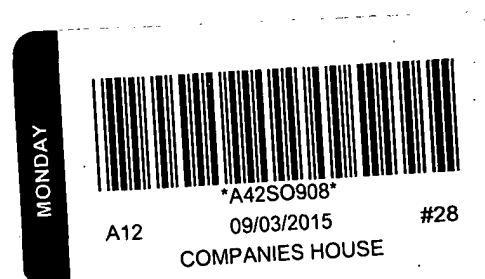


Registration number: 05765286

# dmg media Limited

Directors' Report and Financial Statements

for the Period from 30 September 2013 to 28 September 2014



## **dmg media Limited**

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## **dmg media Limited**

### **Company Information**

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

## **dmg media Limited**

### **Strategic Report**

#### **Introduction**

The directors in preparing this strategic report have complied with s414c of the Companies Act 2006.

#### **Operating and Business Review**

On 12 May 2014, the Company acquired the remaining 50% shareholding of EX TTH Limited (formerly Teletext Holdings Limited), previously a 50% owned associate, for an initial £1,400,000 and a subsequent £500,000 paid by the period end (further payments are potentially due dependent on receipt of deferred consideration by a fellow group subsidiary).

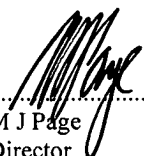
On 28 August 2014, the Company sold its investment in Metro Play Limited for consideration of £1 to Trumeto Limited, an external third party. After adjusting for working capital this generated a loss in the Company's books of £7,748,000.

The Company made a loss after tax of £7,434,000 (2013: profit of £15,121,000 due to the sale of subsidiary companies) due to the reasons noted above. Net assets have decreased during the year by £7,434,000 due to the loss for the year.

#### **Principal Risks and uncertainties**

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

Approved by the Board on 8/1/2015 and signed on its behalf by:

  
.....  
M J Page  
Director

## **dmg media Limited**

### **Directors' Report for the Period Ended 28 September 2014**

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 30 September 2013 to 28 September 2014.

#### **Principal activity and future developments**

The principal activity of the Company is that of an investment holding company and this is expected to continue for 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. The financial position of the Company is showing a positive net asset and current asset position and the Company has incurred a loss for the year. 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.

#### **Dividends**

The Company have paid no dividends for the year (2013: £nil).

#### **Directors of the company**

The directors who held office during the period were as follows:

K J Beatty

M J Page

J J S Welsh

#### **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 directors 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.

Approved by the Board on 8/11/2015 and signed on its behalf by:



M J Page  
Director

## **dmg media Limited**

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the Directors' Report, Strategic 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 media Limited**

We have audited the financial statements of dmg media Limited for the period from 30 September 2013 to 28 September 2014, which comprise the Profit and Loss Account, Balance Sheet Reconciliation of Movement in Shareholders' Funds and Notes to the Financial Statements - notes 1 to 13. 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, 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 Strategic Report and 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 28 September 2014 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 Strategic Report and 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**

..... (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.



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

Date: 20/1/15

**dmg media Limited****Profit and Loss Account for the Period Ended 28 September 2014**

Turnover and operating profit derive wholly from continuing operations.

	Note	Period ended 28 September 2014 £ 000	Period ended 29 September 2013 £ 000
Operating profit/(loss)	2	-	-
(Loss)/profit on sale of fixed asset investments		<u>(7,559)</u>	<u>15,121</u>
(Loss)/profit on ordinary activities before taxation		(7,559)	15,121
Tax credit on (loss)/ profit on ordinary activities	4	<u>125</u>	<u>-</u>
(Loss)/profit for the financial period		<u><u>(7,434)</u></u>	<u><u>15,121</u></u>

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

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

**dmg media Limited****(Registration number: 05765286)****Balance Sheet at 28 September 2014**

	Note	28 September 2014 £ 000	29 September 2013 £ 000
<b>Fixed assets</b>			
Investments	6	<u>552,479</u>	<u>565,583</u>
<b>Current assets</b>			
Debtors	7	30,256	38,629
Creditors: Amounts falling due within one year	8	<u>(13,156)</u>	<u>(27,199)</u>
Net current assets		<u>17,100</u>	<u>11,430</u>
<b>Net assets</b>		<u>569,579</u>	<u>577,013</u>
<b>Share Capital and Reserves</b>			
Called up share capital	9	7,581	7,581
Share premium account	10	754,278	754,278
Profit and loss account	10	<u>(192,280)</u>	<u>(184,846)</u>
<b>Shareholders' funds</b>		<u>569,579</u>	<u>577,013</u>

Approved by the Board and authorised for issue on 8 Jun 2015 and signed on its behalf by:



M J Page  
Director

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

**dmg media Limited****Reconciliation of Movement in Shareholders' Funds for the Period Ended 28 September 2014**

	<b>Period ended 28 September 2014 £ 000</b>	<b>Period ended 29 September 2013 £ 000</b>
(Loss)/profit attributable to the members of the Company	(7,434)	15,121
New share capital allotted	-	11,859
Net (reduction)/addition to Shareholders' Funds	(7,434)	26,980
Shareholders' funds at start of period	577,013	550,033
Shareholders' funds at end of period	<u>569,579</u>	<u>577,013</u>

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

## **dmg media Limited**

### **Notes to the Financial Statements for the Period Ended 28 September 2014**

#### **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 28 September 2014 consists of 52 weeks (2013: 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 the Company has incurred a loss for the year. 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 part of the DMGT Group.

## **dmg media Limited**

### **Notes to the Financial Statements for the Period Ended 28 September 2014**

..... (continued)

#### **2 Operating profit**

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.

Audit fees of £1,000 (2013: £1,000) were borne by Associated Newspapers Limited, a fellow DMGT group subsidiary.

#### **3 Exceptional items**

	<b>Period ended 28 September 2014 £ 000</b>	<b>Period ended 29 September 2013 £ 000</b>
(Loss)/ profit on sale of fixed asset investments	<u>(7,559)</u>	<u>15,121</u>

On 28 August 2014, the Company sold its investment in Metro Play Limited for consideration of £1 to Trumeto Limited, an external third party. After adjusting for working capital this generated a loss in the Company's books of £7,748,000.

During the year the investment in A&N Media Fleet Services Limited was struck-off resulting in a loss on disposal of £32,000.

During the year the Company received a further £221,000 relating to the sale of an investment in the prior year.

**dmg media Limited****Notes to the Financial Statements for the Period Ended 28 September 2014****..... (continued)****4 Taxation****Tax on (loss)/profit on ordinary activities**

	<b>Period ended 28 September 2014 £ 000</b>	<b>Period ended 29 September 2013 £ 000</b>
<b>Current tax</b>		
Corporation tax credit at 22% (2013: 23.5%)	(125)	-
Current tax credit	(125)	-

**Factors affecting current tax credit for the period**

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

	<b>Period ended 28 September 2014 £ 000</b>	<b>Period ended 29 September 2013 £ 000</b>
(Loss)/profit on ordinary activities before taxation	(7,559)	15,121
Corporation tax at standard rate (22% (2013: 23.5%))	(1,663)	3,553
Loss/ (profit) on sale of fixed asset investments not taxable	1,538	(3,553)
Total current tax	(125)	-

**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% in these financial statements.

Under UK GAAP, deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was passed in July 2013 to reduce the main rate of UK corporation tax from 21% to 20% from 1 April 2015. Deferred tax has been calculated at the tax rates that will apply in the periods in which the timing differences are expected to reverse.

**dmg media Limited****Notes to the Financial Statements for the Period Ended 28 September 2014****..... (continued)****5 Directors' remuneration**

The Company had no employees, except for the directors, during the period and no remuneration was paid to any director in either period.

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.

**6 Investments**

	<b>Subsidiary undertakings £ 000</b>	<b>Joint ventures and associates £ 000</b>	<b>Unlisted investments £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>				
At 30 September 2013	765,033	50	500	765,583
Transferred	50	(50)	-	-
Additions	1,928	-	-	1,928
Disposals	(15,032)	-	-	(15,032)
At 28 September 2014	<u>751,979</u>	<u>-</u>	<u>500</u>	<u>752,479</u>
<b>Provision for impairment</b>				
At 30 September 2013	(200,000)	-	-	(200,000)
28 September 2014	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
<b>Net book value</b>				
At 28 September 2014	<u>551,979</u>	<u>-</u>	<u>500</u>	<u>552,479</u>
At 29 September 2013	<u>565,033</u>	<u>50</u>	<u>500</u>	<u>565,583</u>

## **dmg media Limited**

### **Notes to the Financial Statements for the Period Ended 28 September 2014**

..... (continued)

#### **Investment in subsidiary undertakings**

On 12 May 2014, the Company acquired the remaining 50% shareholding of Teletext Holdings Limited, previously a 50% owned associate, for an initial £1,400,000 and a subsequent £500,000 paid by the period end (further payments are potentially due dependent on receipt of deferred consideration by a fellow group subsidiary).

On 28 August 2014, the Company sold its investment in Metro Play Limited for consideration of £1 to Trumeto Limited, an external third party. After adjusting for working capital this generated a loss in the Company's books of £7,748,000.

During the year the investment in A&N Media Fleet Services Limited was struck-off resulting in a loss on disposal of £32,000.

#### **Investment in associates**

As noted above on 12 May 2014, the Company acquired the remaining 50% shareholding of EX TTH Limited (formerly Teletext Holdings Limited), previously an associate, and it is now accounted for as a subsidiary investment.

#### **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:

<b>Undertaking</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
<b>Subsidiary undertakings</b>			
Harmsworth Printing Limited	Ordinary	100%	Printing service company
A&N Media Finance Services Limited	Ordinary	100%	Provisions of finance and IT services
Northcliffe Media Holdings Limited	Ordinary	100%	Holding company
Associated Newspapers Limited	Ordinary	100%	Publisher of national newspapers and manager of websites
EX TTH Limited (formerly Teletext Holdings Limited)	Ordinary	100%	Holding Company
<b>Associates</b>			
Web 2 d.o.o (incorporated in Serbia)	Ordinary	51%	Dormant

**dmg media Limited****Notes to the Financial Statements for the Period Ended 28 September 2014****..... (continued)****Unlisted Investment**

The Company holds a 5% investment in Chemd Holdings Limited at a net book value of £500,000.

**7 Debtors**

	<b>28 September 2014 £ 000</b>	<b>29 September 2013 £ 000</b>
Amounts owed by group undertakings	30,131	38,629
Other debtors	125	-
	<u>30,256</u>	<u>38,629</u>

Amounts owed by group undertakings are interest free and repayable on demand. Other debtors comprise of corporation tax recoverable through group transfer of tax credits.

**8 Creditors: Amounts falling due within one year**

	<b>28 September 2014 £ 000</b>	<b>29 September 2013 £ 000</b>
Amounts owed to group undertakings	12,037	27,199
Accruals and deferred income	1,119	-
	<u>13,156</u>	<u>27,199</u>

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

**9 Share capital****Allotted, called up and fully paid shares**

	<b>28 September 2014</b>		<b>29 September 2013</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>7,580,673</u>	<u>7,580,673</u>	<u>7,580,673</u>	<u>7,580,673</u>

## **dmg media Limited**

### **Notes to the Financial Statements for the Period Ended 28 September 2014**

..... (continued)

#### **10 Reserves**

	<b>Share premium account £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 30 September 2013	754,278	(184,846)	569,432
Loss for the period	-	(7,434)	(7,434)
At 28 September 2014	<u>754,278</u>	<u>(192,280)</u>	<u>561,998</u>

#### **11 Commitments**

The Company is committed to pay up to another £4,000,000 over the next year for the EX TTH Limited (formerly Teletext Holdings Limited) investment addition subject to EX TTH Limited receiving deferred consideration of £7,000,000 for the sale of Teletext Limited.

#### **12 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.

#### **13 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.