

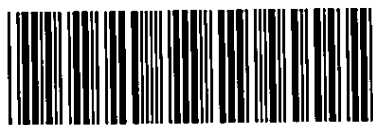
Registered Number: 4623961

MNAIP LIMITED

ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD (52 WEEKS) ENDED

27th DECEMBER 2008

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MNAIP LIMITED

**ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD (52 WEEKS) ENDED
27TH DECEMBER 2008**

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MNAIP LIMITED

DIRECTORS' REPORT

The Directors present their report and the accounts for the period (52 weeks) ended 27th December 2008.

ACTIVITIES AND BUSINESS REVIEW

Throughout the period the principal activity of the company has been that of owning Intellectual property and leasing it to fellow group undertakings. The trading results for the period are reflected in the profit and loss account as shown on page 6.

RESULTS

The loss for the period after taxation amounted to £962,822, (2007 – £746,256). The Directors do not propose to pay a dividend in respect of 2008 (2007 - £Nil).

BOARD OF DIRECTORS

The members of the Board who held office during the period are:

M. G. D. Graham (Chairman)
G. W. Evers
D. J. Hughes

FINANCIAL INSTRUMENTS

The company is financed by a combination of loans from its immediate parent and the group's bankers.

As highlighted in note 15 to the financial statements, the company is party to group banking facilities. These facilities are made available to the company to meet its day to day working capital requirements. The group overdraft facility is due for renewal in January 2010. The group also has a term loan facility until December 2010.

The current economic conditions create uncertainty particularly with regard to the level of demand for products and services and the cost of raw materials. However, the group's forecasts and projections, taking account of changes in trading performance, show that the group should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

MNAIP LIMITED

DIRECTORS' REPORT (Continued)

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow Directors and the group's auditors, each Director has taken all steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

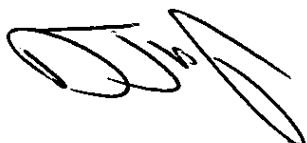
AUDITORS

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

SMALL COMPANY EXEMPTION

This report has been prepared in accordance with the special provisions of parts VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



D. J. HUGHES
Secretary
Registered Office:
Queen Street,
Wolverhampton

27th April 2009

MNAIP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the accounts in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare accounts for each financial period which 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 accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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 MNAIP LIMITED

We have audited the financial statements of MNAIP Limited for the period ended 27th December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the companies affairs as at 27th December 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditor
BIRMINGHAM

27 April 2009

MNAIP LIMITED**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 27th DECEMBER 2008.**

	Notes	2008 £	2007 £
Turnover	2	7,100,000	7,100,000
Net operating expenses	3	(5,953,946)	(5,950,930)
Operating Profit		<u>1,146,054</u>	<u>1,149,070</u>
Interest payable and other charges	6	(2,847,125)	(2,708,007)
Loss on Ordinary Activities before Taxation		<u>(1,701,071)</u>	<u>(1,558,937)</u>
Taxation	7	738,249	812,681
Loss on Ordinary Activities after Taxation and retained loss for the period	14	<u>(962,822)</u>	<u>(746,256)</u>

All activities of the company are continuing.

The company has no recognised gains or losses other than those included in the loss above, and therefore no separate statement of total recognised gains and losses has been presented.

MNAIP LIMITED**BALANCE SHEET AT 27th DECEMBER 2008**

	Notes	2008 £	2007 £
Fixed Assets			
Intangible fixed assets	8	88,076,301	94,026,301
Current Assets			
Debtors	9	3,959,152	3,224,768
Creditors: amounts falling due within one year	10	(20,467,342)	(17,620,136)
Net current liabilities		(16,508,190)	(14,395,368)
Total assets less current liabilities		71,568,111	79,630,933
Creditors: amounts falling due after one year	11	(75,002,022)	(82,102,022)
Net liabilities		(3,433,911)	(2,471,089)
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	(3,434,011)	(2,471,189)
Shareholders' deficit	14	(3,433,911)	(2,471,089)

The accounts on pages 6 to 12 were approved and authorised for issue by the Board of Directors on 27th April 2009 and signed on behalf of the Board.


G. W. EVERS
Director

MNAIP LIMITED

NOTES TO THE ACCOUNTS FOR THE 52 WEEKS ENDED 27th DECEMBER 2008

1. ACCOUNTING POLICIES

a) Fundamental accounting concept

The financial statements have been prepared on the going concern basis. As detailed in the Directors Report on pages 2 and 3, the Directors have considered the principal risks and uncertainties that apply to the business and believe that it is appropriate to continue to prepare the accounts on this basis.

b) Basis of accounting

The company prepares its accounts on the historical cost basis of accounting and in accordance with the applicable accounting standards in the United Kingdom. They incorporate the results for the period (52 weeks) ended 27th December 2008 (2007 - 52 weeks ended 29th December 2007).

c) Turnover

Turnover represents the amount receivable (excluding VAT) in respect of the period for leasing of intellectual property.

d) Intangible Assets

Intangible assets are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years.

The carrying value of intangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

e) Deferred Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

MNAIP LIMITED

NOTES TO THE ACCOUNTS (Continued)

g) Cash Flow

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group, The Midland News Association Limited and the company is included in the consolidated financial accounts.

2. TURNOVER

Turnover arises from the owning of Intellectual Property and leasing it to fellow group undertakings.

3. NET OPERATING EXPENSES

	2008	2007
	£	£
Amortisation of intangible fixed assets – owned	5,950,000	5,950,000
Other operating charges	3,946	930
	<u>5,953,946</u>	<u>5,950,930</u>

Included in other operating charges are audit services for the company of £2,080 (2007 - £2,000) and non audit services relating to taxation of £1,500 (2007 - £1,500).

4. EMPLOYEES

There were no employees of the company during the period.

5. DIRECTORS' REMUNERATION

No payments were made to the Directors during the period.

6. INTEREST PAYABLE AND OTHER CHARGES

	2008	2007
	£	£
Group interest payable	<u>2,847,125</u>	<u>2,708,007</u>

MNAIP LIMITED**NOTES TO THE ACCOUNTS (Continued)****7. TAXATION**

	2008 £	2007 £
UK Current Tax:		
Group relief receivable	(775,174)	(812,681)
Adjustments in respect of previous years	36,925	-
	<u>(738,249)</u>	<u>(812,681)</u>

Factors affecting the tax charge for the period

Loss on ordinary activities before tax	<u>(1,701,071)</u>	<u>(1,558,937)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007: 30%)	(476,300)	(467,681)
Effects of:		
Expenses not deductible for tax purposes	1,666,001	1,785,000
Book profit in excess of chargeable gain	(1,988,000)	(2,130,000)
Transfer pricing adjustment	36,725	-
Effect of change of tax rate in the year	(13,600)	-
Adjustments in respect of previous years	36,925	-
Current tax credit for the period (see above)	<u>(738,249)</u>	<u>(812,681)</u>

8. INTANGIBLE FIXED ASSETS

	Intellectual Property £
Cost:	
At 29 th December 2007 and at 27 th December 2008	<u>119,000,000</u>
Amortisation:	
At 29 th December 2007	24,973,699
Charge for the period	5,950,000
At 27 th December 2008	<u>30,923,699</u>
Net Book Values:	
At 27 th December 2008	<u>88,076,301</u>
At 29 th December 2007	<u>94,026,301</u>

MNAIP LIMITED**NOTES TO THE ACCOUNTS (Continued)****9. DEBTORS**

	2008	2007
	£	£
Group relief receivable	775,174	2,297,047
Due from fellow subsidiary undertakings	3,183,978	927,721
	<u>3,959,152</u>	<u>3,224,768</u>

10. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Due to parent and fellow subsidiary undertakings	13,366,331	10,519,206
Accruals	1,011	930
Deferred income	7,100,000	7,100,000
	<u>20,467,342</u>	<u>17,620,136</u>

11. CREDITORS: Amounts falling due after one year

	2008	2007
	£	£
Amounts due to fellow subsidiary undertaking		
- long term interest bearing loans	48,000,000	48,000,000
Deferred income		
- between 1 & 2 years	7,100,000	7,100,000
- between 2 & 5 years	19,902,022	21,300,000
- after five years	-	5,702,022
	<u>75,002,022</u>	<u>82,102,022</u>

12. SHARE CAPITAL

	Authorised	Allotted called up and fully paid
	£	£
Ordinary shares of £1 each at 29 th December 2007 and 27 th December 2008	<u>100</u>	<u>100</u>

MNAIP LIMITED

NOTES TO THE ACCOUNTS (Continued)

13. PROFIT AND LOSS ACCOUNT

	£
At 29 th December 2007	(2,471,189)
Retained loss for the period	(962,822)
As at 27 th December 2008	<u>(3,434,011)</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2008 £	2007 £
Loss on ordinary activities after taxation	(962,822)	(746,256)
Opening shareholders' deficit	(2,471,089)	(1,724,833)
Closing shareholders' deficit	<u>(3,433,911)</u>	<u>(2,471,089)</u>

15. CONTINGENT LIABILITY

During the year the company was party to group banking facilities. These facilities were made available to the company to meet its day to day working capital requirements. The group has overdraft facilities set at £9m (2007 - £11m) which are due for renewal in January 2010. The group also has a term loan facility until December 2010. The term loan which is with the group's principal bankers, Barclays Bank PLC has an outstanding balance of £25m (2007 - £35m) and incurs interest at 1.0% per annum above base rate with security provided by a fixed and floating charge over the assets of the group.

As at 27th December 2008, the group's net debt under the above facilities totalled £26.7m (2007 - £36.1m).

16. RELATED PARTY DISCLOSURE

The company has taken advantage of the exemption in FRS8 as a wholly owned subsidiary not to disclose details of related party transactions required by the standard.

17. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of The Midland News Association Limited, a company registered in England & Wales and is included in that company's group accounts. The ultimate parent undertaking is Claverley Company, also registered in England & Wales.