

Registration number 2642788

# Herald Express News & Media Limited

Director's Report and Financial Statements

for the Year ended 30 September 2012

FRIDAY



\*A2BIFIX5\*

A18

28/06/2013

#402

COMPANIES HOUSE

## **Herald Express News & Media Limited**

### **Contents**

Company Information .....	page 1
Director's Report .....	page 2 to 3
Director's Responsibilities Statement .....	page 4
Independent Auditors' Report .....	page 5 to 6
Profit and Loss Account .....	page 7
Balance Sheet .....	page 8
Reconciliation of Movement in Shareholders' Funds .....	page 9
Notes to the Financial Statements .....	page 10 to 17

## **Herald Express News & Media Limited**

### **Company Information**

<b>Director</b>	P S Collins
<b>Company secretary</b>	P S Collins
<b>Registered office</b>	Northcliffe Accounting Centre PO Box 6795 St George Street Leicester LE1 1ZP
<b>Bankers</b>	The Royal Bank of Scotland Corporate Services PO Box 34 15 Bishopsgate London EC2P 2AP
<b>Solicitors</b>	Foot Anstey Salt Quay House 4 North East Quay Sutton Harbour Plymouth Devon PL4 0BN
<b>Auditors</b>	Deloitte LLP Chartered Accountants and Statutory Auditors Bristol United Kingdom

## **Herald Express News & Media Limited**

### **Director's Report for the Year Ended 30 September 2012**

The director presents his annual report on the affairs of the Company, together with the audited financial statements for the period from 3 October 2011 to 30 September 2012

#### **Principal activity**

The Company ceased trading on the 30 September 2011 when all of the digital employees of the business were transferred to Digital Response Network Services Limited and all of the publishing employees of the business were transferred, and all of the trade together with the trading assets and liabilities (excluding current tax balances) were sold, to Northcliffe Media Limited

The Company operates as part of the DMG Media division of Daily Mail and General Trust plc. There are currently no plans to recommence trading in the near future.

#### **Going Concern**

The Company transferred its trade and trading assets and liabilities to Northcliffe Media Limited, a fellow subsidiary company, on 30 September 2011 and has ceased trading. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

#### **Business Review**

The Company did not trade during the year and there were only two transactions:

- 1 Group relief of £65,000 settled in respect of corporation tax assets
- 2 Dividend in kind on waiver of intercompany debt of £3,592,000

Net assets reduced by £3,592,000 to £250,000 due to the dividend in kind noted above.

#### **Directors of the Company**

The directors who held office during the period and up to the date of this report, were as follows:

S A Auckland (resigned 30 December 2012)

A Blair (resigned 1 February 2012)

P S Collins - Company secretary and director (appointed 30 December 2012)

A Phelan (resigned 1 February 2012)

#### **Disclosure of information to the auditors**

Each of the persons who is a director 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 Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Herald Express News & Media Limited**

**Director's Report for the Year Ended 30 September 2012**

..... (continued)

**Reappointment of auditors**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

**Small company provisions**

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

24<sup>th</sup> June 2013

Approved by the Board on                      and signed on its behalf by



P S Collins  
Company secretary and director

## **Herald Express News & Media Limited**

### **Director's Responsibilities Statement**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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**

### **Herald Express News & Media Limited**

We have audited the financial statements of Herald Express News & Media Limited for the period from 3 October 2011 to 30 September 2012, which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Movement in Shareholders' Funds, and Notes to the Financial Statements - notes 1 to 15. 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 auditor's 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 Director's Responsibilities Statement (set out on page 4), the director is 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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2012 and of its results for the period 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.

#### **Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, 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 other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditors' Report to the Members of  
Herald Express News & Media Limited**

..... (continued)

**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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Director's Report

*Nigel Thomas*

Nigel Thomas (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditors  
Bristol, UK

Date 25 June 2012



## **Herald Express News & Media Limited**

### **Profit and Loss Account for the Period Ended 30 September 2012**

Turnover and operating loss derive wholly from discontinuing operations

		<b>Period ended 30 September 2012 £ 000</b>	<b>Period ended 2 October 2011 £ 000</b>
	<b>Note</b>		
Turnover	2	-	5,361
Operating loss	3	-	(229)
Profit on sale of discontinued operations	4	-	2,300
Profit on ordinary activities before taxation		-	2,071
Tax charge on profit on ordinary activities	5	-	47
Profit for the financial period		-	2,118

The Company has no recognised gains or losses for the year other than the results above and therefore no separate statement of recognised gains and losses has been presented

There is no difference between the results for the periods stated above, and their historical cost equivalents

The notes on pages 10 to 17 form an integral part of these financial statements

Page 7

**Herald Express News & Media Limited**

**(Registration number: 2642788)**

**Balance Sheet at 30 September 2012**

	Note	30 September 2012 £ 000	2 October 2011 £ 000
<b>Current assets</b>			
Debtors	8	250	4,075
Creditors Amounts falling due within one year	9	-	(233)
<b>Net assets</b>		<u>250</u>	<u>3,842</u>
<b>Share Capital and Reserves</b>			
Called up share capital	11	250	250
Profit and loss account	12	-	3,592
<b>Shareholders' funds</b>		<u>250</u>	<u>3,842</u>

Approved and authorised for issue by the director on

24<sup>th</sup> June 2013



P S Collins  
Company secretary and director

The notes on pages 10 to 17 form an integral part of these financial statements

**Herald Express News & Media Limited****Reconciliation of Movement in Shareholders' Funds for the Period Ended 30****September 2012**

	<b>Period ended 30 September 2012 £ 000</b>	<b>Period ended 2 October 2011 £ 000</b>
Profit attributable to the members of the Company	-	2,118
Dividend in kind on waiver of intercompany debt	(3,592)	-
Net (reduction)/addition to Shareholders' Funds	(3,592)	2,118
Shareholders' funds at start of period	3,842	1,724
Shareholders' funds at end of period	250	3,842

The notes on pages 10 to 17 form an integral part of these financial statements

## **Herald Express News & Media Limited**

### **Notes to the Financial Statements for the Period Ended 30 September 2012**

#### **1 Accounting policies**

##### **Basis of preparation**

The accounting policies below have been applied on a consistent basis in both the current and prior periods. The annual financial statements are made up to the Sunday nearest to 30 September. The financial periods ended 30 September 2012 consists of 52 weeks (2011: 52 weeks).

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

##### **Going concern**

The Company transferred its trade and trading assets and liabilities to Northcliffe Media Limited, a fellow subsidiary company, on 30 September 2011 and has ceased trading. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

##### **Deferred tax**

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 items of income and expenditure in taxation computations in periods different from those in which they are included in 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.

##### **Cash Flow**

The Company is a wholly owned subsidiary of Daily Mail and General Trust plc ("DMGT") and the cash flows of the Company are included in the consolidated cash flow of that company. Consequently the Company is exempt under the terms of FRS 1(revised) from publishing a separate cash flow statement.

##### **Related party transactions**

The Company has taken advantage of the exemptions under paragraph 3(c) of FRS 8 not to disclose transactions or balances with entities that are wholly owned by DMGT.

## Herald Express News & Media Limited

### Notes to the Financial Statements for the Period Ended 30 September 2012

..... (continued)

#### 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. Revenue is recognised as the services are provided.

Turnover in 2011 consisted entirely of sales made in the United Kingdom and was attributable to the principal activity of the Company, which was the publishing of newspapers and hosting of websites.

#### 3 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	Period ended 30 September 2012 £ 000	Period ended 2 October 2011 £ 000
Operating leases - plant and machinery	-	11
Operating leases - other assets	-	137
Fees payable to the Company's auditors for the audit of the Company's annual accounts	-	2
Depreciation of owned assets	-	5

"Operating leases - other assets" comprises of operating leases on land and buildings £nil (2011 £127,000) and operating leases on motor vehicles £nil (2011 £10,000).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the Daily Mail and General Trust plc consolidated financial statements disclose such fees on a consolidated basis.

Audit fees for the year of £3,000 are borne by Northcliffe Media Limited, a fellow subsidiary company.

## Herald Express News & Media Limited

### Notes to the Financial Statements for the Period Ended 30 September 2012

..... (continued)

#### 4 Profit on sale of discontinued operations

	Period ended 30 September 2012 £ 000	Period ended 2 October 2011 £ 000
Profit on sale of discontinued operations	-	2,300

On the 30 September 2011 all of the publishing employees of the business were transferred, and all of the trade together with the trading assets and liabilities (excluding current tax balances) were sold, to Northcliffe Media Limited, a fellow subsidiary company, for a consideration of £2,400,000. The value of the net trading assets of the Company that were transferred was £100,000, realising a profit on disposal of £2,300,000.

#### 5 Taxation

##### Tax on profit on ordinary activities

	Period ended 30 September 2012 £ 000	Period ended 2 October 2011 £ 000
<b>Current tax</b>		
Corporation tax credit at 25% (2011: 27%)	-	(65)
Adjustments in respect of previous years	-	1
Current tax credit	-	(64)
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	33
Deferred tax adjustment relating to previous years	-	(16)
Total deferred tax (note 10)	-	17
Tax credit on profit/(loss) on ordinary activities	-	(47)

## Herald Express News & Media Limited

### Notes to the Financial Statements for the Period Ended 30 September 2012

..... (continued)

#### Factors affecting current tax charge for the period

Tax on profit on ordinary activities for the year is the same as (2011 lower than) the standard rate of corporation tax in the UK of 25% (2011 27%) The differences are reconciled below

	Period ended 30 September 2012 £ 000	Period ended 2 October 2011 £ 000
Profit on ordinary activities before taxation	-	2,071
Corporation tax at standard rate (25% (2011 27%))	-	559
Capital allowances - timing differences	-	(33)
Other differences	-	26
Disallowable expenses	-	4
Adjustments in respect of prior years	-	1
Profit on sale of trading assets not taxable	-	(621)
Total current tax	-	(64)

#### Factors that may affect future tax charges

The main rate of corporation tax has been reduced from 26% to 24% with effect from 1 April 2012. Accordingly, current tax has been provided for at an effective rate of 25% in these financial statements. Legislation was passed in July 2012 to reduce the main rate of UK corporate tax from 24% to 23% from 1 April 2013.

The UK government has announced further reductions to the main rate to 21% from 1 April 2014 and 20% from 1 April 2015. However, these further reductions have not been substantively enacted at the balance sheet date and are therefore not reflected in these financial statements.

## Herald Express News & Media Limited

### Notes to the Financial Statements for the Period Ended 30 September 2012

..... (continued)

#### 6 Particulars of employees

The aggregate payroll costs were as follows

	<b>Period ended 30 September 2012 £ 000</b>	<b>Period ended 2 October 2011 £ 000</b>
Wages and salaries	-	985
Social security costs	-	77
Staff pensions	-	127
	<u>-</u>	<u>1,189</u>

The average number of persons employed by the company (excluding the directors) during the period, analysed by category was as follows

	<b>Period ended 30 September 2012 No.</b>	<b>Period ended 2 October 2011 No.</b>
Administration and support	<u>-</u>	<u>39</u>

On 30 September 2011 all of the publishing employees of the business were transferred to Northcliffe Media Limited and all of the digital employees were transferred to Digital Response Network Services Limited, both fellow subsidiary companies



## **Herald Express News & Media Limited**

### **Notes to the Financial Statements for the Period Ended 30 September 2012**

..... (continued)

#### **7 Director's remuneration**

	<b>Period ended 30 September 2012 £ 000</b>	<b>Period ended 2 October 2011 £ 000</b>
Aggregate emoluments (including benefits in kind)	<u>-</u>	<u>97</u>

The emoluments for the year ended 30 September 2012 of S A Auckland were 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 Northcliffe Media Holdings Limited and its subsidiary companies. His remuneration is fully disclosed in the accounts of Northcliffe Media Limited.

The emoluments for the year ended 30 September 2012 of A Blair and A Phelan (up to the date of their resignations) were paid by Northcliffe Media Limited and are excluded from the details above. Their remuneration for the financial year is deemed solely to relate to services provided to Northcliffe Media Limited and is included in the accounts of that company.

# Herald Express News & Media Limited

## Notes to the Financial Statements for the Period Ended 30 September 2012

..... (continued)

### 8 Debtors

	30 September 2012 £ 000	2 October 2011 £ 000
Amounts owed by group undertakings	250	4,009
Other debtors	-	65
Prepayments and accrued income	-	1
	<u>250</u>	<u>4,075</u>

### 9 Creditors: Amounts falling due within one year

	30 September 2012 £ 000	2 October 2011 £ 000
Amounts owed to group undertakings	-	233

### 10 Deferred tax asset

The movement in the deferred tax asset in the period is as follows

	30 September 2012 £ 000	2 October 2011 £ 000
At start of the period	-	17
Deferred tax charged to the profit and loss account	-	(17)
At end of the period	-	-

### 11 Share capital

Allotted, called up and fully paid shares

	30 September 2012		2 October 2011	
	No.	£	No.	£
Ordinary of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

## Herald Express News & Media Limited

### Notes to the Financial Statements for the Period Ended 30 September 2012

..... (continued)

#### 12 Reserves

	Profit and loss account £ 000	Total £ 000
At 3 October 2011	3,592	3,592
Dividend in kind on waiver of intercompany debt	(3,592)	(3,592)
At 30 September 2012	-	-

#### 13 Contingent liabilities

Certain undertakings within the group's DMG Media division are included in a group VAT registration. The contingent liability of Herald Express News & Media Limited under the group VAT registration at 30 September 2012 was £6,413,000 (2011 £4,309,000)

#### 14 Commitments

Herald Express News & Media Limited is party to one property related operating lease. However, the financial obligations under this lease were transferred to Northcliffe Media Limited in 2011 and any cost associated with the lease will be borne by that company. No financial commitments have therefore been included in these accounts.

#### 15 Ultimate parent company and controlling party

The Company is controlled by Rothermere Continuation Limited which is incorporated in Bermuda. The ultimate controlling party is the Viscount Rothermere, who is a director of Daily Mail and General Trust plc. The Company's immediate parent undertaking at the balance sheet date was Northcliffe Media Holdings Limited.

The largest and smallest group of which the Company is a member and for which Group Accounts are drawn up is that of Daily Mail and General Trust plc, incorporated in Great Britain. Copies of the Report and Accounts are available from

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