

Company Registration No. 3171291

Harrion Limited

Report and Financial Statements

30 September 2006

SATURDAY



AZM15OWL

A15

21/04/2007

309

COMPANIES HOUSE

Harrion Limited

Report and financial statements 2006

Contents	Page
Directors' report	1
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Harrion Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2006. This report has been prepared under the provisions of section 246 of the Companies Act, 1985.

Business review and results

The principal activity of the company is publishing. The directors expect the level of trading activity to reduce in the coming period.

Results

The results of the company are set out on page 6.

Dividends

The directors recommend that no dividend be paid (2005 £nil).

Directors

The following served as directors throughout the year:

K Harris
T J Harris
M J Alcock
M J Sicely

Directors' interests

Messrs K Harris and T J Harris held the following interests in the shares of the company:

	Preferred £1 ordinary shares	
	30 September 2006	30 September 2005
T J Harris	375	375
K Harris	400	400

The interests of Mr M J Alcock in the shares of group companies are disclosed in the financial statements of Daily Mail International Limited. The interests of Mr M J Sicely in the shares of group companies are disclosed in the financial statements of Bouverie Investments (UK) Limited. Other than these, the directors had no other interests in the company and other group companies during the year.

Harrion Limited

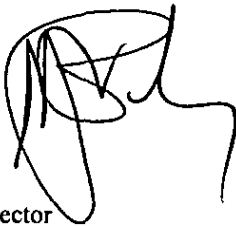
Directors' report

Auditors

To the best of the directors' knowledge and belief and having made appropriate enquiries of other officers of the company, all information relevant to enable the auditors to provide their opinion on the financial statements has been provided. The directors have taken all reasonable steps in order to ensure their awareness of any relevant audit information and to establish that the company's auditors are aware of that information.

Deloitte & Touche LLP has expressed their willingness to continue in office as auditors. The company has taken advantage of the provisions of Sections 252, 366A and 386 of the Companies Act 1985 to dispense with the requirement to lay accounts and reports before the general meeting, holding of an AGM and the annual reappointment of auditors.

Approved by the Board of Directors and signed on behalf of the board

A handwritten signature in black ink, consisting of a large, stylized 'M' or 'H' followed by a long, sweeping horizontal line that ends in a small hook.

Director

10 November 2006

Harrion Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company at the end of each year, and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- (d) 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Independent auditors' report to the members of Harrion Limited

We have audited the financial statements (the "financial statements") of Harrion Limited for the year ended 30 September 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to members those matters we are required to state to them in an auditors' 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable UK law and UK accounting standards (UK Generally Accepted Accounting Practices (UK GAAP)). Our responsibility is to audit the financial statements in accordance with relevant UK legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, 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, if 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 the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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 30 September 2006 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

Deloitte & Touche LLP
Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London
United Kingdom

10 November 2006

Harrion Limited

Profit and loss account

Year ended 30 September 2006

	Note	2006 £	2005 £
Turnover	2	151,995	244,845
Cost of sales		(135,211)	(205,617)
Gross profit		16,784	39,228
Administrative expenses		(2,168)	(2,029)
Operating profit and profit on ordinary activities before taxation	3	14,616	37,199
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		14,616	37,199
Retained profit for the financial year	12, 13	14,616	37,199

The company has no recognised gains or losses in the current or preceding year other than those included in the profit above and therefore no separate statement of total recognised gains and losses has been presented


All activities are derived from continuing operations

Harrion Limited

Balance sheet 30 September 2006

	Note	2006 £	2005 £
Current assets			
Stocks	7	1,256	2,625
Debtors	8	221,138	460,795
Cash at bank and in hand		37,593	20,320
		<u>259,987</u>	<u>483,740</u>
Creditors: amounts falling due within one year	9	<u>(525,924)</u>	<u>(764,293)</u>
Net current liabilities		<u>(265,937)</u>	<u>(280,553)</u>
Total assets less current liabilities		<u>(265,937)</u>	<u>(280,553)</u>
Capital and reserves			
Called up share capital	11	2,000	2,000
Profit and loss account	12	<u>(267,937)</u>	<u>(282,553)</u>
Shareholders' deficit	13	<u>(265,937)</u>	<u>(280,553)</u>

These financial statements were approved by the Board of Directors on 10 November 2006 and signed on its behalf by


Director

Harrion Limited

Notes to the financial statements Year ended 30 September 2006

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with UK law and UK applicable accounting standards. Accounting policies have been consistently applied throughout the current and preceding periods with the exception of changes caused by the adoption in full of FRS 17 'Retirement Benefits' and FRS 21 'Events After the Balance Sheet Date' as described below. The principal accounting policies are set out below.

As the company is a wholly owned subsidiary of a UK parent, it does not prepare consolidated accounts as permitted by Section 228 of the Companies Act 1985. Consequently these financial statements give information about the company rather than the group.

Change in accounting policy and presentation of financial information

The company has adopted FRS 17 in full for the period ended 30 September 2006. The Company previously accounted for retirement benefits under SSAP 24 "Pension costs" and gave disclosures in accordance with the FRS 17 transitional arrangements. The accounting policy for retirement benefits is described below. The adoption of FRS 17 has had no financial impact on these financial statements.

For the period ended 30 September 2006, the company provided for dividends in the period in respect of which they were declared or proposed. FRS 21 requires that dividends are recognised only in the period in which they are approved. This change has no effect on the current year financial statements.

Cash flow statement

The company is a subsidiary of DMG World Media Limited, which is wholly owned by Daily Mail and General Trust plc which publishes consolidated financial statements. Consequently the company is exempt under the terms of FRS 1 (Revised), from publishing a cash flow statement.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Harrion Limited

Notes to the financial statements Year ended 30 September 2006

1. Accounting policies (continued)

Post retirement benefits

The Daily Mail and General Trust plc Group maintains a pension scheme for eligible UK employees comprising a defined benefit section. The level of contributions required to fund the pensions under the defined benefit scheme is calculated periodically by qualified actuaries.

It is not possible to identify the company's share of the underlying assets and liabilities of the defined benefit section on a consistent and reasonable basis, therefore, in accordance with FRS 17, the defined benefit section of the scheme has been treated as if it were a defined contribution scheme.

The company's contributions to both the defined benefit section of the pension scheme are charged to the profit and loss account on an accruals basis as they become payable.

2. Turnover

Turnover is attributable to publications and represents the invoiced value of services provided during the year, net of value added tax. All services were provided mainly within the United Kingdom.

3. Operating profit and profit on ordinary activities before taxation

	2006 £	2005 £
This is stated after charging		
Auditors' remuneration – audit services	-	490
Audit fees for the year have been borne by another group company		

4. Directors' emoluments

Certain directors of the company are remunerated for their services to the group as a whole and it is not practicable to allocate their remuneration between group companies. The remuneration of Mr M J Alcock is disclosed in the financial statements of dmg world media (USA) Inc. Mr M J Sicely, Mr K Harris and Mr T J Harris have not received any remuneration as directors of this company.

5. Employee information

The average monthly number of persons employed by the company during the year (excluding executive directors) was

	2006 No.	2005 No.
By class of business		
Publishing	1	2

Harrion Limited

Notes to the financial statements Year ended 30 September 2006

5. Employee information (continued)

	£	£
Staff costs		
Wages and salaries	20,487	63,933
Social security cost	1,876	6,646
	<u>22,363</u>	<u>70,579</u>

6. Tax on profit on ordinary activities

	2006 £	2005 £
Reconciliation of current year tax charge		
Profit on ordinary activities	14,616	37,199
Tax charge thereon at standard rate (30%)	4,385	11,160
Factors affecting charge		
Disallowable items	-	-
Utilisation of brought-forward trading losses	(4,385)	(11,160)
Current tax credit for the year	-	-

7. Stocks

	2006 £	2005 £
Newsprint and consumables	<u>1,256</u>	<u>2,625</u>

8. Debtors

	2006 £	2005 £
Trade debtors	38,283	54,941
Amounts owed by group undertakings	182,500	405,854
Other debtors	355	-
	<u>221,138</u>	<u>460,795</u>

Harrion Limited

Notes to the financial statements Year ended 30 September 2006

9. Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	-	388
Amounts owed to group undertakings	499,000	730,439
Accruals and deferred income	18,234	20,798
Other taxation and social security	8,690	12,668
	<u>525,924</u>	<u>764,293</u>

10. Deferred tax

An unrecognised deferred tax asset of approximately £17,837 exists at 30 September 2006 (2005 – £22,221) in relation to unutilised tax losses. The asset has not been recognised as the directors, based on all the available evidence, cannot state whether the asset is more likely than not to be recovered.

11. Called up share capital

	2006 £	2005 £
Authorised:		
1,000 preferred ordinary shares of £1 each	1,000	1,000
100,000 ordinary shares of 1p each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid:		
1,000 preferred ordinary shares of £1 each	1,000	1,000
100,000 ordinary shares of 1p each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>

The preferred ordinary shares are given preference on the payment of any dividend, if any dividend is declared by the directors, but such a dividend is limited to the lower of £10,000 or the revenue profits for the financial period. They have preferred rights in the event of a winding up of the company to the extent of the paid up nominal value of their shares, and in addition up to £100,000 of the remaining assets of the company after the paid up nominal value of the ordinary shares has been returned.

12. Profit and loss account

	2006 £	2005 £
At 1 October	(282,553)	(319,752)
Retained profit for the year	14,616	37,199
At 30 September	<u>(267,937)</u>	<u>(282,553)</u>

Harrion Limited

Notes to the financial statements Year ended 30 September 2006

13. Reconciliation of movements in shareholders' deficit

	2006 £	2005 £
At 1 October	(280,553)	(317,752)
Profit for the year	14,616	37,199
At 30 September	<u>(265,937)</u>	<u>(280,553)</u>

14. Related party transactions

The company is a 100% subsidiary of Harrion International Limited which is in turn a 95% subsidiary of DMG World Media Limited, which is wholly owned by Daily Mail and General Trust plc which publishes consolidated financial statements. Consequently the company has taken advantage of the exemption under FRS 8 from disclosing transactions and balances with other parts of, or investees of, the Daily Mail and General Trust plc group.

15. Contingent liabilities

The company, as part of an interest set-off arrangement, has guaranteed the overdraft facilities of a number of fellow subsidiaries of the Daily Mail and General Trust group. The maximum liability of the company under the guarantee is limited to the credit balances in its bank accounts which are part of the interest set-off arrangement together with the proceeds of any items in the course of collection for the credit of such bank accounts. At 30 September 2006, the potential liability of the company was £37,593 (2005 – £21,875).

16. Ultimate parent company

The directors regard the ultimate parent company as Rothermere Continuation Limited, a company incorporated in Bermuda, which is ultimately controlled by The Viscount Rothermere. The immediate parent company that holds 95% of the ordinary share capital of the company is DMG World Media Limited, a company incorporated in Great Britain.

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