangible fixed assets of £300,000 (2009 £1,818,000), consists of proceeds of £649,000 (2009 £6,720,000) and net book value of £349,000 (2009 £5,833,000) relating to fixtures, plant, equipment and motor vehicles In addition, there was a release of a maintenance reserve of £nil (2009 £931,000) due to the sale of the company's car fleet in 2009 to Hitachi Capital Vehicle Solutions Limited

5 EMPLOYEES

	2010	2009
Average number of persons employed by the company by activity	No.	No.
Fleet management and distribution	75	84

	2010	2009
	£'000	£'000
Total staff costs comprised		
Wages and salaries	1,588	1,785
Social security costs	133	140
Pension costs	113	190
	1,834	2,115

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

6 DIRECTORS' EMOLUMENTS

The emoluments of the directors of the company were as follows	2010 £'000	2009 £'000
Aggregate emoluments (including benefits)	284	300
Compensation for loss of office	62	-
	346	300

Included within the aggregate emoluments figure above are £51,000 (2009 £33,000) 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 3 October 2010 who received emoluments during the year, retirement benefits are accruing to three under a defined benefit scheme (2009 four)

	£'000	£'000
Highest paid director		
Aggregate emoluments	97	94
Accrued pension under a defined benefit scheme	40	39

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

7 TAX ON (LOSS)/ PROFIT ON ORDINARY ACTIVITIES

	2010 £'000	2009 £'000
Corporation tax		
Corporation tax (credit)/ charge for the year	(96)	854
Under-provision in respect of prior years	98	-
	2	854
Deferred tax		
Timing differences, origination and reversal	(51)	(296)
Tax on (loss)/ profit on ordinary activities	(49)	558

The current tax rate for the year is 28% (2009 28%) The current tax credit for the year is less than 28% (2009 charge more than 28%) for the reasons set out in the following reconciliation

	£'000	£'000
(Loss)/ profit on ordinary activities before taxation	(279)	2,064
Tax on (loss)/ profit on ordinary activities at standard rate	(78)	578
Factors affecting the charge		
Disallowable expenses	2	3
Capital allowances - timing differences	59	521
Profit on disposal of tangible fixed assets	(79)	(248)
Under-provision in respect of prior years	98	-
	2	854

It is not anticipated that the forthcoming tax rate change, from 28% to 24% in coming years, will have a material impact on the tax charge

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Fixtures, plant, equipment, and motor vehicles £'000	Total £'000
Cost or valuation			
At 5 October 2009	457	1,447	1,904
Additions	-	7	7
Disposals	-	(205)	(205)
Transfers to fellow group companies	(457)	-	(457)
At 3 October 2010	-	1,249	1,249
Accumulated depreciation			
At 5 October 2009	149	875	1,024
Charge for the year	10	163	173
Disposals	-	(154)	(154)
Transfers to fellow group companies	(159)	-	(159)
At 3 October 2010	-	884	884
Net book value			
At 3 October 2010	-	365	365
At 4 October 2009	308	572	880

Cost or valuation at 3 October 2010 is represented by

	£'000	£'000	£'000
Cost	-	1,249	1,249

9. STOCKS

	2010 £'000	2009 £'000
Raw materials and consumables	29	60

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Amounts owed by group undertakings	3,060	5,172
Other debtors	4	39
Prepayments and accrued income	51	96
	3,115	5,307

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Amounts owed to group undertakings	11	1,184
Corporation tax	849	1,041
Other taxation and social security	84	1,244
Accruals and deferred income	264	324
	1,208	3,793

The purchase ledger is operated by A&N Media Finance Services Limited, a fellow subsidiary of Daily Mail and General Trust plc

12 PROVISIONS FOR LIABILITIES

	£'000
Deferred taxation	
At 5 October 2009	152
Current year movement – capital allowances and pension fund contributions	(56)
Prior year movement – depreciation and other timing differences	5
At 3 October 2010	101

Deferred taxation provided in the financial statements is analysed as follows

	2010 £'000	2009 £'000
Accelerated capital allowances	101	152

Deferred taxation is expected to reverse at a rate between 24% and 27% (2009 28%)

There is no unprovided deferred taxation

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

13 CALLED UP SHARE CAPITAL

	2010 £'000	2009 £'000
Authorised, allotted, called up and fully paid		
2,000 ordinary shares of £1 each	2	2

14. STATEMENT OF MOVEMENTS IN RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 5 October 2009	193	2,285
Loss for the financial year	-	(230)
Transfer of reserves on sale of property	(193)	193
At 3 October 2010	-	2,248

15 FINANCIAL COMMITMENTS

Operating lease commitments

At 3 October 2010 and 4 October 2009, the company had annual commitments under non-cancellable operating leases as follows

	Non property 2010 £'000	Non property 2009 £'000
Operating leases which expire		
- less than one year	16	-
- between one and two years inclusive	7	12
- between two and five years inclusive	11	6
	34	18

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 3 October 2010, the potential liability was £23,000 (2009 £178,000)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

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 a defined benefit pension scheme operated by Daily Mail and General Trust plc

AN PensionSaver

AN PensionSaver was launched on 1 October 2007 and, since 1 August 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

Daily Mail and General Trust plc continues to develop a series of measures principally designed to limit the Group's exposure to people living longer than is currently expected These measures have been discussed with scheme trustees and a formal process of employee consultation will begin in December The Group expects that this package of changes will secure the future of the schemes, which will continue to provide a valuable retirement provision for scheme members

The funding strategy agreed with the Trustee of the principal scheme in connection with the 2007 valuation 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 put in place letters of credit of an amount sufficient to cover any potential shortfall in this additional investment return arising prior to the next triennial valuation As at 3 October, 2010 the letter of credit had a value of £46 94 million (2009 £32 1 million) Post year-end on 5 October 2010 the Group made a funding payment of £8 6 million to the scheme in exchange for which the trustee agreed that the letter of credit could be reduced by a corresponding amount

Cash contributions paid by the Company to the Harmsworth Pension Scheme as required by the schedule of contributions remain at the same level of 18 0% of members' scheme salaries (2009 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 have 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 In the year to 3 October 2010 the Group paid £1 0 million in accordance with that agreement (2009 £1 0 million)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

17 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

* Guaranteed minimum pension (GMP) is the minimum pension that the scheme must legally provide by being contracted out of the earnings-related part of the State Pension

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 two years, with the equivalent funding level falling to 63% as at 31 March 2009 Recent quarterly updates provided to the trustee indicate that the funding position has since improved

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 3 October, 2010 comprised

	2010 £000	2009 £000
Defined Benefit Scheme	113	190

A&N Media Finance 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 (ie 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 UK 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 using membership data as at 30 September 2010 along with asset valuations and cash flow information from the schemes for the year to 3 October 2010 The calculations use assumptions and actuarial methodology required by IAS 19 These showed that the market value of the principal scheme's assets was £1,342 6 million (2009 £1,228 4 million) and that the actuarial value of these assets represented 86% (2009 78%) of the benefits that had accrued to members (also calculated in accordance with IAS 19) resulting in a reported deficit of £214 3 million at 3 October 2010 (2009 £339 4 million 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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

17. PENSION ARRANGEMENTS (continued)

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

19 POST BALANCE SHEET EVENT

The company ceased trading on 15 November 2010

20. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is 100% owned by A&N Media Services

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
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