

Registration number 05765286

dmg media Limited (formerly A&N Media Limited)

Directors' Report and Financial Statements

for the Period from 1 October 2012 to 29 September 2013



dmg media Limited (formerly A&N Media Limited)

Contents

Company Information	page 1
Directors' Report	page 2 to 3
Directors' Responsibilities Statement	page 4
Independent Auditors' Report	page 5 to 6
Profit and Loss Account	page 7
Balance Sheet	page 8
Reconciliation of Movement in Shareholders' Funds	page 9
Notes to the Financial Statements	page 10 to 16

dmg media Limited (formerly A&N Media Limited)

Company Information

Directors	K J Beatty J J S Welsh M J Page
Company secretary	F L Sallas
Registered office	Northcliffe House 2 Derry Street London W8 5TT
Bankers	The Royal Bank of Scotland plc PO Box 32844 Regents House London N1 8FT
Solicitors	Reynolds Porter Chamberlain LLP Tower Bridge House St Katharine's Way London E1W 1AA
Auditors	Deloitte LLP Chartered Accountants London United Kingdom

dmg media Limited (formerly A&N Media Limited)

Directors' Report for the Period Ended 29 September 2013

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 1 October 2012 to 29 September 2013

Principal activity

The principal activity of the Company is that of an investment holding company and this is expected to continue for the foreseeable future. On 28 January 2013 the Company changed its name from A&N Media Limited to dmg media Limited.

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. The financial position of the Company is showing a positive net asset and current asset position and is profit making. Daily Mail and General Trust plc ("DMGT"), a parent company 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

On 30th October 2012, the Company issued 80,672 ordinary £1 shares, at £147 per share, for total proceeds of £11,858,784 to Lapcom kft, a fellow subsidiary company based in Hungary. This increased the Company's issued share capital to 7,580,673 ordinary £1 shares, held as follows:

Daily Mail and General Holdings Ltd 7,500,001 (98.94%)
Lapcom kft 80,672 (1.06%)

On 30th October 2012, in consideration for the newly issued shares, Lapcom kft sold its investments in six various digital companies to the Company at their combined carrying values of £11,858,784.

On 8th November 2012, the Company's investment in Hazsnaauto kft (a 50% joint venture based in Hungary) was sold for Euro 8,400,000 or £6,727,000, generating a profit in the Company's books of £3,595,000.

On 15th November 2012, the Company's investment in the remaining five digital companies were sold for Euro 25,350,000 or £20,252,000, generating a book profit in the Company's books of £11,526,000.

On 29 November 2012 Lapcom transferred its 1.06% shareholding to Daily Mail and General Holdings Limited (now the 100% owner).

The Company made a profit after tax of £15,121,000 (2012 loss of £157,967,000 due to impairment of investments) due to the reasons noted above. Net assets have increased during the year by £15,121,000 due to the profits for the year.

The Directors have not paid a dividend (2012: £nil).

dmg media Limited (formerly A&N Media Limited)

Directors' Report for the Period Ended 29 September 2013

..... (continued)

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

K J Beatty

J J S Welsh

M J Page (appointed 7 November 2012)

Disclosure of information to the auditors

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

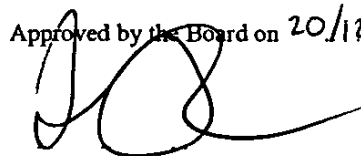
- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the 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

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 20/12/13 and signed on its behalf by.



J J S Welsh
Director

dmg media Limited (formerly A&N Media Limited)

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,
- 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 media Limited (formerly A&N Media Limited)

We have audited the financial statements of dmg media Limited (formerly A&N Media Limited) for the period from 1 October 2012 to 29 September 2013, which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Movement in Shareholders' Funds and Notes to the Financial Statements - notes 1 to 11. 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 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 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 29 September 2013 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 media Limited (formerly A&N Media 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

M. K. Lee-Amies

Mark Lee-Amies (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditors
London, UK

Date *20 December 2013*

dmg media Limited (formerly A&N Media Limited)

Profit and Loss Account for the Period Ended 29 September 2013

Turnover and operating profit derive wholly from continuing operations

		Period ended 29 September 2013 £ 000	Period ended 30 September 2012 £ 000
	Note		
Operating profit	2	-	33
Profit on sale of fixed asset investments	3	15,121	-
Impairment of fixed asset investments	3	-	(158,000)
Profit/(loss) for the financial period		<u>15,121</u>	<u>(157,967)</u>

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

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

The notes on pages 10 to 16 form an integral part of these financial statements

dmg media Limited (formerly A&N Media Limited)

(Registration number: 05765286)

Balance Sheet at 29 September 2013

	Note	29 September 2013 £ 000	30 September 2012 £ 000
Fixed assets			
Investments	6	<u>565,583</u>	<u>550,083</u>
Current assets			
Debtors	7	38,629	-
Creditors Amounts falling due within one year	8	<u>(27,199)</u>	<u>(50)</u>
Net current assets/(liabilities)		<u>11,430</u>	<u>(50)</u>
Net assets		<u>577,013</u>	<u>550,033</u>
Share Capital and Reserves			
Called up share capital	9	7,581	7,500
Share premium account	10	754,278	742,500
Profit and loss account	10	<u>(184,846)</u>	<u>(199,967)</u>
Shareholders' funds		<u>577,013</u>	<u>550,033</u>

Approved by the Board on 20/12/13 and signed on its behalf by


J J S Welsh
Director

dmg media Limited (formerly A&N Media Limited)

**Reconciliation of Movement in Shareholders' Funds for the Period Ended 29
September 2013**

	Period ended 29 September 2013 £ 000	Period ended 30 September 2012 £ 000
Profit/(loss) attributable to the members of the Company	15,121	(157,967)
New share capital allotted	11,859	-
Net addition/(reduction) to Shareholders' Funds	26,980	(157,967)
Shareholders' funds at start of period	550,033	708,000
Shareholders' funds at end of period	577,013	550,033

The notes on pages 10 to 16 form an integral part of these financial statements

dmg media Limited (formerly A&N Media Limited)

Notes to the Financial Statements for the Period Ended 29 September 2013

1 Accounting policies

Basis of preparation

The accounting policies below have been applied on a consistent basis in both the current and prior periods. The annual financial statements are made up to the Sunday nearest to 30 September. The financial period ended 29 September 2013 consists of 52 weeks (2012: 52 weeks).

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. The financial position of the Company is showing a positive net asset and current asset position and is profit making. Daily Mail and General Trust plc ("DMGT"), a parent company 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 associates are generally held for the long term and 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.

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 wholly owned subsidiaries of the DMGT Group.

dmg media Limited (formerly A&N Media Limited)

Notes to the Financial Statements for the Period Ended 29 September 2013

..... (continued)

2 Operating profit

In 2012 the operating profit derived from inter-company loan accounts waived of £33,000

Audit fees for the year of £1,000 (2012 £1,000) are borne by Associated Newspapers Limited, a fellow DMGT subsidiary company

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

3 Exceptional items

	Period ended 29 September 2013 £ 000	Period ended 30 September 2012 £ 000
Profit on sale of fixed asset investments	15,121	-
Impairment of fixed asset investments	-	(158,000)
	<u>15,121</u>	<u>(158,000)</u>

On 8th November 2012, dmg media Limited's investment in Hazsnaauto kft (a 50% joint venture based in Hungary) was sold for Euro 8,400,000 or £6,727,000, generating a profit in dmg media Limited's books of £3,595,000

On 15th November 2012, dmg media Limited's investment in the five remaining digital companies were sold for Euro 25,350,000 or £20,252,000, generating a profit in dmg media Limited's books of £11,526,000

The impairment in 2012 relates to the Company's investment in Northcliffe Media Holdings Limited

dmg media Limited (formerly A&N Media Limited)

Notes to the Financial Statements for the Period Ended 29 September 2013

..... (continued)

4 Taxation

Tax on profit/(loss) on ordinary activities

	Period ended 29 September 2013 £ 000	Period ended 30 September 2012 £ 000
Current tax		
Current tax charge	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the period

Tax on profit/(loss) on ordinary activities for the year is lower than (2012 higher than) the standard rate of corporation tax in the UK of 23.5% (2012 25%). The differences are reconciled below:

	Period ended 29 September 2013 £ 000	Period ended 30 September 2012 £ 000
Profit/(loss) on ordinary activities before taxation	<u>15,121</u>	<u>(157,967)</u>
Corporation tax at standard rate (23.5% (2012 25%))	<u>3,553</u>	<u>(39,492)</u>
Profit on sale of fixed asset investments not taxable	(3,553)	-
Impairment of fixed asset investments not taxable	-	39,500
Intercompany accounts waived not taxable	<u>-</u>	<u>(8)</u>
Total current tax	<u>-</u>	<u>-</u>

dmg media Limited (formerly A&N Media Limited)**Notes to the Financial Statements for the Period Ended 29 September 2013**

..... (continued)

Factors that may affect future tax charges

The main rate of corporation tax has been reduced from 24% to 23% with effect from 1 April 2013. Accordingly, current tax has been provided for at an effective rate of 23.5% in these financial statements.

5 Directors' remuneration

The Company had no employees, except for the directors, during the year (2012: none) and no remuneration was paid to any director in either year.

K J Beatty is a director of Daily Mail and General Trust plc and his emoluments are fully disclosed in the accounts of that Company. J J S Welsh is a director of Associated Newspapers Limited, a fellow subsidiary, and his emoluments are fully disclosed in the accounts of that company. The emoluments of M J Page are fully accounted for in the financial statements of Associated Newspapers Limited.

6 Investments

	Subsidiary undertakings £ 000	Joint ventures and associates £ 000	Unlisted investments £ 000	Total £ 000
Cost				
At 1 October 2012	750,033	50	-	750,083
Additions	23,025	3,834	500	27,359
Disposals	(8,025)	(3,834)	-	(11,859)
At 29 September 2013	765,033	50	500	765,583
Provision for impairment				
At 1 October 2012	(200,000)	-	-	(200,000)
29 September 2013	(200,000)	-	-	(200,000)
Net book value				
At 29 September 2013	565,033	50	500	565,583
At 30 September 2012	550,033	50	-	550,083

dmg media Limited (formerly A&N Media Limited)**Notes to the Financial Statements for the Period Ended 29 September 2013**

..... (continued)

Investment in subsidiary undertakings

On the 30 October 2012 the following companies were transferred from Lapcom kft, a fellow group subsidiary, to dmG media Limited Autovia s r o (Slovakia) for £271,000, Profesia s r o (Slovakia) for £4,466,784 and Tau Online d o o (Croatia) for £3,287,000

On 15 November 2012 these companies were sold generating a book profit of £11,187,000

The Company increased its investment in Metro Play Limited when on 19 November 2012 it provided a one-off capital contribution to Metro Play Limited for £15,000,000

During the year the Company purchased Mobil Holdings kft (Hungary) for £1

Investment in joint ventures and associates

On 30 October 2012 Hasznaltauto kft (50% Hungary) was transferred from Lapcom kft to dmG media Limited for £3,125,000 and sold it on 8 November generating a book profit of £3,595,000

On 30 October 2012 the following companies were transferred from Lapcom kft, a fellow group subsidiary, to dmG media Limited Infostud 3 d o o (25% Serbia) for £513,000 and Development Studio d o o (30% Bosnia) for £196,000 and sold them on 8 November 2012 generating a book profit of £339,000

During the year the Company purchased Web 2 d o o (51% Serbia) for £1

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 (all incorporated in England and Wales unless otherwise stated)

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Harmsworth Printing Limited	Ordinary	100%	Printing service company
A&N Media Fleet Services Limited	Ordinary	100%	Dormant
A&N Media Finance Services Limited	Ordinary	100%	Provisions of finance and IT services
Metro Play Limited (incorporated in Guernsey)	Ordinary	100%	Provider of a gambling website
Northcliffe Media Holdings Limited	Ordinary	100%	Holding company
Associated Newspapers Limited	Ordinary	100%	Publisher of national newspapers and manager of websites
Mobil Holdings kft (incorporated in Hungary)	Ordinary	100%	Dormant

dmg media Limited (formerly A&N Media Limited)

Notes to the Financial Statements for the Period Ended 29 September 2013

..... (continued)

Associates and joint ventures

Teletext Holdings Limited	Ordinary	50%	Holding Company
Web 2 d o o (incorporated in Serbia)	Ordinary	51%	Dormant

Unlisted Investments

On 18 June 2013 the Company purchased a 5% holding in Chemd Holdings Limited for £500,000

7 Debtors

	29 September 2013 £ 000	30 September 2012 £ 000
Amounts owed by group undertakings	<u>38,629</u>	<u>-</u>
	<u>38,629</u>	<u>-</u>

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

8 Creditors: Amounts falling due within one year

	29 September 2013 £ 000	30 September 2012 £ 000
Amounts owed to group undertakings	<u>27,199</u>	<u>50</u>

Amounts owed to group undertakings are interest free and repayable on demand

dmg media Limited (formerly A&N Media Limited)

Notes to the Financial Statements for the Period Ended 29 September 2013

..... (continued)

9 Share capital

Allotted, called up and fully paid shares

	29 September 2013		30 September 2012	
	No.	£	No.	£
Ordinary shares of £1 each	<u>7,580,673</u>	<u>7,580,673</u>	<u>7,500,001</u>	<u>7,500,001</u>

On 30th October 2012, dmG media Limited issued a further 80,672 ordinary £1 shares to Lapcom kft, a fellow subsidiary company based in Hungary, at £147 per share, or a total of £11,858,784. This increased the dmG media Limited issued share capital to 7,580,673 ordinary £1 shares as follows

10 Reserves

	Share premium account £ 000	Profit and loss account £ 000	Total £ 000
At 1 October 2012	742,500	(199,967)	542,533
Profit for the period	-	15,121	15,121
Premium on issue of shares	<u>11,778</u>	<u>-</u>	<u>11,778</u>
At 29 September 2013	<u>754,278</u>	<u>(184,846)</u>	<u>569,432</u>

11 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 Daily Mail and General Holdings 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,
London,
W8 5TT