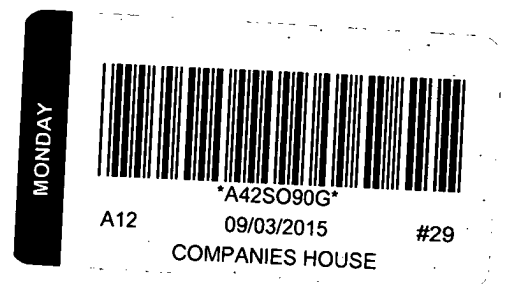


Registration number: 03709742

A&N Media Finance Services Limited

Directors' Report and Financial Statements

for the Period from 30 September 2013 to 28 September 2014



A&N Media Finance Services Limited

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A&N Media Finance Services Limited

Company Information

Directors M Page
J J S Welsh

Company secretary F Sallas

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

Bankers The Royal Bank of Scotland plc
Corporate Services
PO Box 34
15 Bishopsgate
London
EC2P 2AP

Solicitors Reynolds Porter Chamberlain
Tower Bridge House
St Katharine's Way
London
E1W 1AA

Auditors Deloitte LLP
Chartered Accountants and Statutory Auditors
London
United Kingdom

A&N Media Finance Services Limited

Strategic Report

Introduction

The directors in preparing this strategic report have complied with s414c of the Companies Act 2006.

Principal activity and future developments

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 directors do not anticipate any changes to the activity for the foreseeable future.

Operating and Business Review

The performance of the group's dmgt media division of DMGT, which includes the Company, is discussed in the DMGT Annual Report (available at www.dmgt.co.uk) which does not form part of this Report.

As shown in the profit and loss account, turnover totalled £2,725,000 (2013:£3,314,000). The decrease reflects the passing of cost efficiencies onto the businesses served by the Company and a reduction in the number of businesses serviced during the period, following the sale by DMGT of several businesses during the last two financial periods. The operating loss for the financial period was £127,000 primarily due to foreign exchange translation losses of £3,172,000 offset by intercompany loan waivers of £3,079,000 (2013: loss of £5,226,000 primarily due to the waiver of intercompany loans of £3,810,000 and loss on sale of tangible fixed assets of £763,000).

The profit after taxation of the Company for the financial period amounted to £581,000 (2013: loss of £5,066,000).

The directors did not pay a dividend for the period (2013: £nil).

KPIs

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

	Unit	2014	2013
Turnover	£000	2,725	3,314
Operating loss	£000	(127)	(5,226)
% operating loss margin	%	(5)	(158)
Profit/(loss) after tax	£000	581	(5,066)
Employees (average number)	FTE	65	93
Net assets	£000	150,230	149,649

Principal Risks

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.

A&N Media Finance Services Limited

Strategic Report

..... (continued)

Corporate responsibility review

Employees

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

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

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.

Environment

The DMGT Group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Group's activities. The Company operates in accordance with group policies, which are described in the Group Annual Report, which does not form part of this report. Initiatives designed to minimise the Company's net impact on the environment include, recycling and reducing energy consumptions.

Approved by the Board on 8/1/2015 and signed on its behalf by:



M Page
Director

A&N Media Finance Services Limited

Directors' Report for the Period Ended 28 September 2014

The directors present their annual report on the affairs of the Company, together with the audited financial statements and the Independent Auditors' Report for the period from 30 September 2013 to 28 September 2014.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report. The Company has positive net assets and net current assets as at 28 September 2014. 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 and taking account of the factors noted above, the directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Dividends

The Company has paid no dividends for the year (2013: £nil).

Directors of the company

The directors who held office during the period were as follows:

M Page

J J S Welsh

Policy on payment of suppliers

The policy of ANMFS, and companies using ANMFS' services, on supplier payments is to agree to terms of payment at the time of placing an order for goods or services. The Company makes every effort to abide by the terms agreed with each supplier.

Trade creditors for the Company as at 28 September 2014 were equivalent to 22 days (2013: 23 days) purchases, based on the average daily amount invoiced by suppliers during the year.

Political donations

Political donations made by the Company during the period amounted to £nil (2013: £nil).

Charitable donations

Charitable donations made by the Company during the period amounted to £nil (2013: £nil).

A&N Media Finance Services Limited

Directors' Report for the Period Ended 28 September 2014

..... (continued)

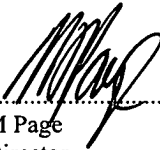
Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors 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.

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 8/1/2015 and signed on its behalf by:


.....
M Page
Director

A&N Media Finance Services Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of A&N Media Finance Services Limited

We have audited the financial statements of A&N Media Finance Services Limited for the period from 30 September 2013 to 28 September 2014, which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Movement in Shareholders' Funds and Notes to the Financial Statements - notes 1 to 17. 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 Directors' Responsibilities Statement (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 Directors' Report and Strategic 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.

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 28 September 2014 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' 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
A&N Media Finance Services 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.



Georgina Robb (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditors
London, UK

Date: 20/1/15

A&N Media Finance Services Limited

Profit and Loss Account for the Period Ended 28 September 2014

Turnover and loss on ordinary activities before taxation derive wholly from continuing operations.

		Period ended 28 September 2014 £ 000	Period ended 29 September 2013 £ 000
	Note		
Turnover	2	<u>2,725</u>	<u>3,314</u>
Loss on ordinary activities before taxation		(127)	(5,226)
Tax credit on loss on ordinary activities	4	<u>708</u>	<u>160</u>
Profit/(loss) for the financial period		<u><u>581</u></u>	<u><u>(5,066)</u></u>


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

There is no difference between the profit/(loss) for the periods stated above, and their historical cost equivalents.

A&N Media Finance Services Limited**(Registration number: 03709742)****Balance Sheet at 28 September 2014**

	Note	28 September 2014 £ 000	29 September 2013 £ 000
Fixed assets			
Tangible fixed assets	7	-	39
Current assets			
Debtors	8	823,725	610,333
Creditors: Amounts falling due within one year	9	(673,495)	(460,723)
Net current assets		150,230	149,610
Net assets		150,230	149,649
Share Capital and Reserves			
Called up share capital	11	-	-
Profit and loss account	12	150,230	149,649
Shareholders' funds		150,230	149,649

Approved by the Board and authorised for issue on 8/1/2015 and signed on its behalf by:


M Page
Director

A&N Media Finance Services Limited

Reconciliation of Movement in Shareholders' Funds for the Period Ended 28

September 2014

	Period ended 28 September 2014 £ 000	Period ended 29 September 2013 £ 000
Profit/(loss) attributable to the members of the Company	<u>581</u>	<u>(5,066)</u>
Net addition/(reduction) to Shareholders' Funds	581	(5,066)
Shareholders' funds at start of period	<u>149,649</u>	<u>154,715</u>
Shareholders' funds at end of period	<u><u>150,230</u></u>	<u><u>149,649</u></u>

The notes on pages 12 to 23 form an integral part of these financial statements.

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

1 Accounting policies

Basis of preparation

The annual financial statements are made up to the Sunday nearest to 30 September. The financial period ended 28 September 2014 consists of 52 weeks (2013: 52 weeks).

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

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report. The Company has positive net assets and net current assets as at 28 September 2014. 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 and taking account of the factors noted above, the directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. 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 profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Impairment reviews are undertaken annually.

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Asset class	Depreciation rate
Fixtures and fittings	5-10 years
Plant and machinery	5-10 years

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.

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... (continued)

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.

Pensions

The Company participates in the DMGT Group's defined benefit pension schemes and defined contribution schemes.

As it is not possible to identify the Company's share of the underlying assets and liabilities of the Group's defined benefit pension schemes on a consistent and reasonable basis, in accordance with FRS 17, the defined benefit schemes are accounted for as if they were defined contribution schemes. The Company's contributions to both the defined benefit and defined contribution pension schemes are charged to the profit and loss account on an accruals basis as they become payable.

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 part of the DMGT Group.

Hire purchase and leasing

Rentals payable relating to operating leases are charged to the profit and loss account equally over the lease term.

2 Turnover

Turnover, 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 the services are provided.

Turnover consists entirely of sales made in the United Kingdom and is attributable to the principal activity of the Company.

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... (continued) ;

3 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/ (crediting):

	Period ended 28 September 2014 £ 000	Period ended 29 September 2013 £ 000
Operating leases - plant and machinery	15	22
Operating leases - motor vehicles	23	32
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	23	14
Foreign currency losses/(gains)	3,172	(130)
Loss on sale of tangible fixed assets	-	763
Depreciation of owned tangible fixed assets	<u>15</u>	<u>799</u>

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.

During the period there was a credit for intercompany balances waived of £3,079,000 (2013: charge of £3,810,000).

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... (continued)

4 Taxation

Tax on loss on ordinary activities

	Period ended 28 September 2014 £ 000	Period ended 29 September 2013 £ 000
Current tax		
Corporation tax credit at 22% (2013: 23.5%)	(722)	(97)
Adjustments in respect of previous years	(1)	224
Current tax (credit)/charge	<u>(723)</u>	<u>127</u>
Deferred tax		
Origination and reversal of timing differences	15	(108)
Deferred tax adjustment relating to previous years	-	(179)
Total deferred tax (note 10)	<u>15</u>	<u>(287)</u>
Tax credit on loss on ordinary activities	<u>(708)</u>	<u>(160)</u>

Factors affecting current tax credit for the period

Tax on loss on ordinary activities for the year is lower than (2013 : higher than) the standard rate of corporation tax in the UK of 22% (2013 : 23.5%). The differences are reconciled below:

	Period ended 28 September 2014 £ 000	Period ended 29 September 2013 £ 000
Loss on ordinary activities before taxation	<u>(127)</u>	<u>(5,226)</u>
Corporation tax at standard rate (22% (2013: 23.5%))	<u>(28)</u>	<u>(1,228)</u>
Depreciation in excess of capital allowances	(17)	367
Other timing differences	-	(127)
Adjustments in respect of previous years	(1)	224
Provision for intercompany loans non-recoverable (written back)/ waived	<u>(677)</u>	<u>891</u>
Total current tax	<u>(723)</u>	<u>127</u>

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... (continued)

Factors that may affect future tax charges

The main rate of corporation tax has been reduced from 23% to 21% with effect from 1 April 2014. Accordingly, current tax has been provided for at an effective rate of 22% in these financial statements.

Under UK GAAP, deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was passed in July 2013 to reduce the main rate of UK corporation tax from 21% to 20% from 1 April 2015. Deferred tax has been calculated at the tax rates that will apply in the periods in which the timing differences are expected to reverse.

5 Particulars of employees

The aggregate payroll costs were as follows:

	Period ended 28 September 2014 £ 000	Period ended 29 September 2013 £ 000
Wages and salaries	1,791	2,443
Social security costs	182	252
Staff pensions	128	128
	<u>2,101</u>	<u>2,823</u>

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

	Period ended 28 September 2014 No.	Period ended 29 September 2013 No.
Administration and support	<u>65</u>	<u>93</u>

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... *(continued)*

6 Directors' remuneration

The emoluments for the period ended 28 September 2014 of J Welsh and M Page were paid by Associated Newspapers Limited and are excluded from the details above. It is not practicable to split their remuneration between the services provided to Associated Newspapers Limited and other subsidiaries of Daily Mail and General Trust plc. The remuneration of J Welsh is fully disclosed in the financial statements of Associated Newspapers Limited, a company which he is a director.

7 Tangible fixed assets

	Plant and machinery £ 000	Fixtures and fittings £ 000	Total £ 000
Cost or valuation			
At 30 September 2013	634	12	646
Additions	11	-	11
Intragroup disposals	(645)	(12)	(657)
At 28 September 2014	-	-	-
Depreciation			
At 30 September 2013	601	6	607
Charge for the period	14	1	15
Eliminated on intragroup disposals	(615)	(7)	(622)
At 28 September 2014	-	-	-
Net book value			
At 28 September 2014	-	-	-
At 29 September 2013	33	6	39

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... (continued)

8 Debtors

	28 September 2014 £ 000	29 September 2013 £ 000
Amounts owed by group undertakings	819,043	608,072
Other debtors	2,881	270
Deferred tax (note 10)	830	845
Prepayments and accrued income	971	1,146
	<u>823,725</u>	<u>610,333</u>

Other debtors includes £722,000 of corporation tax recoverable through group transfer of tax credits (2013: £97,000).

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

9 Creditors: Amounts falling due within one year

	28 September 2014 £ 000	29 September 2013 £ 000
Trade creditors	33,613	30,072
Bank overdrafts	7,841	8,878
Amounts owed to group undertakings	619,792	408,182
Other taxes and social security	5,268	4,742
Other creditors	6,301	8,403
Accruals and deferred income	680	446
	<u>673,495</u>	<u>460,723</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.

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... (continued)

10 Deferred tax asset

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

	28 September 2014 £ 000	29 September 2013 £ 000
At start of the period	845	558
Deferred tax (charged)/credited to the profit and loss account	(15)	287
At end of the period	<u>830</u>	<u>845</u>

Analysis of deferred tax

	28 September 2014 £ 000	29 September 2013 £ 000
Difference between accumulated depreciation and capital allowances	830	827
Other timing differences	-	18
	<u>830</u>	<u>845</u>

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

11 Share capital

Allotted, called up and fully paid shares

	28 September 2014		29 September 2013	
	No.	£	No.	£
Ordinary of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... (continued)

12 Reserves

	Profit and loss account £ 000	Total £ 000
At 30 September 2013	149,649	149,649
Profit for the period	<u>581</u>	<u>581</u>
At 28 September 2014	<u>150,230</u>	<u>150,230</u>

13 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 arrangement together with the proceeds of any items in the course of collection for the credit of such bank accounts. At 28 September 2014, the potential liability was £1,307,000 (2013: £nil).

Certain undertakings of the dmg media division are included in a group VAT registration. The contingent liability of A&N Media Finance Services Limited under the group VAT registration at 28 September 2014 was £454,000 (2013: £2,592,000).

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... (continued)

14 Pension schemes

The Company operates dmg media PensionSaver, a personal pension arrangement, and participates in the Harmsworth Pension Scheme, a defined benefit pension scheme operated by Daily Mail and General Trust plc (DMGT). Under both arrangements contributions are paid by the employer and employees.

The pension charge for the period ended 28 September 2014 comprised:

Pension costs charge for the year	2014 £000'	2013 £000'
dmg media PensionSaver	22	11
Harmsworth Pension Scheme	106	117
Total P&L charge for the year	128	128

dmg media PensionSaver

In compliance with recent legislation the company began automatically enrolling employees into dmg media PensionSaver on 1 October 2013, the principal pension arrangement already offered to existing employees of the Company.

Assets of the plan are invested in funds selected by members and held independently from the Company's finances. The investment and administration of the plan is undertaken by Fidelity Pension Management.

Harmsworth Pension Scheme

The scheme is now closed to new entrants. Existing members still in employment can continue to accrue benefits in the scheme on a cash basis, with members using this cash account to purchase an annuity at retirement. The assets of the scheme are held independently from the Company's finances and are administered by a trustee company.

Full actuarial valuations of the scheme are carried out triennially by the Scheme Actuary. As a result of the valuation as at 31 March 2013, DMGT has been making annual contributions of 12% or 18% of members' basic pay (depending on membership type). Following the results of the latest triennial valuation, the Company agreed a Recovery Plan involving a series of annual funding payments, and in accordance with both this and the prior arrangement payments of: £16.6 million on 4 October 2013; £10.4 million on 31 January 2014 and £6.8 million on 28 February 2014. A further payment of £23.2 million was made following the year end on 3 October 2014. DMGT considers that these contribution rates are sufficient to eliminate the deficit over the agreed period. Both the ongoing contributions and recovery plan will be reviewed at the next triennial funding valuation of 31 March 2016.

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... *(continued)*

In February 2014 DMGT agreed with the Trustees that should it continue its share buy-back program and that it would make payments to the schemes amounting to 20% of the value of shares bought-back. Contributions of £4.6 million relating to this agreement were made in the year to 30 September 2014.

In 2012 the Company enabled the Trustee of the HPS to acquire a beneficial interest in a Limited Partnership investment vehicle ("LP"). The LP was designed to facilitate payment of part of the deficit funding payments described above over a period of 15 years to 2026. In addition, the LP is required to make a final payment to the scheme of £150.0 million or the funding deficit within the scheme on an ongoing actuarial valuation basis at the end of the 15 year period if this is less. For funding purposes, the interest held by the trustee in the LP is treated as an asset of the scheme and will reduce the actuarial deficit within the scheme. However, under IAS19 the LP is not included as an asset of the scheme and therefore is not included in the disclosures below.

A&N Media Finance Services Limited is unable to identify its share of the underlying assets and liabilities in the scheme. The scheme is operated on an aggregate basis with no segregation of the assets to individual participating employers and, therefore, the same contribution rate is charged to all participating employers (i.e. the contribution rate charged to each employer is affected by the experience of the scheme as a whole). The scheme is therefore accounted for as a defined contribution scheme by the company. This means that the pension charge reported in these financial statements is the same as the cash contributions due in the period.

DMGT is required to account for the scheme under International Accounting Standard 19 Employee Benefits (IAS 19). The IAS 19 disclosures in the Annual Report and Accounts of DMGT have been based on calculations performed as part of the work being carried out for the formal valuation of the scheme as at 31 March 2013 and adjusted to 30 September 2014 taking account of membership data as at that date. The calculations are adjusted to allow for the assumptions and actuarial methodology required by IAS 19. These showed that the market value of the principal scheme's assets was £1,822.6 million (2013 £1,646.3 million) and that the actuarial value of these assets represented 90.0% (2013 89.6%) of the benefits that had accrued to members (also calculated in accordance with IAS 19) resulting in a reported deficit of £201.0 million at 30 September 2014 (2013 £191.1 million deficit). The size of the surplus or deficit in the scheme, as measured for funding purposes, impacts on the calculations undertaken by the actuary to determine the cash funding (contributions) required from the companies that participate in the scheme.

The value of employer-related assets held on behalf of the schemes at 30 September 2014 was £15.3 million, 0.7% of assets, (2013 £13.1 million, 0.67% of assets).

A&N Media Finance Services Limited

Notes to the Financial Statements for the Period Ended 28 September 2014

..... (continued)

15 Commitments

Operating lease commitments

As at 28 September 2014 the Company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	28 September 2014 £ 000	29 September 2013 £ 000
Plant and machinery		
Within one year	-	24
Within two and five years	38	35
	<u>38</u>	<u>59</u>

16 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 part of the DMGT Group.

During the period, the Company carried out a number of transactions with a Artirix Limited, a 50% owned related party, in the normal course of business and on an arm's length basis. As the period end £1,708,000 was due to this A&N Media Finance Services Limited (2013: £1,400,000 due).

17 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 dmg media 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,
Kensington,
London,
W8 5TT.