

Registration number 242217

# Harmsworth Printing (Staverton) Limited

Directors' Report and Financial Statements

for the Year ended 2 October 2011

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## **Harmsworth Printing (Staverton) Limited**

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## **Harmsworth Printing (Staverton) Limited**

### **Company Information**

<b>Directors</b>	J G Bird K Duncan C Klafkowska W K Richardson
<b>Company secretary</b>	K Duncan
<b>Registered office</b>	1 Surrey Quays Road London SE16 7ND
<b>Bankers</b>	The Royal Bank of Scotland plc Corporate Services PO Box 34 15 Bishopsgate London EC2P 2AP
<b>Solicitors</b>	Reynolds Porter Chamberlain Tower Bridge House St Katherine's Way London E1W 1AA
<b>Auditors</b>	Deloitte LLP Chartered Accountants and Statutory Auditors Bristol United Kingdom

## **Harmsworth Printing (Staverton) Limited**

### **Directors' Report for the Year Ended 2 October 2011**

The directors present their annual report on the affairs of the Company, together with the financial statements for the period from 4 October 2010 to 2 October 2011

#### **Principal activity**

The principal activity of the Company is not applicable as the Company has not traded during the period and this is not expected to change in the foreseeable future

#### **Going Concern**

The Company has ceased trading and has net current liabilities. As a result, the financial statements have been prepared on a basis other than that of a going concern, which includes, where appropriate, writing down the Company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such were committed at the balance sheet date. The Company is reliant on inter-company creditors not being recalled for payment in the next twelve months.

#### **Business review**

Following the closure of the Company's trading operation no production activity has been undertaken. The Company no longer employs any staff and fixed assets have been written off or disposed of. The directors therefore believe that the company faces limited additional risk in the coming year.

#### **Results and dividends**

As a result of the Company no longer trading, turnover for the financial year was £nil (2010 £nil). However, despite not trading the operating profit for the year was £3,549,000 (2010 Loss of £3,898,000). This result was mainly attributable to an inter-company loan provision of £3,698,000 written-back during the year when the loan was fully recovered.

The profit after taxation for the financial year amounted to £3,563,000 (2010 Loss of £3,639,000) - stated after inter-company loan provisions of £3,698,000. The directors did not declare a dividend (2010 £nil).

The balance sheet shows that the Company's financial position in net liability terms has improved compared to the prior year due to the profit for the financial year.

#### **Directors of the Company**

The directors who held office during the period and up to the date of this report were as follows

J G Bird

K Duncan - Company secretary and director

C Klafkowska

W K Richardson

#### **Political donations**

Political donations made by the Company during the period amounted to £nil (2010 £nil)

#### **Charitable donations**

Charitable donations made by the Company during the period amounted to £nil (2010 £nil)

Harmsworth Printing (Staverton) Limited  
Directors' Report for the Year Ended 2 October 2011

..... (continued)

**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 30.1.12 and signed on its behalf by



K Duncan  
Company secretary and director

## **Harmsworth Printing (Staverton) 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, subject to any material departures disclosed and explained in the financial statements, 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 Harmsworth Printing (Staverton) Limited**

We have audited the financial statements of Harmsworth Printing (Staverton) Limited for the period from 4 October 2010 to 2 October 2011, 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 (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 (APB'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. 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 2 October 2011 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.

### **Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **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  
Harmsworth Printing (Staverton) 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

*Nigel Thomas*

Nigel Thomas (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Chartered Accountants & Statutory Auditors  
Bristol, UK

Date *3 May 2012*



**Harmsworth Printing (Staverton) Limited**

**Profit and Loss Account for the Year Ended 2 October 2011**

The results derive wholly from discontinued operations

	Note	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
Cost of sales		-	(159)
Administrative expenses		<u>3,549</u>	<u>(3,739)</u>
Operating profit/(loss)	2	3,549	(3,898)
Tax credit on profit/ (loss) on ordinary activities	3	<u>14</u>	<u>259</u>
Profit/(loss) for the financial period		<u>3,563</u>	<u>(3,639)</u>

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

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

The notes on pages 10 to 17 form an integral part of these financial statements

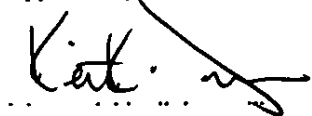
Harmsworth Printing (Staverton) Limited

(Registration number: 242217)

Balance Sheet at 2 October 2011

	Note	2 October 2011 £ 000	3 October 2010 £ 000
Current assets			
Debtors	7	3,698	113,791
Creditors' Amounts falling due within one year	8	<u>(12,848)</u>	<u>(126,504)</u>
Net liabilities		<u>(9,150)</u>	<u>(12,713)</u>
Share Capital and Reserves			
Called up share capital	9	201	201
Profit and loss account	10	<u>(9,351)</u>	<u>(12,914)</u>
Shareholders funds		<u>(9,150)</u>	<u>(12,713)</u>

Approved by the Board on 30.1.12 and signed on its behalf by



K Duncan  
Company secretary and director

**Harmsworth Printing (Staverton) Limited**

**Reconciliation of Movement in Shareholders' Funds for the Year Ended 2 October 2011**

	<b>Year ended 2 October 2011 £ 000</b>	<b>Year ended 3 October 2010 £ 000</b>
Profit/(loss) attributable to the members of the Company	<u>3,563</u>	<u>(3,639)</u>
Net addition/(reduction) to Shareholders' Funds	3,563	(3,639)
Shareholders' deficit at start of period	<u>(12,713)</u>	<u>(9,074)</u>
Shareholders' deficit at end of period	<u><u>(9,150)</u></u>	<u><u>(12,713)</u></u>

The notes on pages 10 to 17 form an integral part of these financial statements

## **Harmsworth Printing (Staverton) Limited**

### **Notes to the Financial Statements for the Year Ended 2 October 2011**

#### **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 2 October 2011 consists of 52 weeks.

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

The Directors have changed the format of the profit and loss account in order to align with the rest of the group and to better reflect the nature of the operations following significant changes in the business operations in recent years.

##### **Going concern**

The Company has ceased trading and has net current liabilities. As a result, the financial statements have been prepared on a basis other than that of a going concern, which includes, where appropriate, writing down the Company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such were committed at the balance sheet date. The Company is reliant on inter-company creditors not being recalled for payment in the next twelve months.

##### **Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment. Impairment reviews are undertaken annually.

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures, plant, equipment and motor vehicles	4-25 years
Freehold buildings	50 years
Freehold land	Not depreciated

##### **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 substantively enacted by the balance sheet date.

## **Harmsworth Printing (Staverton) Limited**

### **Notes to the Financial Statements for the Year Ended 2 October 2011**

.... (continued)

#### **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 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.

#### **Hire purchase and leasing**

Rentals payable relating to operating leases are charged to the profit and loss account equally over the lease term.

## **2 Operating profit/(loss)**

Audit fees of £6,500 (2010: £6,250) in relation to the audit of the Company's financial statements are borne by Harmsworth Printing Limited, a fellow subsidiary company of DMGT. There were no non-audit fees paid in either year.

A provision against the recoverability of intercompany debts of £3,698,000 which was made in 2010 was subsequently reversed during the year as it was no longer required.

**Harmsworth Printing (Staverton) Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

..... *(continued)*

**3 Taxation**

**Tax on profit/(loss) on ordinary activities**

	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
<b>Current tax</b>		
Corporation tax credit at 27% (2010 28%)	-	(56)
Adjustments in respect of previous years	(14)	(203)
Current tax credit	<u>(14)</u>	<u>(259)</u>

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

Tax on profit/(loss) on ordinary activities for the year is lower than (2010 higher than) the standard rate of corporation tax in the UK of 27% (2010 28%). The differences are reconciled below

	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
Profit/(loss) on ordinary activities before taxation	<u>3,549</u>	<u>(3,898)</u>
Corporation tax at standard rate (27% (2010 28%))	<u>958</u>	<u>(1,091)</u>
Expenses not deductible for tax purposes	(5)	-
Prior period adjustments	(14)	(203)
Release of provision against recoverability of inter-company balances	(997)	-
Free group relief	44	-
Provision against recoverability of intercompany balances	-	1,035
Total current tax	<u>(14)</u>	<u>(259)</u>

## **Harmsworth Printing (Staverton) Limited**

### **Notes to the Financial Statements for the Year Ended 2 October 2011**

*... (continued)*

#### **Factors that may affect future tax charges**

Legislation reducing the main rate of corporation tax from 28% to 26% with effect from 1 April 2011 was substantively enacted during the period. Accordingly, current tax has been provided for at an effective rate of 27% in these financial statements. Further reductions to the main rate of corporation tax of 1% per annum to 23% by 1 April 2014 have been announced by the government and the reduction to 25% was substantively enacted on 19 July 2011.

In the 2012 Budget, issued on 21 March 2012, the Chancellor announced that the main rate of corporation tax would be further reduced to 24% with effect from 1 April 2012, with further annual 1% rate reductions down to 22% by 1 April 2014. There are no deferred tax assets or liabilities in the Company and as a result the changes to the rate of tax have no impact on the deferred tax.

#### **4 Particulars of employees**

The Company had no employees (excluding directors) during the current or prior year.

#### **5 Directors' remuneration**

There were no emoluments paid to the directors of the Company in either period.

As no directors at 2 October 2011 received emoluments during the period, retirement benefits were not accrued under a defined benefit scheme (2010: nil directors).

The emoluments of J G Bird were paid by Associated Newspapers Limited. It is not practicable to split his remuneration between the services provided to Associated Newspapers Limited and fellow subsidiary companies. J G Bird is a director of Associated Newspapers Limited and his remuneration is fully disclosed in the financial statements of that company.

The emoluments of K Duncan, C Klafkowska and W K Richardson were paid by Harmsworth Printing Limited. It is not practicable to split their remuneration between the services provided to Harmsworth Printing Limited and fellow subsidiary companies. K Duncan and C Klafkowska are directors of Harmsworth Printing Limited and their remuneration is fully disclosed in the financial statements of that company.

Harmsworth Printing (Staverton) Limited

Notes to the Financial Statements for the Year Ended 2 October 2011

..... (continued)

6 Tangible fixed assets

	Freehold properties £ 000	Plant and machinery £ 000	Total £ 000
<b>Cost or valuation</b>			
At 4 October 2010	376	16,045	16,421
Disposals	(376)	(16,045)	(16,421)
At 2 October 2011	-	-	-
<b>Depreciation</b>			
At 4 October 2010	376	16,045	16,421
Eliminated on disposals	(376)	(16,045)	(16,421)
At 2 October 2011	-	-	-
<b>Net book value</b>			
At 2 October 2011	-	-	-
At 3 October 2010	-	-	-



**Harmsworth Printing (Staverton) Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

... .. (continued)

**7 Debtors**

	2 October 2011 £ 000	3 October 2010 £ 000
Amounts owed by group undertakings	3,698	113,620
Other debtors	-	171
	<u>3,698</u>	<u>113,791</u>

In 2010 other debtors of £171,000 represented Corporation Tax recoverable

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

	2 October 2011 £ 000	3 October 2010 £ 000
Amounts owed to group undertakings	12,668	126,325
Accruals & deferred income	180	179
	<u>12,848</u>	<u>126,504</u>

**9 Share capital**

Allotted, called up and fully paid shares

	2 October 2011		3 October 2010	
	No	£	No	£
Ordinary of £1 each	<u>201,360</u>	<u>201,360</u>	<u>201,360</u>	<u>201,360</u>

## Harmsworth Printing (Staverton) Limited

### Notes to the Financial Statements for the Year Ended 2 October 2011

... .. (continued)

#### 10 Reserves

	Profit and loss account £ 000	Total £ 000
At 4 October 2010	(12,914)	(12,914)
Profit for the period	3,563	3,563
At 2 October 2011	<u>(9,351)</u>	<u>(9,351)</u>

#### 11 Contingent liabilities

Certain undertakings within the group's A&N Media division are included in a group VAT registration. The contingent liability of Harmsworth Printing Staverton Limited under the group VAT registration at 2 October 2011 was £4,309,000 (2010 £4,193,000).

#### 12 Commitments

##### Operating lease commitments

As at 2 October 2011 the Company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire

	2 October 2011 £ 000	3 October 2010 £ 000
<b>Land and buildings</b>		
Within one year	<u>-</u>	<u>40</u>

**Harmsworth Printing (Staverton) Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

*. . . . (continued)*

**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 Trust plc.

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