

MNAIP Limited

Report and Financial Statements

Period Ended

29 December 2012

Company Number 4623961

COMPANIES HOUSE



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COMPANIES HOUSE

MNAIP Limited

Report and financial statements for the period ended 29 December 2012

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Directors

M G Douglas Graham
G W Evers
D J Hughes

Secretary and registered office

D J Hughes, 51-53 Queen Street, Wolverhampton, WV1 1ES

Company number

4623961

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

MNAIP Limited

Report of the directors for the period ended 29 December 2012

The directors present their report together with the audited financial statements for the period ended 29 December 2012

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the period

The directors do not propose to pay a dividend in respect of 2012 (2011 - £Nil)

Principal activities

Throughout the period the principal activity of the company has been that of owning intellectual property and leasing it to fellow group undertakings. All of the company's turnover is attributable to fellow group companies, and it is financed by loans from those companies. The principal risks facing the company are therefore those faced by the group as a whole, and are discussed below. Since all of the company's activities are group related, the directors do not review key performance indicators of the company as an individual entity.

Financial instruments and principal risks and uncertainties

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

As highlighted in note 16 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 overdraft facility is due for renewal in July 2013 and the group are in advanced discussions to renew this facility and expect renewed facilities to be concluded during August 2013. The group also has a term loan facility until September 2017.

During the year the group completed a re-financing, splitting its facilities between operations located in the UK and those located in the Channel Islands under the Guiton Group. This resulted in a reduction in the company's exposure to the group's net debt as disclosed in note 16 to the accounts.

To manage interest risk, during the year, the group companies took out a fixed rate to floating rate LIBOR interest swap on £4m of the £8m fixed term loan taken out with Lloyds TSB in July 2012. The fair value of the interest rate swap at 29 December 2012 was £56k.

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.

Directors

The directors of the company during the period were

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

MNAIP Limited

Report of the directors for the period ended 29 December 2012 (continued)

Directors' responsibilities

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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

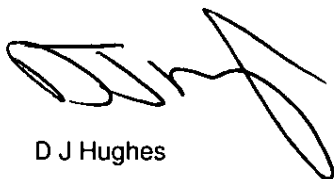
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



D J Hughes

Secretary

24 July 2013

MNAIP Limited

Independent auditor's report

To the members of MNAIP Limited

We have audited the financial statements of MNAIP Limited for the 52 weeks ended 29 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. 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 statement of directors' responsibilities, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 December 2012 and of its loss 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.

MNAIP Limited

Independent auditor's report *(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

BDO LLP

*Mark Anslow (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom*

30 Jan 13

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

MNAIP Limited

Profit and loss account for the period ended 29 December 2012

	Note	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Turnover	2	3,200,000	7,100,000
Net operating expenses - including exceptional costs of £Nil (2011 - £27,780,000)		5,954,144	33,733,993
Operating loss	4	(2,754,144)	(26,633,993)
Interest payable and similar charges	7	(3,434,211)	(3,272,142)
Loss on ordinary activities before and after taxation for the financial period		(6,188,355)	(29,906,135)

All amounts relate to continuing activities

All recognised gains and losses in the current and prior period are included in the profit and loss account

The notes on pages 7 to 12 form part of these financial statements

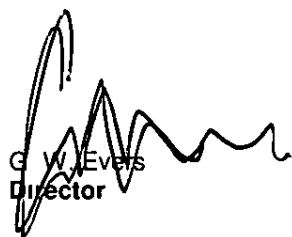
MNAIP Limited

Balance sheet at 29 December 2012

Company number 4623961

	Note	29 December 2012 £	29 December 2012 £	31 December 2011 £	31 December 2011 £
Fixed assets					
Intangible assets	9		36,496,301		42,446,301
Current assets					
Debtors	10	3,938,472		3,942,270	
Creditors amounts falling due within one year	11	<u>29,376,300</u>		<u>29,841,743</u>	
Net current liabilities			<u>(25,437,828)</u>		<u>(25,899,473)</u>
Total assets less current liabilities			11,058,473		16,546,828
Creditors amounts falling due after more than one year	12		<u>54,402,021</u>		<u>53,702,021</u>
			<u>(43,343,548)</u>		<u>(37,155,193)</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		<u>(43,343,648)</u>		<u>(37,155,293)</u>
Shareholders' deficit	15		<u>(43,343,548)</u>		<u>(37,155,193)</u>

The financial statements were approved by the board of directors and authorised for issue on 24 July 2013


G. W. Evers
Director

The notes on pages 7 to 12 form part of these financial statements

MNAIP Limited

Notes forming part of the financial statements for the period ended 29 December 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention. They incorporate the results for the 52 weeks ended 29 December 2012 (2011 - 52 weeks ended 31 December 2011), and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Fundamental accounting concept

The financial statements have been prepared on a going concern basis despite the loss in the year of £6,188,355 and shareholder deficit of £43,343,548. The directors of the company have received written confirmation from fellow group companies that support will continue to be offered for at least 12 months from the date of signing these financial statements.

The directors of the company have prepared cashflow and profit and loss forecasts for the 3 year period to 31 December 2015 which show that the directors have a reasonable expectation that the group will be able to meet its liabilities as they fall due for at least the 12 months from the date of approval of these financial statements.

During the year the group completed a re-financing, splitting its facilities between operations located in the UK and those located in the Channel Islands under the Guiton Group. This resulted in a reduction in the company's exposure to the group's net debt as disclosed in note 16 to the accounts.

After making enquiries and considering uncertainties, the directors have a reasonable expectation that they can continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

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 headed by The Midland News Association Limited and the company is included in consolidated financial statements.

Turnover

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

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.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

MNAIP Limited

Notes forming part of the financial statements for the period ended 29 December 2012 (continued)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

3 Net operating expenses

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Amortisation of intangible fixed assets - owned	5,950,000	5,950,000
Other operating charges	4,144	3,993
Exceptional items	-	27,780,000
	<u>5,954,144</u>	<u>33,733,993</u>

Exceptional items relate to the impairment of intangible fixed assets

4 Operating loss

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
This is arrived at after charging		
Fees payable to the company's auditor for the auditing of the company's annual accounts	2,508	2,463
Auditors' remuneration - taxation services	1,635	1,525
	<u>4,143</u>	<u>3,988</u>

5 Employees

The company did not have any employees during the current or preceding period, and therefore incurred no staff costs

6 Directors' remuneration

No director received any emoluments during the current period (2011 - £Nil)

MNAIP Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

7 Interest payable and similar charges

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Loans from group companies	3,434,211	3,272,142

8 Taxation on loss on ordinary activities

The tax assessed for the period is different to the standard rate of corporation tax in the UK applied to loss before tax

	52 weeks ended 29 December 2012 £	52 weeks ended 31 December 2011 £
Loss on ordinary activities before tax	(6,188,355)	(29,906,135)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24% (2011 - 26%)	(1,485,205)	(7,775,595)
Effect of		
Expenses not deductible for tax purposes	1,428,000	8,769,800
Non taxable income	(768,000)	(1,846,000)
Transfer pricing adjustment	18,911	25,631
Group relief surrendered for nil payment	806,294	1,506
World wide debt cap disallowance	-	824,658
Current tax charge for the period	-	-

MNAIP Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

9 Intangible fixed assets

	Intellectual property £
<i>Cost</i>	
At 1 January 2012 and 29 December 2012	119,000,000
<i>Amortisation</i>	
At 1 January 2012	76,553,699
Provided for the period	5,950,000
At 29 December 2012	82,503,699
<i>Net book value</i>	
At 29 December 2012	36,496,301
At 31 December 2011	42,446,301

10 Debtors

	29 December 2012 £	31 December 2011 £
Amounts owed by group undertakings	3,938,472	3,942,270

All amounts shown under debtors fall due for payment within one year

11 Creditors: amounts falling due within one year

	29 December 2012 £	31 December 2011 £
Amounts owed to group undertakings	26,171,966	22,737,755
Deferred income	3,200,000	7,100,000
Accruals	4,334	3,988
	29,376,300	29,841,743

MNAIP Limited

Notes forming part of the financial statements
for the period ended 29 December 2012 (*continued*)

12 Creditors: amounts falling due after more than one year

	29 December 2012 £	31 December 2011 £
Amounts owed to group undertakings	48,000,000	48,000,000
Deferred income	6,402,021	5,702,021
	<u>54,402,021</u>	<u>53,702,021</u>
	29 December 2012 £	31 December 2011 £
Maturity of deferred income		
Between 1-2 years	3,200,000	5,702,021
Between 2-5 years	3,202,021	-
	<u>6,402,021</u>	<u>5,702,021</u>

13 Share capital

	29 December 2012 £	31 December 2011 £
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

14 Reserves

	Profit and loss account £
At 1 January 2012	(37,155,293)
Loss for the period	(6,188,355)
	<u>(43,343,648)</u>
At 29 December 2012	<u>(43,343,648)</u>

MNAIP Limited

Notes forming part of the financial statements for the period ended 29 December 2012 (*continued*)

15 Reconciliation of movements in shareholders' deficit

	29 December 2012 £	31 December 2011 £
Loss for the period	(6,188,355)	(29,906,135)
Opening shareholders' deficit	(37,155,193)	(7,249,058)
	<u> </u>	<u> </u>
Closing shareholders' deficit	(43,343,548)	(37,155,193)
	<u> </u>	<u> </u>

16 Contingent liabilities

During the year the company was party to cross guarantees in respect of group banking facilities. These facilities were made available to the company to meet its day to day working capital requirements. The facilities are secured by a fixed and floating charge over the assets of the group.

As at 29th December 2012, the group's net debt under the above facilities totalled £6.4m (2011 – £16.4m)

17 Related party disclosures

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related party disclosures' as a wholly owned subsidiary not to disclose details of related party transactions required by the standard.

18 Ultimate parent company and parent undertaking of larger group

The largest group in which the results of the company are consolidated is that headed by Claverley Holdings Limited, incorporated in England and Wales. The smallest group in which they are consolidated is that headed by The Midland News Association, incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from the registered office.

The ultimate parent undertaking is Claverley Holdings Limited, registered in England and Wales.