

Company Registration No 02223316 (England and Wales)

Perio News Limited

Directors' Report and Financial Statements For The Year Ended 30 September 2006

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PERIO NEWS LIMITED

COMPANY INFORMATION

Directors	R Gray Y D Gray
Secretary	R Gray
Company number	02223316
Registered office	6 James Street York YO10 3WW
Auditors	Garbutt & Elliott Limited Arabesque House Monks Cross Drive Huntington York YO32 9GW

PERIO NEWS LIMITED

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PERIO NEWS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2006

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

Principal activities and review of the business

The principal activity of the company is that of a holding company

The company has not traded throughout the year

Results and dividends

The results for the year are set out on page 5

The directors propose that the retained loss of £7,733 is transferred to reserves

Directors

The following directors have held office since 1 October 2005

R Gray

Y D Gray

Financial Instruments

The company does not actively use financial instruments as part of its financial risk management

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Garbutt & Elliott Limited be reappointed as auditors of the company will be put to the Annual General Meeting

PERIO NEWS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

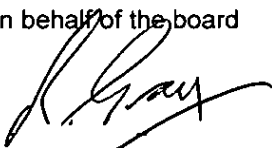
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



R. Gray

Director

26 June 2007

PERIO NEWS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PERIO NEWS LIMITED

We have audited the financial statements of Perio News Limited for the year ended 30 September 2006 set out on pages 5 to 11. 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, 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 legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and 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 other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

PERIO NEWS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF PERIO NEWS LIMITED

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 and 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



Garbutt & Elliott Limited

26 June 2007

Chartered Accountants

Registered Auditors

Arabesque House
Monks Cross Drive
Huntington
York
YO32 9GW

PERIO NEWS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Notes	2006 £	2005 £
Administrative expenses		(7,733)	-
Operating loss		(7,733)	-
Profit on reorganisation	2	-	16,546
(Loss)/profit on ordinary activities before taxation		(7,733)	16,546
Tax on (loss)/profit on ordinary activities	3	-	-
(Loss)/profit for the year	8	(7,733)	16,546

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

PERIO NEWS LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Investments	4		950		950
Current assets					
Debtors	5	8,823		19,917	
Creditors' amounts falling due within one year	6	-		(3,361)	
Net current assets			8,823		16,556
Total assets less current liabilities			9,773		17,506
Capital and reserves					
Called up share capital	7		960		960
Profit and loss account	8		8,813		16,546
Shareholders' funds	9		9,773		17,506

Approved by the Board and authorised for issue on 26 June 2007


R Gray
Director

PERIO NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.5 Cash Flow Statement

The company has not presented a cash flow statement as all the transactions in the year have been non-cash, undertaken with related companies and accounted for through related company balances.

2 Investment income

	2006 £	2005 £
Income from reorganisation	-	16,546

PERIO NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

3	Taxation	2006	2005
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(7,733)	16,546
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005 - 19.00%)	(1,469)	3,144
	Effects of		
	Other tax adjustments	1,469	(3,144)
		1,469	(3,144)
	Current tax charge	-	-

The loss for the year relates to expenditure on behalf of Twisted Branch Limited, Grays Newsagents (York) Limited's previous holding company, and audit fees for the company which give rise to no tax charge

The profit for the previous year arises from a group reorganisation for which tax clearance had been obtained so that no tax charge arises

PERIO NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

4 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 October 2005 & at 30 September 2006	950
Net book value	
At 30 September 2006	950
At 30 September 2005	950

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Grays Newsagents (York) Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2006 £	Profit for the year 2006 £
Grays Newsagents (York) Limited	Principal activity Wholesale newsagents	726,140	68,767

5 Debtors

	2006 £	2005 £
Amounts owed by subsidiary undertakings	8,813	19,907
Called up share capital not paid	10	10
	8,823	19,917

PERIO NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

6	Creditors amounts falling due within one year	2006	2005
		£	£
	Amounts owed to participating interests	-	3,361
7	Share capital	2006	2005
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid		
	960 Ordinary shares of £1 each	960	960
8	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 October 2005		16,546
	Loss for the year		(7,733)
	Balance at 30 September 2006		8,813
9	Reconciliation of movements in shareholders' funds	2006	2005
		£	£
	(Loss)/Profit for the financial year	(7,733)	16,546
	Proceeds from issue of shares	-	950
	Net (depletion in)/addition to shareholders' funds	(7,733)	17,496
	Opening shareholders' funds	17,506	10
	Closing shareholders' funds	9,773	17,506
10	Employees		
	Number of employees		
	There were no employees during the year apart from the directors		

PERIO NEWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

11 Control

The ultimate controlling party is R Gray, a director

12 Related party transactions

In the previous year Twisted Branch Limited was a company with common shareholders that owned Grays Newsagents (York) Limited (Grays). As part of a reorganisation, Grays was acquired by this company for £950 by way of a share issue of 950 £1 ordinary shares on 21 February 2005 to the shareholders of Twisted Branch Limited. Additionally, and also as part of the reorganisation, this company became entitled to certain assets of Twisted Branch Limited upon that company's liquidation, amounting to £16,546. The corresponding entry is included within the profit and loss account as profit on reorganisation. The assets were transferred to Grays by way of intercompany balance and at the balance sheet date £19,907 was owed by Grays and included within debtors.

Grays have paid in the current year £5,383 of expenses relating to Twisted Branch Limited. The intercompany balance at the balance sheet date of £8,813 (2005: £19,907) is included within debtors.