

Registration number 4211684

# DMG Charles Ltd

Directors' Report and Financial Statements

for the Period ended 30 September 2012

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## **DMG Charles Ltd**

### **Company Information**

<b>Directors</b>	W R Flint A Perry
<b>Registered office</b>	Northcliffe House 2 Derry Street London W8 5TT
<b>Solicitors</b>	Freshfields Bruckhaus Deringer Whitefriars 65 Fleet Street London EC4Y 1HT
<b>Auditors</b>	Deloitte LLP Chartered Accountants London United Kingdom

## **DMG Charles Ltd**

### **Directors' Report for the Period Ended 30 September 2012**

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

The Directors report has been prepared in accordance with the small companies regime under s415A(2) Companies Act 2006

#### **Principal activity**

The principal activity of the Company is to hold investments in group companies and this is expected to continue in the foreseeable future

#### **Going Concern**

The directors have 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, they have 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 Directors' Report. The financial position of the Company is showing a negative net current liability position and is profit making. Daily Mail and General Trust plc ("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 directors therefore have 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.

#### **Results and dividends**

The result for the period amounted to a profit of £15,965,720 (2011 £4,977,382). Dividends of £nil were paid during the period (2011 £nil).

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

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

W R Flint

A Perry

#### **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 a director 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.

**DMG Charles Ltd**

**Directors' Report for the Period 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

Approved by the Board on 25 June 2013 and signed on its behalf by

A Perry  
Director

A handwritten signature in black ink, consisting of a large, stylized 'Z' shape with a loop at the top and a long horizontal stroke at the bottom.

## **DMG Charles Ltd**

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the Directors' 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 DMG Charles Ltd**

We have audited the financial statements of DMG Charles Ltd 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, Statement of Total Recognised Gains and Losses, Note of Historical Cost Profits and Losses and Notes to the Financial Statements, set out on pages 12 to 17. The financial reporting framework that has been applied in their preparation is applicable law and (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 4), 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 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 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 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  
DMG Charles Ltd**

..... (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 Directors' Report



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

25 June 2013

## **DMG Charles Ltd**

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

Results derive wholly from continuing operations

		<b>Period ended 30 September 2012 £</b>	<b>Period ended 2 October 2011 £</b>
	<b>Note</b>		
Income from shares in group undertakings	3	<u>15,965,720</u>	<u>4,977,382</u>
Profit on ordinary activities before taxation		<u>15,965,720</u>	<u>4,977,382</u>
Profit for the financial period		<u>15,965,720</u>	<u>4,977,382</u>

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

**DMG Charles Ltd**

**Statement of Total Recognised Gains and Losses for the Period Ended 30 September 2012**

	<b>Period ended 30 September 2012 £</b>	<b>Period ended 2 October 2011 £</b>
<b>Note</b>		
Profit for the financial period	<u>15,965,720</u>	<u>4,977,382</u>

**DMG Charles Ltd**

**Note of Historical Cost Profits and Losses for the Period Ended 30 September 2012**

	<b>Period ended 30 September 2012 £</b>	<b>Period ended 2 October 2011 £</b>
Reported profit on ordinary activities before taxation	<u>15,965,720</u>	<u>4,977,382</u>
Historical cost profit for the period retained after taxation	<u>15,965,720</u>	<u>4,977,382</u>

**DMG Charles Ltd**

**(Registration number: 4211684)**

**Balance Sheet at 30 September 2012**

	Note	30 September 2012 £	2 October 2011 £
<b>Fixed assets</b>			
Investments	6	<u>570,376,609</u>	<u>540,830,990</u>
Creditors Amounts falling due within one year	7	<u>(13,707,666)</u>	<u>(127,766)</u>
Net current liabilities		<u>(13,707,666)</u>	<u>(127,766)</u>
<b>Net assets</b>		<u>556,668,943</u>	<u>540,703,224</u>
<b>Share Capital and Reserves</b>			
Called up share capital	8	726,841	726,842
Share premium account	9	534,999,000	534,999,000
Profit and loss account	9	<u>20,943,102</u>	<u>4,977,382</u>
<b>Shareholders' funds</b>		<u>556,668,943</u>	<u>540,703,224</u>

Approved by the Board on 25 June 2013 and signed on its behalf by

A Perry  
Director



**DMG Charles Ltd**

**Reconciliation of Movement in Shareholders' Funds for the Period Ended 30**

**September 2012**

	<b>Period ended 30 September 2012 £</b>	<b>Period ended 2 October 2011 £</b>
Profit attributable to the members of the Company	15,965,720	4,977,382
New share capital allotted	-	535,725,841
Net addition to Shareholders' Funds	15,965,720	540,703,223
Shareholders' funds at start of period	540,703,223	1
Shareholders' funds at end of period	<u>556,668,943</u>	<u>540,703,224</u>

## **DMG Charles Ltd**

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

#### **1 Accounting policies**

The principal accounting policies are summarised below. They have been applied consistently throughout the current and prior year.

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

The accounting policies below have been applied on a consistent basis in both the current and prior periods.

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. As the Company is a wholly owned subsidiary of a UK parent, it does not prepare consolidated accounts as permitted by s400 Companies Act 2006. Consequently these financial statements give information about the Company rather than the Group.

##### **Going concern**

The directors have 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, they have 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 Directors' Report. The financial position of the Company is showing a negative net current liability position and is profit making. Daily Mail and General Trust plc ("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 directors therefore have 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.

##### **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.

##### **Investments**

Investments in subsidiaries and joint ventures, and other investments held for the long term are stated at cost, less any provision for impairment, where appropriate.

##### **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.

## **DMG Charles Ltd**

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

..... (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.

#### **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.

#### **Dividends**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividends are recognised as a distribution in the period in which they are approved by the shareholders. Interim dividends are recorded in the period in which they are paid.

#### **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.

## **2 Auditor's remuneration**

Fees payable to the Company's auditor for the audit of the Company's annual accounts of £2,000 (2011 £2,000) were borne by a fellow group company.

## **3 Income from fixed asset investments**

	<b>Period ended 30 September 2012 £</b>	<b>Period ended 2 October 2011 £</b>
Dividends from shares in group undertakings	<u>15,965,720</u>	<u>4,977,382</u>

## DMG Charles Ltd

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

..... (continued)

#### 4 Taxation

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

Tax on profit on ordinary activities for the year is lower than (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 £	Period ended 2 October 2011 £
Profit on ordinary activities before taxation	15,965,720	4,977,382
Corporation tax at standard rate (25% (2011 27%))	<u>3,991,430</u>	<u>1,343,893</u>
Non taxable income	<u>(3,991,430)</u>	<u>(1,343,893)</u>
Total current tax	<u>-</u>	<u>-</u>

##### 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

#### 5 Directors' remuneration

The directors did not receive any remuneration in respect of qualifying services during the current and preceding year Other than the directors, the Company had no employees in both the current and preceding year

**DMG Charles Ltd****Notes to the Financial Statements for the Period Ended 30 September 2012****..... (continued)****6 Investments**

	<b>30 September 2012 £</b>	<b>2 October 2011 £</b>
Shares in group undertakings and participating interests	<u>570,376,609</u>	<u>540,830,990</u>

**Investments**

	<b>Subsidiary undertakings £</b>	<b>Total £</b>
<b>Cost</b>		
At 3 October 2011	540,830,990	540,830,990
Additions	<u>29,545,619</u>	<u>29,545,619</u>
At 30 September 2012	570,376,609	570,376,609
<b>Provision for impairment</b>		
30 September 2012	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 30 September 2012	<u>570,376,609</u>	<u>570,376,609</u>
At 2 October 2011	<u>540,830,990</u>	<u>540,830,990</u>

## DMG Charles Ltd

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

..... (continued)

During the period the Company acquired further 4,256,271 shares in Euromoney Institutional Investor PLC for £13,579,899 and received a scrip dividend from Euromoney Institutional Investor PLC of £15,965,720

The market value of the listed investments at 30 September 2012 was £651,718,306 (2011 - £480,687,171), purchased at a cost of £569,523,001 (2011 - £539,977,382) The potential tax estimate is £nil

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>			
Euromoney Institutional Investor PLC	Ordinary	68%	Holds investments
Euromoney Consortium Limited	B Ordinary Shares	100%	Holds investments
Euromoney Consortium 2 Limited	B Ordinary Shares	100%	Holds investments

All of the above subsidiary undertakings are incorporated in the UK

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

	30 September 2012 £	2 October 2011 £
Amounts owed to parent undertakings	<u>13,707,666</u>	<u>127,766</u>

#### 8 Share capital

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

	30 September 2012		2 October 2011	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>726,842</u>	<u>726,842</u>	<u>726,842</u>	<u>726,842</u>

## DMG Charles Ltd

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

..... (continued)

#### 9 Reserves

	Share premium account £	Profit and loss account £	Total £
At 3 October 2011	534,999,000	4,977,382	539,976,382
Profit for the period	-	15,965,720	15,965,720
At 30 September 2012	<u>534,999,000</u>	<u>20,943,102</u>	<u>555,942,102</u>

#### 10 Ultimate parent company and controlling party

The Company is controlled by Rothermere Continuation Limited which is incorporated in Bermuda. The Company's immediate parent undertaking at the balance sheet date was DMG Investment Holdings Ltd.

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

The ultimate controlling party is Viscount Rothermere, who is a director of Daily Mail and General Trust plc.