MEN Media Limited

Registration number 3890740

Annual Report and Financial Statements

52 weeks ended 27 December 2015

MEN Media Limited
(Registration number 3890740)

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Officers and registered office

Directors

Simon Fox

Vijay Vaghela

T M Directors Limited

Company Secretary

T M Secretaries Limited

Registered Office

One Canada Square

Canary Wharf

London

E14 5AP

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Directors' report

The directors present their annual report and financial statements for the 52 weeks ended 27 December 2015.

Results and dividends

The results for the period are set out on page 6. The retained profit for the period of £2,245,000 (2014: £5,242,000) has been transferred to reserves. The directors do not recommend the payment of a dividend for the period (2014: £nil).

Financial position and future prospects

The financial position of the company is set out on page 7. The directors are satisfied as to the future prospects of the company.

The net assets of the company have increased by £2,245,000 (2014: £5,242,000) due to the retained profit for the period.

Directors

The present membership of the Board is set out on page 1. The directors who served during the period were:

Simon Fox
Vijay Vaghela
T M Directors Limited

During the period, the company has maintained adequate cover for its directors and officers under a directors' and officers' liability insurance policy.

Employee related matters

Communication and participation of employees is achieved through formal and informal management and staff briefings and where relevant, formal union procedures. Where appropriate, communication is by individual personal letter or circular. The company policy is to give fair and equal consideration to the recruitment, employment and career development of disabled persons where suitable opportunities arise and to provide such training and other assistance as may be necessary and practicable. Employees who become disabled and are unable to continue in their existing jobs are given the opportunity to be retrained for suitable alternative employment.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 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 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.

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Directors' report (continued)

Disclosure of information to the auditor's

The directors at the date of this report confirm that:

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

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

Approved and signed on behalf of the Board of Directors

T M Secretaries Limited
27 May 2016

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Strategic report

Principal activity

The principal activity of the company is the publishing of newspapers and related digital activities and it is part of the Publishing division of Trinity Mirror plc.

Business review

The company has reported an operating profit of £2,823,000 (2014: £6,685,000). Revenue fell during the period due to a decline in advertising and other revenue. Operating profit has decreased versus the prior period due to the decrease in revenue not being offset fully by cost reductions.

Principal risks and uncertainties

The key risk to the company is that the structural challenges facing print media results in a faster than anticipated loss of revenue. The directors look to mitigate this risk by the continuing focus on reducing costs and looking for new revenue streams.

Key performance indicators

The key performance indicators that the company uses are revenue, operating profit, operating margin and audience measures. In a challenging market, as has been experienced during the period, the company seeks to target performance in line with or ahead of competitors or comparators taking account of the company's strategy.

Going concern basis

In determining whether the company's financial statements can be prepared on a going concern basis the directors have considered the factors likely to affect the future development, performance and financial position of the company. In particular, the company has considered the implications of the challenging economic environment and the reliance on the Trinity Mirror plc group.

At the date of signing of these financial statements the directors have considered all the factors impacting the company's business, including downside sensitivities. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the company's financial statements.

Approved and signed on behalf of the Board of Directors

T M Secretaries Limited
27 May 2016

Independent auditor's report to the members of MEN Media Limited

(Company Registration No. 3890740)

We have audited the financial statements of MEN Media Limited for the period ended 27 December 2015 which comprise the profit and loss account, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 17. 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 auditor

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 annual 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 December 2015 and of its profit for the 52 weeks 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 the Directors' report for the financial period 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.

Scott Bayne

Scott Bayne FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
27 May 2016

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Profit and loss account
for the 52 weeks ended 27 December 2015

	Notes	52 weeks ended 27 December 2015 £'000	52 weeks ended 28 December 2014 £'000
Turnover	2	36,713	40,959
Cost of sales		(18,258)	(19,665)
Gross profit		18,455	21,294
Distribution costs		(4,711)	(4,955)
Administrative expenses		(10,921)	(9,654)
Profit on ordinary activities before taxation	4	2,823	6,685
Tax charge on profit on ordinary activities	5	(578)	(1,443)
Retained profit for the period	13	2,245	5,242

All results relate solely to continuing operations.

There are no recognised gains or losses other than the retained profit for the period. Accordingly a separate statement of total recognised gains and losses has not been presented.

Reconciliation of movements in shareholders' funds
for the 52 weeks ended 27 December 2015

	52 weeks ended 27 December 2015 £'000	52 weeks ended 28 December 2014 £'000
Retained profit for the period	2,245	5,242
Net increase to shareholders' funds	2,245	5,242
Opening shareholders' funds	16,725	11,483
Closing shareholders' funds	18,970	16,725

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Balance Sheet
at 27 December 2015

	Notes	27 December 2015 £'000	28 December 2014 £'000
Fixed assets			
Negative goodwill	6	(121)	(254)
Tangible fixed assets	7	2,475	2,806
Investments in subsidiary undertakings	8	-	-
		2,354	2,552
Current assets			
Debtors	9	18,042	15,753
Cash at bank and hand		2	813
		18,044	16,566
Creditors: amounts falling due within one year	10	(1,370)	(2,342)
Net current assets		16,674	14,224
Total assets less current liabilities		19,028	16,776
Provisions for liabilities	11	(58)	(51)
Net assets		18,970	16,725
Equity capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	18,970	16,725
Total shareholders' funds		18,970	16,725

These financial statements were approved by the Board of Directors on 27 May 2016.

Signed on behalf of the Board of Directors

V Vaghela

Vijay Vaghela

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Notes to the financial statements for the 52 weeks ended 27 December 2015

1. Accounting policies

The accounting policies have all been applied consistently throughout the period and the preceding period. The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards. The particular accounting policies adopted are described below.

Basis of preparation

The financial statements have been prepared on a going concern basis as set out on page 4.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of newspapers and advertising space sold and sundry goods and services supplied. Revenue is measured at the fair value of the consideration received, net of applicable discounts and value added tax. Advertising revenue is recognised upon publication. Circulation revenue is recognised at the time of sale. Digital revenue is recognised over the period of the online campaign. Other revenue is recognised at the time of sale or provision of service.

Taxation

Current tax comprising UK corporation 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 taxation is provided in full at the anticipated tax rates on timing differences arising from the different treatment of items for accounting and taxation purposes. A deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The company has elected not to discount the deferred tax assets and liabilities.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised. Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in periods in which the acquired non-monetary assets are recovered through depreciation or sale.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis in order to write off the tangible fixed assets over their expected useful lives. No depreciation is provided on freehold land. Provision is made if appropriate for any impairment in value. The estimated useful lives on which depreciation rates are based are as follows:

Freehold buildings	46 years
Fixtures, fittings, plant and machinery	3 to 10 years

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension scheme arrangements

The company contributed to the Trinity Mirror Pension Plan, a defined contribution scheme during the current and prior period. The scheme has been set up under a trust that holds the financial assets separately from those of the group and is controlled by trustees. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Notes to the financial statements for the 52 weeks ended 27 December 2015

1. Accounting policies (continued)

Consolidated financial statements and cash flows

The company is exempt under Section 400 of the Companies Act 2006 from preparing group financial statements for the company and its subsidiaries, as the company is a wholly owned subsidiary of a company incorporated in England and Wales. Therefore, these financial statements represent those of the company and not the group. The company is a wholly owned subsidiary, and the cash flows of the company are included in the consolidated cash flow statement of its parent undertaking which is publicly available. Consequently the company is exempt under the provisions of Financial Reporting Standard 1 (Revised), "Cash Flow Statements", from publishing a separate cash flow statement.

2. Turnover

Turnover is comprised substantially of sales in the United Kingdom and is derived from its principal activity.

3. Information regarding directors and employees

Staff costs are as follows:

	52 weeks ended 27 December 2015 £'000	52 weeks ended 28 December 2014 £'000
Wages and salaries	6,030	6,710
Social security costs	619	667
Pension costs	289	317
	6,938	7,694

The average weekly number of employees during the period is set out below:

	No.	No.
Production	172	186
Sales and distribution	1	1
Administration	30	32
	203	219

The above excludes 5 casual workers (2014: 2) due to the impracticality of determining regular and occasional workers.

The company contributes to the Trinity Mirror Pension Plan, a defined contribution scheme. Contributions to the Trinity Mirror Pension plan, for the 52 weeks ended 27 December 2015 were £289,000 (2014: £317,000). At 27 December 2015 there were no outstanding or prepaid contributions (2014: £nil).

Directors' emoluments

The directors received no remuneration in respect of services to the company (2014: £nil).

Notes to the financial statements for the 52 weeks ended 27 December 2015

4. Profit on ordinary activities before taxation

	52 weeks ended 27 December 2015 £'000	52 weeks ended 28 December 2014 £'000
Profit on ordinary activities before taxation is after (crediting)/charging:		
Negative goodwill amortisation	(133)	(64)
Negative goodwill write offs	-	(212)
Depreciation for owned assets	331	337
Restructuring costs	968	226
Operating leases paid for plant and machinery	218	285
Operating leases paid for land and buildings	30	43

The auditor's remuneration of £31,000 (2014: £31,000) for the audit of the statutory accounts of this company has been borne and not recharged by another group company.

5. Tax charge on profit on ordinary activities

	52 weeks ended 27 December 2015 £'000	52 weeks ended 28 December 2014 £'000
Profit on ordinary activities before taxation	2,823	6,685
Current tax		
Corporation tax charge for the period	603	1,440
Prior period adjustment	(1)	31
Deferred tax		
Deferred tax credit for the period	(43)	(24)
Prior period adjustment	-	(4)
Deferred tax rate change	19	-
Tax charge in the period	578	1,443

The standard rate of corporation tax reduced from 21% to 20% on 1 April 2015. The blended rate for the accounting year is 20.25% being a mix of 21% up to 31 March 2015 and 20% from 1 April 2015 (2014: 21.5% being a mix of 23% up to 31 March 2014 and 21% from 1 April 2014).

The opening deferred tax position is recalculated in the period in which a change in the standard rate of corporation tax is substantively enacted by parliament. The change in rate from 20% to 18% was accounted for in the current year resulting in a debit to the profit and loss account of £19,000.

Notes to the financial statements for the 52 weeks ended 27 December 2015

5. Tax charge on profit on ordinary activities (continued)

Reconciliation of current tax charge

The actual rate of current tax for the period is more than 20.25% (2014: was less than 21.5%) for the reasons set out in the following reconciliation:

	52 weeks ended 27 December 2015 %	52 weeks ended 28 December 2014 %
UK effective rate of corporation tax	20.3	21.5
Expenses not deductible for tax purposes	(0.5)	(1.2)
Timing differences in respect of fixed assets	1.5	0.4
Prior period adjustment	-	0.5
Actual rate of current tax for the period	21.3	21.2

6. Negative goodwill

	52 weeks ended 27 December 2015 £'000
Cost	
At beginning of the period	947
At end of the period	947
Amortisation	
At beginning of the period	(693)
Amortisation in the period	(133)
At end of the period	(826)
Net book value	
At end of the period	121
At beginning of the period	254

Notes to the financial statements for the 52 weeks ended 27 December 2015

7. Tangible fixed assets

	Freehold land and buildings £'000	Fixtures, fittings, plant and machinery £'000	Total £'000
Cost			
At beginning of the period	1,640	3,030	4,670
Disposals	-	(100)	(100)
At end of the period	1,640	2,930	4,570
Depreciation			
At beginning of the period	151	1,713	1,864
Charge for the period	36	295	331
Disposals	-	(100)	(100)
At end of the period	187	1,908	2,095
Net book value			
At end of the period	1,453	1,022	2,475
At beginning of the period	1,489	1,317	2,806

8. Investments in subsidiary undertakings

	Investments in subsidiary undertakings £'000
Cost	
At beginning and end of the period	-

The subsidiary undertakings of the company at 27 December 2015 are as follows:

Company	Activity	% holding of ordinary share capital	Country of registration and principal operation
Surrey & Berkshire Media Limited	Non-trading	100	England and Wales
MEN Investment Limited	Non-trading	100	England and Wales
Lancashire & Cheshire County Newspapers Limited	Non-trading	100	England and Wales
Manchester Morning News Limited	Non-trading	100	England and Wales
The Advertiser Limited	Non-trading	100	England and Wales

Notes to the financial statements for the 52 weeks ended 27 December 2015

9. Debtors

	27 December 2015 £'000	28 December 2014 £'000
Trade debtors	12	21
Amounts owed by fellow subsidiaries	17,459	15,186
Other debtors and prepayments	292	291
Deferred tax asset	279	255
	18,042	15,753

The movement in the deferred tax in the financial statements is as follows:

	27 December 2015 £'000	28 December 2014 £'000
Balance at beginning of the period	255	227
Current period tax credit	43	24
Prior period adjustment	-	4
Deferred tax rate change	(19)	-
Balance at end of the period	279	255

The amounts provided in the accounts are as follows:

	27 December 2015 £'000	28 December 2014 £'000
Timing differences in respect of fixed assets	279	255

The opening deferred tax position is recalculated in the period in which a change in the standard rate of corporation tax is enacted or substantively enacted by parliament.

10. Creditors: amounts falling due within one year

	27 December 2015 £'000	28 December 2014 £'000
Trade creditors	34	185
Other creditors	127	188
Accruals and deferred income	907	1,249
Corporation tax payable	302	720
	1,370	2,342

Notes to the financial statements for the 52 weeks ended 27 December 2015

11. Provisions for liabilities

	Restructuring £'000
At beginning of the period	51
Charged in the period	968
Utilised in the period	(961)
At end of the period	58

The restructuring provision relates to the non-recurring restructuring severance incurred in the delivery of cost reduction measures. This provision is expected to be utilised during the next period.

12. Called up share capital

	27 December 2015 £	28 December 2014 £
Called up, allotted and fully paid		
1 (2014: 1) ordinary share of £1	1	1

13. Reserves

	Profit and loss account £'000
At beginning of the period	16,725
Profit for the period	2,245
At end of the period	18,970

14. Operating lease commitments

The company has annual commitments under operating leases as follows:

	Land and buildings		Other	
	27 December 2015 £'000	28 December 2014 £'000	27 December 2015 £'000	28 December 2014 £'000
Leases which expire:				
Within one year	6	7	54	116
Within two to five years	16	35	102	129
	22	42	156	245

15. Contingent liabilities

The company, together with certain of its fellow subsidiaries in the United Kingdom, has guaranteed the loans (including loan notes issued through the US Private Placement market) and bank overdraft of the ultimate parent company with certain of the group's bankers. At 27 December 2015 this amounted to £147.6 million (2014: £65.3 million).

Notes to the financial statements for the 52 weeks ended 27 December 2015

16. Ultimate parent company and immediate parent undertaking

In the opinion of the directors, the company's ultimate parent company and controlling entity at 27 December 2015 was Trinity Mirror plc, a company incorporated and registered in England and Wales. Trinity Mirror plc is the parent undertaking of the largest and smallest group, which includes the company, and for which group financial statements are prepared. Copies of the group financial statements are available from its registered office at One Canada Square, Canary Wharf London, E14 5AP.

The company's immediate parent undertaking is Trinity Mirror Regionals Limited, a company registered in England and Wales.

17. Related party transactions

The company is a wholly owned subsidiary within the group, and utilises the exemption contained in Financial Reporting Standard 8, "Related Party Disclosures", not to disclose any transactions with entities that are part of the group. The address at which the group consolidated financial statements are publicly available is shown in note 16.