

Registration number: 03709742

# A&N Media Finance Services Limited

Annual Report and Financial Statements

for the period from 28 September 2015 to 2 October 2016



## **A&N Media Finance Services Limited**

### **Contents**

Company Information	page 1
Director's Report	pages 2 to 3
Strategic Report	pages 4 to 5
Statement of Director's Responsibilities	page 6
Independent auditors' report	pages 7 to 9
Income Statement	page 10
Statement of Comprehensive Income	page 11
Statement of Financial Position	page 12
Statement of Changes in Equity	page 13
Notes to the Financial Statements	pages 14 to 23

## **A&N Media Finance Services Limited**

### **Company Information**

<b>Directors</b>	J J S Welsh
<b>Company secretary</b>	F Sallas
<b>Registered office</b>	Northcliffe House 2 Derry Street Kensington London W8 5TT
<b>Solicitors</b>	Reynolds Porter Chamberlain Tower Bridge House St Katherine's Way London E1W 1AA
<b>Bankers</b>	The Royal Bank of Scotland plc Corporate Services PO Box 34 15 Bishopsgate London EC2P 2AP
<b>Independent Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

## **A&N Media Finance Services Limited**

### **Director's Report for the Period from 28 September 2015 to 2 October 2016**

The director presents his annual report on the affairs of the Company, together with the audited financial statements and Independent Auditors' report for the period from 28 September 2015 to 2 October 2016.

Details of the principal activities, principal risks and uncertainties including financial risk management and policies where appropriate can be found in the Strategic report on pages 2 and 3 and form part of this report.

#### **Director of the Company**

The director of the Company who was in office during the period and up to the date of signing the financial statements was:

J J S Welsh

#### **Future developments**

The director expects the general level of activity of the Company to remain consistent with prior years and the Company's principal activities are not expected to change substantially.

#### **Going concern**

The director has considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, he has considered the Company's business activities, together with the factors likely to affect its future development, performance and position, as set out in the Operating and business review which forms part of the Strategic Report. The Company has net current assets at 2 October 2016. DMGT has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements.

After making enquiries, the director therefore has a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

#### **Dividends**

The Company has paid no dividends for the period (2015: £nil). The director does not recommend payment of a final dividend (2015: £nil).

#### **Creditor payment policy**

The Company's policy on supplier payments is to agree 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.

## **A&N Media Finance Services Limited**

### **Director's Report for the Period from 28 September 2015 to 2 October 2016**

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

Each of the persons who are 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 he knows of which the Company's auditors are unaware; and
- the director has taken 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.

Approved by the Board on 29/6/17..... and signed on its behalf by:



JJS Welsh  
Director

## A&N Media Finance Services Limited

### Strategic Report for the Period from 28 September 2015 to 2 October 2016

The director presents his Strategic Report for the period from 28 September 2015 to 2 October 2016.

#### Principal activity

The principal activity of the Company is the operation of a shared services centre to provide finance and related IT services to members of the Daily Mail and General Trust plc group ("DMGT"). The director does not anticipate any change to the activity for the foreseeable future.

The Company is a wholly owned subsidiary of DMGT and operates as part of their dmg media division. The performance of the group's dmg media division of DMGT, which includes the Company, is discussed in the DMGT Annual Report (available at [www.dmgmt.co.uk](http://www.dmgmt.co.uk)) which does not form part of this Report.

#### Operating and business review

As shown in the income statement, revenue totalled £2,858,000 (2015: £2,773,000). The operating loss for the financial period was £77,283,000 (2015: operating profit of £4,836,000) primarily due to a debit of £79,026,000 for intercompany loan waivers (2015: credit of £2,576,000) and a credit in respect of exchange rate differences of £1,743,000 (2015: credit of £2,257,000).

The loss for the financial period of the Company amounted to £77,917,000 (2015: profit of £4,372,000). Total Shareholders' Funds as at 2 October 2016 was £42,875,000 (2015: £120,792,000).

The Company's key financial and other performance indicators during the period were as follows:

	Unit	2016	2015
Operating (loss)/profit	£000	(77,283)	4,836
% operating (loss)/profit	%	(2,704)	174
(Loss)/profit for the financial period	£000	(77,917)	4,372
Employees (monthly average number)	FTE	68	63
Net assets	£000	42,875	120,792

#### Principal risks and uncertainties

##### Demand

The Company provides services to other members of the DMGT group and as such, is reliant on the success of those businesses if it is to continue functioning. These businesses can be affected by economic conditions, technological innovations, changing legislation and competitor activity. The Company mitigates this risk by constantly reviewing its resources in line with changes in workload and ensuring its processes are as efficient as possible.

##### Liquidity and cash flow risk

The Company manages its cash flow through its financing within the DMGT Group. The Company participates in the DMGT cash pooling arrangements and as such cash flow risk is managed at group level. Details of the DMGT Group's management of this risk can be found in its consolidated financial statements which are publicly available.

#### Corporate responsibility review

##### Employees

Details of the number of Company employees and related costs can be found in the notes to the financial statements.

## **A&N Media Finance Services Limited**

### **Strategic Report for the Period from 28 September 2015 to 2 October 2016**

#### **Employment of disabled persons**

The Company gives full and fair consideration to suitable applications from disabled persons for employment. If existing employees become disabled they will continue to be employed, wherever practicable, in the same job or, if this is not practicable, every effort will be made to find suitable alternative employment and to provide appropriate training. 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.

#### **Employee involvement**

The Company participates in the DMGT 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.

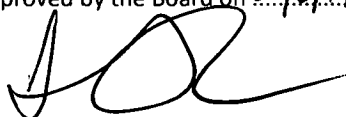
#### **Environmental matters**

The Company 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 Company's activities. As a member of the DMGT Group, the Company operates in accordance with DMGT Group policies, which are described in the DMGT Group Annual Report, which does not form part of this report. Initiatives designed to minimise the Company's net impact on the environment include the safe disposal of manufacturing waste, recycling and reducing energy consumptions.

#### **Adoption of FRS 101**

In the current period the Company has adopted Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). In previous periods the financial statements were prepared in accordance with applicable UK accounting standards. There have been no material adjustments made to these statutory financial statements regarding the transition to FRS 101. An explanation of the impact of the adoption of FRS 101 for the first time is included in note 19 to the financial statements.

Approved by the Board on 29/6/17..... and signed on its behalf by:



J J S Welsh  
Director

Date:

## **A&N Media Finance Services Limited**

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

The director is responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS101 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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.



## **A&N Media Finance Services Limited**

### **Independent auditors' report to the members of A&N Media Finance Services Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion, A&N Media Finance Services Limited's Financial Statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 2 October 2016 and of its loss for the 53 week period (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.

##### **What we have audited**

The financial statements, included within the Annual Report and and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 2 October 2016;
- the Income Statement and the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Director's Report. We have nothing to report in this respect.

## **A&N Media Finance Services Limited**

### **Independent auditors' report to the members of A&N Media Finance Services Limited**

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Director's Responsibilities set out on page 6, 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) ('ISAs (UK and Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## A&N Media Finance Services Limited

### Independent auditors' report to the members of A&N Media Finance Services Limited

#### What an audit of financial statements involves

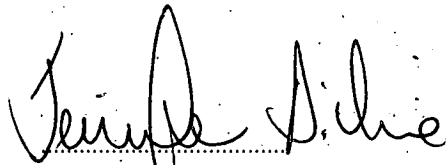
We conducted our audit in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Director's Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Jennifer Dickie (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date:

29/6/17

## A&N Media Finance Services Limited

### Income Statement for the Period from 28 September 2015 to 2 October 2016

		Period ended 2 October 2016 £ 000	Period ended 27 September 2015 £ 000
	Note		
Revenue	4	2,858	2,773
Intercompany loan waiver		(79,026)	2,576
Administrative expenses		<u>(1,115)</u>	<u>(513)</u>
Operating (loss)/profit	5	<u>(77,283)</u>	<u>4,836</u>
(Loss)/profit on ordinary activities before taxation		(77,283)	4,836
Tax on (loss)/profit on ordinary activities	9	<u>(634)</u>	<u>(464)</u>
(Loss)/profit for the financial period		<u><u>(77,917)</u></u>	<u><u>4,372</u></u>

The above results were derived from continuing operations.

**A&N Media Finance Services Limited**

**Statement of Comprehensive Income for the Period from 28 September 2015 to 2 October 2016**

	<b>Period ended 2 October 2016 £ 000</b>	<b>Period ended 27 September 2015 £ 000</b>
(Loss)/profit for the financial period	<u>(77,917)</u>	<u>4,372</u>
Total comprehensive (expense)/income for the period	<u><u>(77,917)</u></u>	<u><u>4,372</u></u>

The notes on pages 14 to 23 form an integral part of these financial statements.

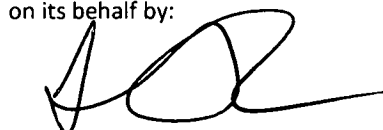
# A&N Media Finance Services Limited

(Registration number: 03709742)

## Statement of Financial Position as at 2 October 2016

		2 October 2016	27 September 2015
	Note	£ 000	£ 000
<b>Fixed assets</b>			
Deferred tax asset	9	705	830
<b>Current assets</b>			
Trade and other receivables less than one year	10	754,596	966,260
Cash at bank and in hand		-	5,282
		<u>754,596</u>	<u>971,542</u>
Creditors: amounts falling due within one year	11, 12	(711,693)	(850,801)
Accruals and deferred income	11	<u>(733)</u>	<u>(779)</u>
<b>Net current assets</b>		<u>42,170</u>	<u>119,962</u>
<b>Net assets</b>		<u>42,875</u>	<u>120,792</u>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Retained earnings		<u>42,875</u>	<u>120,792</u>
<b>Total shareholders' funds</b>		<u>42,875</u>	<u>120,792</u>

The financial statements on pages 10 to 23 were approved by the Board of Directors on 29.6.17 and signed on its behalf by:



J J S Welsh  
Director

# **A&N Media Finance Services Limited**

## **Statement of Changes in Equity for the Period from 28 September 2015 to 2 October 2016**

	<b>Called up share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total shareholders' funds' £ 000</b>
At 29 September 2014	-	116,420	116,420
Profit for the financial period	-	4,372	4,372
Total comprehensive income	-	4,372	4,372
At 27 September 2015	-	120,792	120,792
	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total shareholders' funds</b>
At 28 September 2015	-	120,792	120,792
Loss for the financial period	-	(77,917)	(77,917)
Total comprehensive expense	-	(77,917)	(77,917)
At 2 October 2016	-	42,875	42,875

The notes on pages 14 to 23 form an integral part of these financial statements.

## **A&N Media Finance Services Limited**

### **Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016**

#### **1 General information**

The Company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Northcliffe House  
2 Derry Street  
Kensington  
London  
W8 5TT  
United Kingdom

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

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

The financial statements of A&N Media Finance Services Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified for the fair value of certain financial assets and liabilities and in accordance with the Companies Act 2006. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The financial period ended 2 October 2016 consists of 53 weeks (2015: 52 weeks).

##### **Summary of disclosure exemptions**

###### **Cash flow Statement**

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 flows of that company. Consequently the Company is except under the terms of IAS 7 'Statement of cash flows' from publishing a separate cash flow statement.

###### **Related Party Transactions**

The Company has taken advantage of the exemptions under IAS 24 'Related party disclosures' not to disclose transactions or balances with entities that are part of the DMGT Group and not to disclose transactions and emoluments to key management personnel.



## **A&N Media Finance Services Limited**

### **Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016**

#### **Accounting policies (continued)**

##### **Going concern**

The director has considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, he has considered the Company's business activities, together with the factors likely to affect its future development, performance and position, as set out in the Business Review which forms part of the Director's Report. The financial position of the Company is showing a positive net and current asset position. As a consequence, the director believes that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Revenue recognition**

Revenue which excludes value added tax, represents the invoiced value of goods and services supplied and are stated after the deduction of trade discounts. Revenue is recognised as services are provided.

##### **Foreign currency transactions and balances**

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the period end. Revenue items are translated at the exchange rate on the date of the transaction, except where they are covered by forward contracts, in which case the forward rate is used. All exchange differences are included in the Income Statement.

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## **A&N Media Finance Services Limited**

### **Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016**

#### **Accounting policies (continued)**

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

##### **Defined benefit pension obligation**

Some of the Company's employees, in the period, belonged to defined benefit schemes whose assets and liabilities are borne by a fellow group company, Associated Newspapers Limited.

### **3 Critical accounting judgements and key sources of estimation uncertainty**

There were no critical accounting estimates and judgements made in preparing these financial statements.

## A&N Media Finance Services Limited

### Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016

#### 4 Revenue

The analysis of the Company's revenue for the period from continuing operations is as follows:

	Period ended 2 October 2016 £ 000	Period ended 27 September 2015 £ 000
Sale of services	<u>2,858</u>	<u>2,773</u>

Revenue from continuing operations can be classified geographically as follows:

	Period ended 2 October 2016 £ 000	Period ended 27 September 2015 £ 000
United Kingdom	2,858	2,687
United States	-	86
	<u>2,858</u>	<u>2,773</u>

#### 5 Operating (loss)/profit

Arrived at after (crediting)/charging

	Period ended 2 October 2016 £ 000	Period ended 27 September 2015 £ 000
Foreign exchange gains	(1,743)	(2,257)
Operating lease expense - plant and machinery	15	15
Operating lease expense - other	<u>22</u>	<u>22</u>

During the period there was a charge for intercompany balances waived of £79,026,000 (2015: credit of £2,576,000).

## A&N Media Finance Services Limited

### Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016

#### 6 Staff costs

The aggregate payroll costs (excluding director's remuneration) were as follows:

	Period ended 2 October 2016 £ 000	Period ended 27 September 2015 £ 000
Wages and salaries	2,082	1,873
Social security costs	213	188
Pension costs, defined contribution scheme	85	26
Pension costs, defined benefit scheme	28	115
	<u>2,408</u>	<u>2,202</u>

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

	Period ended 2 October 2016 Number	Period ended 27 September 2015 Number
Administration and support	<u>68</u>	<u>63</u>

#### 7 Directors' remuneration

The emoluments for the period ended 2 October 2016 of J J S Welsh were paid by Associated Newspapers Limited and are excluded from the details above. It is not practicable to split his remuneration between the services provided to Associated Newspapers Limited and other subsidiaries of Daily Mail and General Trust plc. The part of his remuneration in respect of services for the Company is considered immaterial. The remuneration of J J S Welsh is fully disclosed in the financial statements of Associated Newspapers Limited, a company of which he is a director.

#### 8 Auditors' remuneration

	Period ended 2 October 2016 £ 000	Period ended 27 September 2015 £ 000
Audit of the financial statements	<u>14</u>	<u>14</u>

Fees payable to PricewaterhouseCoopers 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.

## A&N Media Finance Services Limited

### Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016

#### 9 Tax on (loss)/profit on ordinary activities

Tax charged in the profit and loss account

	Period ended 2 October 2016 £ 000	Period ended 27 September 2015 £ 000
<b>Current taxation</b>		
UK corporation tax	349	464
Increase in current tax from adjustment to prior periods	160	-
	<u>509</u>	<u>464</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	125	-
	<u>634</u>	<u>464</u>

The tax on (loss)/profit on ordinary activities before taxation for the period is higher than the standard rate of corporation tax in the UK (2015 : lower than the standard rate of corporation tax in the UK) of 20% (2015 : 20.5%).

The differences are reconciled below:

	Period ended 2 October 2016 £ 000	Period ended 27 September 2015 £ 000
(Loss)/profit on ordinary activities before taxation	<u>(77,283)</u>	<u>4,836</u>
Corporation tax at standard rate	(15,457)	991
Increase in current tax from adjustment for prior periods	160	-
Increase relating to changes in tax rates or laws	125	-
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	<u>15,806</u>	<u>(527)</u>
Total tax charge	<u>634</u>	<u>464</u>

The main rate of UK corporation tax was 20% throughout the period, accordingly, current tax has been provided for at an effective rate of 20% in these financial statements.

Under FRS101, deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was passed in November 2015 to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and a further 2% reduction from 1 April 2020 to 17% was enacted in September 2016. Hence, the tax rate of 17% has been applied in the calculation of deferred tax except where the timing difference is expected to reverse before 1 April 2020 in which case the appropriate rate has been used.

# **A&N Media Finance Services Limited**

## **Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016**

### **Tax on (loss)/profit on ordinary activities (continued)**

#### **Deferred tax**

#### Deferred tax assets

	<b>Asset £ 000</b>
<b>2016</b>	
Accelerated tax depreciation	<u>705</u>
<b>2015</b>	<b>Asset £ 000</b>
Accelerated tax depreciation	<u>830</u>

#### Deferred tax movement during the period:

	<b>28 September 2015 £ 000</b>	<b>Recognised in income £ 000</b>	<b>2 October 2016 £ 000</b>
Accelerated tax depreciation	<u>830</u>	<u>(125)</u>	<u>705</u>

#### Deferred tax movement during the prior period:

	<b>29 September 2014 £ 000</b>	<b>27 September 2015 £ 000</b>
Accelerated tax depreciation	<u>830</u>	<u>830</u>

The director is of the opinion that it is more likely than not that the level of taxable profits in future financial periods in the Company and the wider UK group will be sufficient to recover the recognised deferred tax asset.

## A&N Media Finance Services Limited

### Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016

#### 10 Trade and other receivables less than one year

	2 October 2016	27 September 2015
	£ 000	£ 000
Amounts owed to group undertakings	751,550	965,824
Prepayments and accrued income	26	-
Other receivables	3,020	436
Total current trade and other receivables	<u>754,596</u>	<u>966,260</u>

Amounts owed to group undertakings are repayable on demand and are interest free.

#### 11 Creditors: amounts falling due within one year

	2 October 2016	27 September 2015
	£ 000	£ 000
<b>Current liabilities</b>		
Trade payables	30,799	43,783
Accruals and deferred income	733	779
Amounts owed to group undertakings	669,621	795,046
Social security and other taxes	5,403	5,512
Outstanding defined contribution pension costs	765	1,025
Other creditors	2,929	4,751
Income tax liability	349	684
	<u>710,599</u>	<u>851,580</u>

A&N Media Finance Services Limited provides a purchase ledger service for a number of subsidiaries of the Daily Mail and General Trust plc group.

Amounts owed to group undertakings are repayable on demand and are interest free.

#### 12 Borrowings

	2 October 2016
	£ 000
<b>Current loans and borrowings</b>	
Bank overdrafts	<u>1,827</u>

## A&N Media Finance Services Limited

### Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016

#### 13 Obligations under leases and hire purchase contracts

##### Operating leases

The Company leases various plant and machinery and motor vehicles under non-cancellable operating leases. The lease terms are between 3 and 4 years.

The total future value of minimum lease payments is as follows:

	2 October 2016	27 September 2015
	£ 000	£ 000
Within one year	24	32
In two to five years	27	44
	<u>51</u>	<u>76</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £37,000 (2015: £37,000).

#### 14 Pension and other schemes

The Company's employees belong to different pension arrangements. These include defined contribution pension arrangements and defined benefit pension arrangements. The defined benefit schemes, together with some defined contribution plans, are administered by Trustees or Trustee Companies. The total net pension costs of the Company for the period ended 2 October 2016 were £113,000 (2015: £141,000). The defined benefit schemes are accounted for by a fellow group company Associated Newspapers Limited, as the liability at the period end lay with this company.

In compliance with the Pension Act 2008, the Company commenced automatic enrolment of relevant employees into defined contribution pension plans from September 2013. This process was completed during the period.

#### 15 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 in those bank accounts which are part of the interest set-off arrangements together with the proceeds of any items in the course of collection for the credit of such bank accounts. At 2 October 2016, the potential liability was £599,000 (2015: £9,107,000).



## A&N Media Finance Services Limited

### Notes to the Financial Statements for the Period from 28 September 2015 to 2 October 2016

#### 16 Called up share capital

##### Allotted, called up and fully paid shares

	At 2 October 2016		At 27 September 2015	
	Number	£	Number	£
Ordinary of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

#### 17 Related party transactions

The Company has taken advantage of the exemption under paragraph 3(c) of IAS24 not to disclose transactions or balances with entities of the DMGT Group.

During the period, the Company carried out a number of transactions with Wowcher Limited, a 23.9% DMGT owned related party, in the normal course of business and on an arm's length basis. During the year, the Company provided services amounting to £881,000 (2015: Wowcher was a 100% owned subsidiary). At 2 October 2016 Wowcher Limited owed the Company £1,136,000.

#### 18 Ultimate parent company and controlling party

The Company is controlled by Rothermere Continuation Limited (RCL), which is incorporated in Bermuda. RCL is owned by a trust ("the Trust") which is held for the benefit of Viscount Rothermere, a director of Daily Mail and General Trust plc, and his immediate family. The Trust represents the ultimate controlling party of the Company. The Company's immediate parent undertaking at the balance sheet date is dmg media Limited.

The ultimate parent is DMGT Plc.

##### Relationship between entity and parents

The largest and smallest group of which the Company is a member and from which group financial statements are drawn up is that of Daily Mail and General Trust Plc, incorporated in England and Wales.

Copies of the report and financial statements are available from the Company Secretary at:

Northcliffe House  
2 Derry Street  
London  
UK  
W8 5TT

#### 19 Transition to FRS 101

There are no material adjustments made to these statutory financial statements regarding the transition to FRS 101.