

**TAUNTON NEWSPAPERS LIMITED**

**Report and Financial Statements**

**4 October 2009**



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COMPANIES HOUSE

**REPORT AND FINANCIAL STATEMENTS 2009**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTOR**

M P Pelosi

**SECRETARY**

P S Collins

**REGISTERED OFFICE**

Northcliffe Accounting Centre  
PO Box 6795  
St George Street  
Leicester  
LE1 1ZP

**SOLICITORS**

Foot Anstey  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
Devon  
PL4 0BN

**BANKERS**

The Royal Bank of Scotland plc  
PO Box 34  
15 Bishopsgate  
London  
EC2P 2AP

**AUDITORS**

Deloitte LLP  
Bristol

## DIRECTOR'S REPORT

The director presents his annual report on the affairs of the company, the audited financial statements and auditors' report for the financial year ended 4 October 2009.

## BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Daily Mail and General Trust plc and operates as part of the group's Northcliffe Media division.

The company has not traded since 9 November 2006.

The performance of the Northcliffe Media division of Daily Mail and General Trust plc, which includes the company, is discussed in the group's Annual Report (available on [www.dmgmt.co.uk](http://www.dmgmt.co.uk)) which does not form part of this Report.

As shown in the company's profit and loss account on page 6, operating profit for the year was £nil (2008: operating loss of £37,000). Rent, rates and professional fees were incurred in the prior year by the company.

The profit before taxation for the financial year totalled £65,000 (2008: loss of £53,000). The profit related to additional consideration received with regard to an earn-out clause on the sale of the Wellington Weekly News title in October 2006.

The profit of the company after taxation for the financial year amounted to £227,000 (2008: profit of £61,000). This was largely due to the £167,000 over-provision of corporation tax in respect of prior years, and the £65,000 consideration detailed above. The director did not declare a dividend for the year (2008: £nil).

The Board monitors the company's performance in a number of ways, including key performance indicators. The key performance indicators, together with the information for 2009 and 2008, are as follows:

	2009	2008
Total turnover	-	-
Operating loss	-	(£37,000)
Net liabilities	(£1,619,000)	(£1,846,000)

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year-end has improved, compared with the previous year, in net liability terms. This is due to the profit for the year.

The company is financed by Sterling inter company accounts and equity share capital under Daily Mail and General Trust plc group arrangements. The Daily Mail and General Trust plc group has a centralised treasury function.

## GOING CONCERN

The company has ceased trading. 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.

## ENVIRONMENT

The Daily Mail and General Trust plc group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group Annual Report which does not form part of this Report. Initiatives designed to minimise the company's net impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

**DIRECTOR'S REPORT (continued)**

**DIRECTORS AND THEIR INTERESTS**

The name of the current director of the company, who held office throughout the year, is set out on page 1. In addition, M J Hindley resigned as director on 24 October 2008 and A J Hazell resigned on 5 January 2009.

None of the directors of the company who served during the year has or had a disclosable interest in any contract of significance at any stage during the year or the prior year.

**CHARITABLE AND POLITICAL DONATIONS**

There were no charitable or political donations made by the company in the year (2008: £nil).

**SUPPLIER PAYMENT POLICY**

The company's policy on supplier payments is to agree to terms of payment at the time of placing an order for goods or services. Unless different terms have been negotiated at the outset, the normal payment terms of the supplier will be accepted. The company makes every effort to abide by the terms agreed with each supplier.

**AUDITORS**

In the case of the person who is a director of the company at the date when this report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office as the company's auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Director  
and signed on behalf of the Director



P S Collins  
Secretary

11 December 2009

## **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 TAUNTON NEWSPAPERS LIMITED**

We have audited the financial statements of Taunton Newspapers Limited for the year ended 4 October 2009 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' deficit and the related 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 sections 495 and 496 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 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 director and auditors**

As explained more fully in the Director's Responsibilities Statement, the director is 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 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 director; and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 4 October 2009 and of its profit for the year 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- Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not qualified, 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.

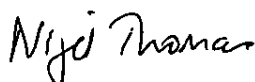
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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 (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Bristol, United Kingdom  
11 December 2009

**TAUNTON NEWSPAPERS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**Year ended 4 October 2009**

	Note	2009 £'000	2008 £'000
<b>OPERATING LOSS</b>	2	-	(37)
Profit on sale of intangible fixed assets	3	65	-
Loss on sale of tangible fixed assets		-	(16)
		<hr/>	<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		65	(53)
Tax credit on profit/(loss) on ordinary activities	5	162	114
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	10	227	61
		<hr/> <hr/>	<hr/> <hr/>

All activities relate to discontinued operations.

There have been no recognised gains and losses for the current financial year or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented.

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



**TAUNTON NEWSPAPERS LIMITED****BALANCE SHEET**  
**At 4 October 2009**

	Note	2009 £'000	2008 £'000
<b>CURRENT ASSETS</b>			
Debtors	6	910	748
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	7	<u>(2,529)</u>	<u>(2,594)</u>
<b>NET CURRENT LIABILITIES, BEING NET LIABILITIES</b>		<u>(1,619)</u>	<u>(1,846)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account	10	<u>(1,620)</u>	<u>(1,847)</u>
<b>SHAREHOLDERS' DEFICIT</b>		<u>(1,619)</u>	<u>(1,846)</u>

The financial statements of Taunton Newspapers Limited, registered number 3412645, were approved by the Director and authorised for issue on 11 December 2009.

Signed by the Director



M P Pelosi  
Director

**TAUNTON NEWSPAPERS LIMITED****RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT**  
**Year ended 4 October 2009**

	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
Profit for the financial year	227	61
Net increase in shareholders' deficit	227	61
Opening shareholders' deficit	(1,846)	(1,907)
Closing shareholders' deficit	<u>(1,619)</u>	<u>(1,846)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**1. ACCOUNTING POLICIES**

The company's financial year is the 53 weeks ended 4 October 2009. The comparative figures are for the 52-week period ended 28 September 2008. The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. A summary of accounting policies, which have been applied consistently throughout the current and the prior financial year, is set out below.

**Basis of accounting**

The financial statements are prepared under the historical cost convention.

The company is no longer trading and therefore the accounts have been prepared on a basis other than as a going concern. Full details are given in the Director's Report.

**Operating leases**

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

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation 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 the financial statements. 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 statement**

The company is a wholly owned subsidiary of Daily Mail and General Trust plc and the cash flows of the company are included in the consolidated cash flows of Daily Mail and General Trust plc. Consequently, the company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cash flow statement.

**2. OPERATING LOSS**

	2009		2008	
	£'000	£'000	£'000	£'000
Other operating income/(charges)	5		(26)	
Auditors' remuneration - audit fees	(5)		(7)	
	<hr/>		<hr/>	
Total other operating charges	-		(33)	
Depreciation - owned assets	-		(4)	
	<hr/>		<hr/>	
		-		(37)
		<hr/>		<hr/>
Operating loss		-		(37)
		<hr/>		<hr/>

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of Daily Mail and General Trust plc are required to disclose such fees on a consolidated basis.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

**3. SALE OF INTANGIBLE ASSET**

On 31 October 2006, the company sold one of its titles, the Wellington Weekly News, for an initial consideration of £192,500. After deducting pension fund liabilities, a loss of £167,000 was incurred.

As part of the sale of the Wellington Weekly News title, an earn-out clause was included. If turnover of Wellington Weekly News Limited, the new publisher of the Wellington Weekly News, fell within the range of £200,000 to £300,000 in the period April 2007 to March 2008, additional sales proceeds of up to £112,500 were receivable by the company. An additional £65,000 consideration was received by the company relating to this earn-out clause during the current financial year.

**4. EMPLOYEES AND DIRECTORS' EMOLUMENTS**

There were no employees in the current or previous financial year.

The emoluments of M J Hindley (to date of resignation) and M P Pelosi are paid by Northcliffe Media Limited. It is not practicable to split their remuneration between the services provided to Northcliffe Media Limited and its subsidiary companies. Their remuneration is fully disclosed in the financial statements of Northcliffe Media Limited.

The emoluments of A J Hazell (to date of resignation) were paid by Cornwall & Devon Media Limited. It is not practicable to split his remuneration between the services provided to Cornwall & Devon Media Limited and fellow group companies. His remuneration is fully disclosed in the financial statements of Cornwall & Devon Media Limited.

<b>5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
<b>Corporation tax</b>		
Corporation tax credit for the year	-	(113)
Over-provision in respect of prior years	(167)	-
	<u>(167)</u>	<u>(113)</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	5	(1)
	<u>5</u>	<u>(1)</u>
<b>Tax credit on profit/(loss) on ordinary activities</b>	<u>(162)</u>	<u>(114)</u>

The current tax rate for the year is 28% (2008: 29%). The current tax credit for the year is more than 28% (2008: more than 29%) for the reasons set out in the following reconciliation:

	<b>£'000</b>	<b>£'000</b>
Profit/(loss) on ordinary activities before taxation	<u>65</u>	<u>(53)</u>
Tax credit on profit/(loss) on ordinary activities at standard rate	18	(15)
Factors affecting the charge:		
Short-term pension timing differences not provided	-	(103)
Net proceeds on sale of intangible fixed asset not taxable	(18)	-
Loss on disposal of tangible fixed assets	-	5
Over-provision in respect of prior years	(167)	-
	<u>(167)</u>	<u>(113)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 4 October 2009**

<b>6.</b>	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
	Amounts owed by group undertakings	743	589
	Deferred taxation asset (note 8)	-	5
	Corporation tax recoverable	167	154
		<u>910</u>	<u>748</u>
<b>7.</b>	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
	Amounts owed to group undertakings	2,529	2,593
	Accruals and deferred income	-	1
		<u>2,529</u>	<u>2,594</u>
<b>8.</b>	<b>DEFERRED TAXATION ASSET</b>		<b>£'000</b>
	At 29 September 2008 (shown in debtors – note 6)		5
	Movement in the year		<u>(5)</u>
	At 4 October 2009 (shown in debtors - note 6)		<u>-</u>
	Deferred taxation provided in the financial statements is analysed as follows:		
		<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
	Accelerated capital allowances	<u>-</u>	<u>5</u>
	Deferred taxation is expected to reverse at 28% (2008: 28%).		
	A deferred taxation asset of £nil has been recognised at 4 October 2009 (2008: £5,000).		
<b>9.</b>	<b>CALLED UP SHARE CAPITAL</b>	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
	Authorised, allotted, called up and fully paid 1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 4 October 2009**

**10. STATEMENT OF MOVEMENTS IN RESERVES**

	<b>£'000</b>
<b>Profit and loss account</b>	
At 29 September 2008	(1,847)
Profit for the financial year	227
	<hr/>
At 4 October 2009	<u>(1,620)</u>

**11. CONTINGENT LIABILITIES**

Certain undertakings within the Northcliffe Media group are included in a group VAT registration. The contingent liability of Taunton Newspapers Limited under the group VAT registration at 4 October 2009 was £6,743,000 (2008: £4,909,000).

**12. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by FRS 8.31(C) revised 'Related party disclosures', and has not disclosed transactions with other group companies which are 100% owned by the same parent company.

**13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The company is 100% owned by Northcliffe Media Limited.

The directors regard the ultimate parent company as Rothermere Continuation Limited, a company incorporated in Bermuda. The ultimate controlling party is The Viscount Rothermere, the Chairman of Daily Mail and General Trust plc.

The largest and smallest group of which the company is a member and for which group financial statements are drawn up is that of Daily Mail and General Trust plc, registered in England and Wales. Copies of the report and financial statements are available from:

The Company Secretary  
Daily Mail and General Trust plc  
Northcliffe House  
2 Derry Street  
Kensington  
London  
W8 5TT