

Company Registration No. 1163844

DMG Information Limited

Report and Financial Statements

30 September 2006



DMG Information Limited

Report and financial statements 2006

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DMG Information Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2006.

Activities

The principal activity of the company continues to be that of a holding company for the business information and educational publishing activities of the Daily Mail and General Trust plc.

Review of developments and future prospects

The profit and loss account is set out on page 7.

The company continued to act as a holding company for its Careers and Information Publishing businesses. The directors look forward to the future with optimism.

Dividends

The directors of the company do not recommend the payment of a dividend (2005 - £nil).

Directors and their interests

The directors of the company who served throughout the year are as follows:

C J F Sinclair
M W H Morgan
D M M Dutton (Chairman)
J P Williams
P Sykes

Other than described below, none of the directors had any interests in the shares of the company or any other group companies during the year.

Mr C J F Sinclair, Mr D M M Dutton, and Mr J P Williams are directors of Daily Mail and General Trust plc and their interests in the shares of group companies are disclosed in that company's financial statements.

Mr M W H Morgan is a director of Daily Mail and General Holdings Limited and his interests in the shares of group companies is disclosed in that company's financial statements.

DMG Information Limited

Directors' report (continued)

Directors and their interests (continued)

The interests of the directors of the company in share options of the ultimate parent undertaking at 30 September 2006 were:

Daily Mail and General Trust plc ("A" ordinary non-voting shares £1)	At 30 September 2005 No.	Granted in the year No.	Exercised in the year No.	At 30 September 2006 No.	Exercise price p
P Sykes	24,000	-	-	24,000	6.475
	12,000	-	-	12,000	10.295
	11,000	-	-	11,000	8.34
	5,500	-	-	5,500	7.25
	6,000	-	-	6,000	6.45
	6,000	-	-	6,000	5.73
	6,000	-	-	6,000	6.075
	6,000	-	-	6,000	7.235
	-	11,000	-	11,000	6.98
	<u>76,500</u>	<u>11,000</u>	<u>-</u>	<u>87,500</u>	

No options have lapsed during the year.

As at 30 September 2006 P Sykes had interests in 3,000 "A" Ordinary shares (2005 – 3,000 "A" Ordinary shares).

Companies Act 1985

This report has been prepared in accordance with the special provisions relating to small companies under s246 Companies Act 1985.

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Directors' report (continued)

Auditors

Each of the directors at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the auditors are unaware; and
- The director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



P Sykes
Director

December 20 2006

DMG Information Limited

Statement of directors' responsibilities

The directors are responsible for preparing the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those 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 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 (may be omitted if a separate statement on going concern is made by the director).

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 sole member of DMG Information Limited

We have audited the financial statements of DMG Information Limited for the year ended 30 September 2006 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 16. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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 transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

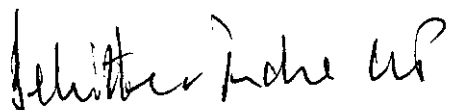
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of DMG Information Limited (continued)

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 30 September 2006 and of its loss 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 & Touche LLP

Chartered Accountants and Registered Auditors

London

4 January 2007

DMG Information Limited

Profit and loss account Year ended 30 September 2006

	Note	2006 £	2005 £
Other operating income	1	3,500,000	2,750,000
Administrative expenses	2	(25,960)	(667,877)
Operating profit before exceptional items and interest	2	3,474,040	2,082,123
Impairment on investment	3	(11,977,319)	-
Loss on sale of investment	3	(4,128,902)	-
Intercompany accounts waiver	3	9,884,789	-
Operating (loss) / profit on ordinary activities before interest and taxation		(2,747,392)	2,082,123
Interest receivable and similar income	5	445,397	1,168,103
Interest payable and similar charges	6	(6,291,917)	(6,289,703)
Loss on ordinary activities before taxation		(8,593,912)	(3,039,477)
Tax credit on loss on ordinary activities	7	700,035	752,322
Loss on ordinary activities after tax/loss for the financial year	13	(7,893,877)	(2,287,155)

All losses derive from continuing operations.

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account. Consequently, a statement of total recognised gains and losses has not been presented.

DMG Information Limited

Balance sheet 30 September 2006

	Note	2006 £	2005 £
Fixed assets			
Investments	8	111,201,386	130,537,032
Current assets			
Debtors	9	124,897,084	34,831,692
Creditors: amounts falling due within one year	10	(84,729,495)	(11,835,620)
Net current assets		<u>40,167,589</u>	<u>22,996,072</u>
Total assets less current liabilities		<u>151,368,975</u>	<u>153,533,104</u>
Creditors: amounts falling due after more than one year	11	(107,199,909)	(101,470,161)
Net assets		<u>44,169,066</u>	<u>52,062,943</u>
Capital and reserves			
Called up share capital	12	19,101,093	19,101,093
Share premium account	13	58,584,477	58,584,477
Profit and loss account	13	(33,516,504)	(25,622,627)
Equity shareholder's funds	13	<u>44,169,066</u>	<u>52,062,943</u>

These financial statements were approved by the Board of Directors on *December 20* 2006.

Signed on behalf of the Board of Directors



P Sykes
Director

DMG Information Limited

Notes to the accounts

Year ended 30 September 2006

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Consolidation

The company is exempt from the obligation to prepare and deliver consolidated financial statements as it is a wholly owned subsidiary of Daily Mail and General Trust plc, a company registered in England and Wales. The company's results are included within the consolidated financial statements of Daily Mail and General Trust plc. These financial statements only show information about the company as an individual entity and not of its group.

Other operating income

Other operating income arises from a management charge to another Group company.

Cash flow

The company is a wholly owned subsidiary of Daily Mail and General Trust plc and the cash flows of the company are included in the consolidated group cash flow statement of Daily Mail and General Trust plc. Consequently, under the terms of Financial Reporting Standard 1 (revised 1996) "Cash flow statements", the company is exempt from the requirement to publish a cash flow statement.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Deferred taxation

Deferred tax 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 gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. 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.

DMG Information Limited

Notes to the accounts

Year ended 30 September 2006

2. Operating profit

	2006 £	2005 £
Operating profit is after charging:		
Translation differences	25,960	-

The company's audit fee was borne by another Group company in the current year.

3. Exceptional items

Operating loss is arrived at after charging the following exceptional items:

	2006 £	2005 £
Operating profit is after charging:		
Impairment of investment	11,977,319	-
Loss on sale of investment	4,128,902	-
Intercompany account waiver	(9,884,789)	-

The impairment of investment represents a full provision recorded against the shares of a trade investment (see Note 8 for further description).

The loss on sale of investment represents the loss on transfer of shares in RMSI Private Limited, which were transferred to a fellow subsidiary company of Daily Mail and General Trust plc.

Intercompany account waiver associated with subsidiary company.

4. Information regarding directors and employees

Remuneration of the executive directors in the year was borne by other companies within the Daily Mail & General Trust group of companies. It is not practicable to allocate emoluments between their services as executives of DMG Information Limited and other group companies.

The average number of persons (excluding executive directors) employed by the company during the year was nil (2006 – nil).

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Notes to the accounts Year ended 30 September 2006

5. Interest receivable and similar income

	2006 £	2005 £
Other receivable from subsidiary undertakings	415,737	1,123,520
Other interest receivable	29,660	44,583
	<u>445,397</u>	<u>1,168,103</u>

6. Interest payable and similar charges

	2006 £	2005 £
Interest payable on loan notes	38,538	55,893
Notional interest on deferred consideration	40,849	53,190
Interest payable to subsidiary undertaking	223,630	191,720
Interest payable to parent undertaking	5,988,900	5,988,900
	<u>6,291,917</u>	<u>6,289,703</u>

7. Tax credit on loss on ordinary activities

	2006 £	2005 £
United Kingdom corporation tax credit	699,489	752,322
Adjustment in respect of prior periods	546	-
	<u>700,035</u>	<u>752,322</u>

The tax credit for the period is different from the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2006 £	2005 £
Loss on ordinary activities before tax	<u>8,593,913</u>	<u>3,039,477</u>
Loss on ordinary activities multiplied by standard rate of UK corporation tax of 30% (2005 – 30%)	2,578,174	911,843
Expenses not deductible for tax purposes	(4,844,122)	(159,521)
Non-taxable loan waiver	2,965,437	-
Adjustment in respect of prior periods	546	-
	<u>700,035</u>	<u>752,322</u>

DMG Information Limited

Notes to the accounts Year ended 30 September 2006

8. Investments

	Trade investment		Investment in subsidiaries	Total £
	Loan £	Shares £	Shares £	
Cost				
At 1 October 2005	706,574	11,977,319	117,853,139	130,537,032
Disposals / reductions	(145,282)	-	(7,187,085)	(7,332,367)
Exchange loss	(25,960)	-	-	(25,960)
At 30 September 2006	535,332	11,977,319	110,666,054	123,178,705
Provisions				
At 1 October 2005 and 30 September 2006	-	11,977,319	-	11,977,319
Net book value				
At 30 September 2006	535,332	-	110,666,054	111,201,386
At 30 September 2005	706,574	11,977,319	117,853,139	130,537,032

DMG Information Limited transferred ownership of the issued share capital in RMSI Private Limited, a company that is incorporated in India and provides GIS and software services, to a subsidiary company of Daily Mail and General Trust plc. The investment had a carrying value of £7,187,085 at time of transfer, resulting in a loss on sale of investment of £4,128,902.

The decrease in the trade investment loan is due to a scheduled repayment in accordance with the contractual terms.

Share in trade investment of £11,977,319 is an unlisted investment, against which a full provision was recorded during the period.

The company has a direct interest in the ordinary share capital of the following subsidiary undertakings:

	Share holding	Principal activity	Country of incorporation
Hobsons plc	100%	Publishing	Great Britain
EDR Landmark Information Limited	100%	Business information	Great Britain
DMGI Investments Limited (formerly known as Hobsons Study Group Limited)	100%	Holding company	Great Britain
Property & Portfolio Research Limited	100%	Services to group companies	Great Britain
Sitescope Limited	100%	Business Information	Great Britain

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Notes to the accounts

Year ended 30 September 2006

9. Debtors

	2006 £	2005 £
Amounts due within one year:		
Amounts owed by parent undertaking	119,698,109	18,160,033
Amounts owed by fellow subsidiaries	3,727,089	15,373,833
Amount owed by subsidiary for surrender of tax losses	1,451,811	1,266,808
Other debtors	20,075	31,018
	<u>124,897,084</u>	<u>34,831,692</u>

10. Creditors: amounts falling due within one year

	2006 £	2005 £
Bank overdraft	660,124	53,886
Loan notes	1,173,009	1,200,202
Other taxes	612,500	475,192
Amounts owed to fellow subsidiary undertakings	81,998,147	9,820,625
Accruals and deferred income	-	-
Deferred consideration	285,715	285,715
	<u>84,729,495</u>	<u>11,835,620</u>

11. Creditors: amounts falling due after more than one year

	2006 £	2005 £
Amounts owed to parent company	106,927,800	100,938,900
Deferred consideration	272,109	531,261
	<u>107,199,909</u>	<u>101,470,161</u>

Amounts owed to parent company are representative of two amounts due in 2014 with per annum interest rates of 6.5% and 6.33%, respectively.

DMG Information Limited

Notes to the accounts Year ended 30 September 2006

12. Called up share capital

	2006 £	2005 £
Authorised:		
20,000,000 ordinary shares of £1 each	20,000,000	20,000,000
Called up, allotted and fully paid:		
19,101,093 ordinary shares of £1 each	19,101,093	19,101,093

13. Statement of movement in reserves and reconciliation of movement in shareholder's funds

	Share capital £	Share premium £	Profit and loss £	Total £
At 1 October 2005	19,101,093	58,584,477	(25,622,627)	52,062,943
Loss for the year	-	-	(7,893,877)	(7,893,877)
At 30 September 2006	19,101,093	58,584,477	(33,516,504)	44,169,066

14. Related party transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related Party Disclosures" available to subsidiaries 90 per cent or more of whose voting rights are controlled within the group and has not disclosed transactions with other group companies and investees of the group qualifying as related parties.

15. Immediate and ultimate parent companies

The company is a wholly owned subsidiary of Daily Mail and General Trust plc, a company registered in England and Wales and incorporated in Great Britain, which is itself a subsidiary of Rothermere Continuation Limited, a company incorporated in Bermuda. 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. Copies of the report and financial statements of Daily Mail and General Trust plc are available from The Company Secretary, Daily Mail and General Trust plc, Northcliffe House, 2 Derry Street, Kensington, London W8 5TT.

According to the register kept by the company, Daily Mail and General Holdings Limited a company registered in England and Wales and incorporated in Great Britain, has a 100% interest in the equity share capital of the company at 30 September 2006.

16. Ultimate controlling party

The directors regard the ultimate controlling party as the Viscount Rothermere, of Rothermere Continuation Limited.