

Registration number: 4211684

DMG Charles Limited

Directors' Report and Unaudited Financial Statements

for the Year Ended 30 September 2014



DMG Charles Limited

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DMG Charles Limited

Company Information

Directors	W R Flint A Perry
Company secretary	F Sallas
Registered office	Northcliffe House 2 Derry Street London W8 5TT
Bankers	The Royal Bank of Scotland Corporate Services 135 Bishopsgate London EC2M 3UR
Solicitors	Freshfields Bruckhaus Deringer Whitefriars 65 Fleet Street London EC4Y 1HT

DMG Charles Limited

Strategic Report

Introduction and Strategy

The Company is a wholly owned subsidiary of Daily Mail and General Trust plc ("DMGT"), and operates in England & Wales, holding investments in group companies.

Operating and Business Review

Profit before tax for the financial year was £19,528,248 (2013: £18,492,906).

KPIs

The directors consider that the profit for the financial year is the KPI used to monitor the Company's performance.

Treasury risk

There are a number of risks arising from the Company's Treasury operations including currency exchange rate fluctuations impacting on the Company's reported earnings, liquidity risk and debt levels. The treasury function undertakes high value transactions and therefore there is inherently a risk of treasury fraud or error.

Tax risk

The Group's operations are global and therefore earnings are subject to taxation at differing rates across a number of jurisdictions. Whilst the Group endeavours to manage its tax affairs in an efficient manner, due to an ever more complex international tax environment there will always be a level of uncertainty when provisioning for tax liabilities. There is also a risk that changing tax laws will have an adverse effect on the Group's financial results. Working with divisional management and external experts the Group has a team of in-house specialist who review all tax arrangements within the Group and keep abreast of changing legislation.


Principal Risks

The Company exists to hold investments in subsidiary entities. The principal risk is therefore the performance of the Company's investments, which the directors monitor regularly.

Environment

The 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 safe disposal of manufacturing waste, recycling and reducing energy consumptions.

Approved by the Board on 9 February 2015 and signed on its behalf by:



W R Flint
Director

DMG Charles Limited

Directors' Report for the Year Ended 30 September 2014

The directors present their annual report on the affairs of the Company, together with the unaudited financial statements for the year ended 30 September 2014.

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 Operating and Business Review which forms part of the Strategic 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.

Exemption from audit

For the year ended 30 September 2014, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Financial Risk Management Objectives and Policies

Details of the principal risks and uncertainties are included in the Strategic Report.

Results and dividends

Profit for the financial year amounted to £19,528,248 (2012: £18,492,906). Dividends of £270,000,000 were paid during the period (2013: £39,000,000).

Directors of the Company

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

W R Flint

A Perry

Approved by the Board on 9 February 2015 and signed on its behalf by:



W R Flint
Director

DMG Charles Limited

Profit and Loss Account for the Year Ended 30 September 2014

The result derives wholly from continuing operations.

		Year ended 30 September 2014 £	Year ended 30 September 2013 £
	Note		
Income from shares in group undertakings	2	19,528,248	18,492,906
Profit on ordinary activities before taxation		19,528,248	18,492,906
Profit for the financial year		19,528,248	18,492,906

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

The notes on pages 9 to 15 form an integral part of these financial statements.

DMG Charles Limited

Statement of Total Recognised Gains and Losses for the Year Ended 30 September 2014

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Profit for the financial year	<u>19,528,248</u>	<u>18,492,906</u>

DMG Charles Limited**Note of Historical Cost Profits and Losses for the Year Ended 30 September 2014**

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Reported profit on ordinary activities before taxation	<u>19,528,248</u>	<u>18,492,906</u>
Historical cost profit for the year retained after taxation	<u>19,528,248</u>	<u>18,492,906</u>

DMG Charles Limited

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Balance Sheet at 30 September 2014


	Note	30 September 2014 £	30 September 2013 £
Fixed assets			
Investments	6	581,647,591	581,647,591
Creditors: Amounts falling due within one year	7	<u>(25,957,493)</u>	<u>(45,485,742)</u>
Total assets less current liabilities		555,690,098	536,161,849
Creditors: Amounts falling due after more than one year		<u>(270,000,000)</u>	<u>-</u>
Net assets		<u>285,690,098</u>	<u>536,161,849</u>
Share Capital and Reserves			
Called up share capital	8	726,841	726,841
Share premium account	9	-	534,999,000
Profit and loss account	9	<u>284,963,257</u>	<u>436,008</u>
Shareholders' funds		<u>285,690,098</u>	<u>536,161,849</u>

For the year ending 30 September 2014 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 9 February 2015 and signed on its behalf by:



W R Flint
Director

The notes on pages 9 to 15 form an integral part of these financial statements.

DMG Charles Limited**Reconciliation of Movement in Shareholders' Funds for the Year Ended 30 September 2014**

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Profit attributable to the members of the Company	19,528,248	18,492,906
Dividends	<u>(270,000,000)</u>	<u>(39,000,000)</u>
Net reduction to Shareholders' Funds	(250,471,752)	(20,507,094)
Shareholders' funds at 1 October	<u>536,161,850</u>	<u>556,668,943</u>
Shareholders' funds at 30 September	<u><u>285,690,098</u></u>	<u><u>536,161,849</u></u>

The notes on pages 9 to 15 form an integral part of these financial statements.

DMG Charles Limited

Notes to the Financial Statements for the Year Ended 30 September 2014

1 Accounting policies

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

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 Operating and Business Review which forms part of the Strategic 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.

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.

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 DMGT and the cash flows of the Company are included in the consolidated cash flows 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.

DMG Charles Limited

Notes to the Financial Statements for the Year Ended 30 September 2014

..... (continued)

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 Income from fixed asset investments

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Dividends from shares in group undertakings	<u>19,528,248</u>	<u>18,492,906</u>

3 Taxation

Tax on profit on ordinary activities

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Tax charge/(credit) on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

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

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Profit on ordinary activities before taxation	<u>19,528,248</u>	<u>18,492,906</u>
Corporation tax at standard rate (22% (2013: 23.5%))	<u>4,296,215</u>	<u>4,345,833</u>
Non taxable income	<u>(4,296,215)</u>	<u>(4,345,833)</u>
Total current tax	<u>-</u>	<u>-</u>

DMG Charles Limited

Notes to the Financial Statements for the Year Ended 30 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 22.0% in these financial statements.

4 Dividends

	2014 £	2013 £
Dividends paid		
Current year interim dividend paid	<u>270,000,000</u>	<u>39,000,000</u>

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 Limited**Notes to the Financial Statements for the Year Ended 30 September 2014****..... (continued)****6 Investments**

	2014	2013
	£	£
Shares in group undertakings and participating interests	<u>581,647,591</u>	<u>581,647,591</u>
Investments		
	Subsidiary	Total
	undertakings	
	£	£
Cost		
At 1 October 2013	<u>581,647,591</u>	<u>581,647,591</u>
At 30 September 2014	581,647,591	581,647,591
Provision for impairment		
30 September 2014	<u>-</u>	<u>-</u>
Net book value		
At 30 September 2014	<u>581,647,591</u>	<u>581,647,591</u>
At 30 September 2013	<u>581,647,591</u>	<u>581,647,591</u>

DMG Charles Limited

Notes to the Financial Statements for the Year Ended 30 September 2014

..... *(continued)*

The market value of the listed investment at 30 September 2014 was £871,260,349 (2013: £995,726,113), purchased at a cost of £580,793,983 (2013: £580,793,983). The potential tax arising if the investment was realised at this value is £nil (2013: £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
Subsidiary undertakings			
Euromoney Institutional Investor PLC	Ordinary	68%	Provides economic and investment research and data
Euromoney Consortium Limited	B Ordinary Shares	100%	Holds investments
Euromoney Consortium 2 Limited	B Ordinary Shares	100%	Holds investments

All of the above subsidiary undertaking are incorporated in the United Kingdom.

DMG Charles Limited

Notes to the Financial Statements for the Year Ended 30 September 2014

..... (continued)

7 Creditors: Amounts falling due within one year

	30 September 2014 £	30 September 2013 £
Amounts owed to group undertakings	<u>25,957,493</u>	<u>45,485,742</u>

Creditors: Amounts falling due after more than one year

	30 September 2014 £	30 September 2013 £
Amounts owing to group undertakings	<u>270,000,000</u>	<u>-</u>

Amounts owed to fellow group undertakings within one year bears no interest and has no fixed date of repayment.

Amounts owed to fellow group undertakings due in more than one year bears interest at 5.3% and is repayable on 30 September 2022.

8 Share capital

Allotted, called up and fully paid shares

	30 September 2014		30 September 2013	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>726,841</u>	<u>726,841</u>	<u>726,841</u>	<u>726,841</u>

DMG Charles Limited

Notes to the Financial Statements for the Year Ended 30 September 2014

..... (continued)

9 Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 October 2013	534,999,001	436,008	535,435,009
Profit for the year	-	19,528,248	19,528,248
Dividends	-	(270,000,000)	(270,000,000)
Cancellation of share premium account	<u>(534,999,001)</u>	<u>534,999,001</u>	<u>-</u>
At 30 September 2014	<u>-</u>	<u>284,963,257</u>	<u>284,963,257</u>

On 29 September 2014, the Company passed a special resolution to cancel its share premium account. The balance of £534,999,001 was transferred to the distributable reserves of the Company.

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 the United Kingdom. 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.