Registered number 3121107

The Editorial Centre Limited
Annual report and financial statements
for the year ended 31 December 2007

The Editorial Centre Limited

Annual report and financial statements for the year ended 31 December 2007

Contents

The Editorial Centre Limited

Company information

Directors
SJ Brown

Company secretary
ML Cole
DT Dockray (resigned 31 March 2008)

Registered office
PA Newscentre
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SW1V 1AE

Registered number
3121107

Business address
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East Sussex
TN38 9UH

Bankers
Natwest Plc
PO Box 34
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London
EC2P 2AP

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

The Editorial Centre Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the audited financial statements of the company for the year ended 31 December 2007

Principal activity
The company's principal activity during the year was the provision of training courses and editorial services to journalists

Results and dividend
The profit for the financial year was £143,554 (2006 loss £18,596) The directors do not recommend the payment of a dividend (2006 £25,000) and accordingly £143,554 (2006 deducted from £43,596) has been transferred to reserves

On 31 March 2008 PA Group Limited became the ultimate parent company when The Press Association Limited (a subsidiary of PA Group Limited) purchased a further 50% of the issued share capital

Directors
The following were directors of the company during the year and up to the date of signing the financial statements

SJ Brown
P Sands (resigned 31 March 2008)
PJ Sands (resigned 31 March 2008)
NJ Teunon (resigned 11 January 2008)

The Editorial Centre Limited

Directors' report for the year ended 31 December 2007 (continued)

Statement of directors' responsibilities
The directors are responsible for preparing the Annual 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) The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Disclosure of information to auditors
As far as each director is aware, there is no relevant audit information of which the company's auditors are unaware Each director has 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

Independent auditors
PricewaterhouseCoopers LLP have expressed their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting

The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of the board on 27 October 2008

ML Cole
Company secretary

Independent auditors' report to the members of The Editorial Centre Limited

We have audited the financial statements of The Editorial Centre Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

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

Basis of audit opinion

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

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Leeds
27 October 2008

The Editorial Centre Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 £	2006 £
Turnover	1	**1,077,442**	828,289
Other operating income		**7,589**	5,316
		1,085,031	833,605
Staff costs	2	**(371,253)**	(380,998)
Depreciation	6	**(23,586)**	(23,865)
Other operating charges		**(516,880)**	(458,494)
Operating profit/(loss)	2	**173,312**	(29,752)
Interest receivable and similar income		**2,330**	2,492
Profit/(loss) for the financial year		**175,642**	(27,260)
Tax on profit/(loss) on ordinary activities	4	**(32,088)**	8,664
Profit/(loss) on ordinary activities after taxation	10	**143,554**	(18,596)

All amounts relate to continuing operations

The company has no recognised gains or losses other than those noted above and therefore no separate statement of recognised gains and losses has been presented

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year stated above and their historical cost equivalents

The Editorial Centre Limited

Balance sheet as at 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	6	**18,244**	39,845
Current assets			
Debtors	7	**499,252**	288,792
Cash at bank and in hand		**86,221**	5,743
		585,473	294,535
Creditors: amounts falling due within one year	8	**(334,097)**	(208,314)
Net current assets		**251,376**	86,221
Total assets less current liabilities		**269,620**	126,066
Capital and reserves			
Called up share capital	9	**100**	100
Profit and loss account	10	**269,520**	125,966
Total shareholders' funds	11	**269,620**	126,066

The financial statements on pages 5 to 13 were approved by the board on 27 October 2008 and signed on its behalf by

SJ Brown
Director

The Editorial Centre Limited

Statement of accounting policies

Basis of accounting
These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom The principal accounting policies, which have been applied consistently throughout the year, are set out below

Turnover
Turnover comprises the value of sales excluding value added tax and trade discounts is recognised as services are provided to customers

Tax
The charge for tax is based on the profit/(loss) for the year and takes into account tax deferred or accelerated because of timing differences between the treatment of certain items for accounting and tax purposes Full provision is made for deferred tax resulting from timing differences between profits computed for tax purposes and profits stated in the financial statements to the extent that there is an obligation to pay more tax, or a right to pay less tax, in the future as a result of the reversal of those timing differences Deferred tax assets are recognised to the extent that they are expected to be recoverable Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws substantively enacted at the balance sheet date

Tangible fixed assets
The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition

Depreciation of tangible fixed assets is provided, from the date assets are acquired, on a straight line basis calculated to write-off each asset over the term of its useful life, at the following rates

• Computer equipment	25% straight line
• Office equipment	15% reducing balance
• Motor vehicles	25% reducing balance

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of transaction Monetary assets and liabilities denominated in foreign currency are retranslated at the rate of exchange at the balance sheet date All currency differences are dealt with in the profit and loss account

Pensions
The Company operates a defined contribution scheme Contributions payable for the year are charged to the profit and loss account on the accruals basis

Dividends
Dividends are recognised in the year in which they are paid

Cash flow statement
The company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of PA Group Limited which publishes a consolidated cash flow statement

The Editorial Centre Limited

Notes to the financial statements for the year ended 31 December 2007

1. Turnover

All of the company's turnover originated in the United Kingdom

2. Operating profit/(loss)

	2007	2006
	£	£
Operating profit/(loss) is stated after charging		
Wages and salaries	**319,014**	327,798
Social security costs	**32,475**	37,157
Other pension costs	**19,764**	16,043
Staff costs	**371,253**	380,998
Operating lease rentals		
- buildings	**45,881**	46,213
- other than plant or machinery	**4,727**	5,000
Services provided by the company's auditor		
- Fees payable for the audit	**2,760**	2,700

3. Directors and employees

Wages and salaries include directors' emoluments of £85,000 (2006 £85,008)

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to nil (2006 nil)

	2007	2006
	Number	Number
Average monthly number of employees during the year	**10**	10

The Editorial Centre Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

4. Tax on profit/(loss) on ordinary activities

	2007	2006
	£	£
Current tax:		
UK corporation tax on profit/(loss) of the year	**32,088**	(6,690)
Deferred tax·		
Fixed asset timing differences	-	(1,974)
Tax on profit/(loss) on ordinary activities	**32,088**	(8,664)

The current tax for the year is lower (2006 higher) than the standard rate of UK corporation tax The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before tax	**175,642**	(27,260)
At standard rate of corporation tax in the UK (2006 30%)	**52,693**	(8,178)
Effects of		
Expenses not deductible for tax purposes	**471**	1,274
Income not subject to UK corporation tax	-	2,919
Excess of depreciation over capital allowances and other timing	**3,969**	2,995
Adjustments in respect of UK transfer pricing	**(8,400)**	(5,700)
Effect of small companies tax rate	**(16,645)**	-
Current tax charge/(credit) for the year	**32,088**	(6,690)

The company has an unrecognised deferred tax asset of £2,564 (2006 unrecognised deferred tax liability £77)

Factors that may effect future tax charges:
A number of changes to the UK corporation tax system were announced in the March 2007 Budget Statement and some were substantively enacted in the 2007 Finance Act, with further changes expected in the 2008 Finance Bill These changes do not have a material effect on the financial statements at 31 December 2007

Notes to the financial statements for the year ended 31 December 2007 (continued)

5. Dividends

	2007	2006
	£	£
Interim dividend paid - £nil per share (2006 - £25 00 per share)	-	25,000

6. Tangible assets

	Equipment
	£
Cost	
At 1 January 2007	171,428
Additions	1,985
Disposals	(1,502)
At 31 December 2007	**171,911**
Accumulated depreciation	
At 1 January 2007	131,583
Charge for the year	23,586
Eliminated on disposal	(1,502)
At 31 December 2007	**153,667**
Net book amount	
At 31 December 2007	**18,244**
At 31 December 2006	39,845

7. Debtors

	2007	2006
	£	£
Trade debtors	**464,999**	249,633
Other debtors	**34,253**	39,159
	499,252	288,792

Notes to the financial statements for the year ended 31 December 2007 (continued)

8. Creditors: amounts falling due within one year

	2007	2006
	£	£
Trade creditors	31,902	40,476
Amounts due to another group company	163,176	77,529
Other creditors	89,484	80,847
Other taxation and social security	24,137	9,462
Corporation tax	25,398	-
	334,097	208,314

Amounts owed to group undertakings are unsecured, interest free and have no fixed repayment date

9. Called up share capital

	2007	2006
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
100 ordinary shares of £1 each	100	100

10. Reserves

	Profit and loss account
	£
At 1 January 2007	125,966
Profit for the financial year	143,554
At 31 December 2007	**269,520**

Notes to the financial statements for the year ended 31 December 2007 (continued)

11. Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit/(loss) for the financial year	**143,554**	(18,596)
Dividends	-	(25,000)
Increase/(decrease) in shareholders' funds	**143,554**	(43,596)
Opening shareholders' funds	**126,066**	169,662
Closing shareholders' funds	**269,620**	126,066

12. Operating lease commitments

The company is committed to make the following annual payments under non-cancellable operating leases

	2007	2006
	£	£
Land and buildings		
Leases expiring within one year	**10,560**	10,500
Leases expiring between one and five years	**34,500**	34,500
	45,060	45,000
Motor vehicles and equipment		
Leases expiring between one and five years	**4,727**	5,000
	4,727	5,000

13. Related party transactions

During the year the company provided services to The Press Association Limited amounting to £54,000 (2006 £54,000) and incurred cost of sales of £17,000 (2006 £5,500) Amounts due to The Press Association Limited at the year-end are in included in creditors (note 8)

All related party transactions were conducted on an arms length basis

The Editorial Centre Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

14. Ultimate parent undertaking

In the opinion of the directors at 31 December 2007, the company did not have a controlling party by virtue of its two investors sharing all voting rights in respect of the company The two investing parties were The Press Association Limited and P Sands (director) The Press Association Limited is a company registered in England and Wales and is a wholly owned subsidiary of PA Group Limited

From 31 March 2008 the company's immediate parent undertaking is The Press Association Limited The company's ultimate parent company is PA Group Limited, a company registered in England & Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements Its group financial statements are available to the public from the Company Secretary at the address shown on page 1

15. Post balance sheet events

On 31 March 2008 PA Group Limited became the ultimate parent company when The Press Association Limited (a subsidiary of PA Group Limited) purchased a further 50% of the issued share capital