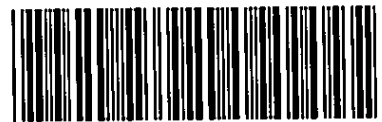


THE PERFECT POSTER COMPANY LIMITED
(Registered Number: 1131184)

ANNUAL REPORT

31 DECEMBER 2006

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COMPANIES HOUSE

THE PERFECT POSTER COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2006

DIRECTORS' REPORT

The Directors submit their report and the financial statements of the Company for the year ended 31 December 2006

REVIEW OF THE BUSINESS AND DIVIDENDS

The Company did not trade during the year under review, or in the prior period

The Directors do not recommend payment of a dividend (2005 £Nil)

DIRECTORS

The following Directors served during the period

L P Healy
B M A Hopkins
J J Parkinson
A J Round
I G Fallon

Following changes to UK company law by the Companies Act 2006, which changes came into effect on 6 April 2007, the requirements to maintain a register of Directors' interests and to disclose these interests in the Company's statutory report and accounts have been repealed. Consequently the Company no longer makes a disclosure in this regard.

THE PERFECT POSTER COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2006

DIRECTORS' REPORT (Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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.

In the case of each of the persons who are directors at the time when the report is approved, the following applies

- 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 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

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be put to the Annual General Meeting

By order of the Board



A J Round
Company Secretary

Date: 30 October 2007

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE PERFECT POSTER COMPANY LIMITED**

We have audited the financial statements of The Perfect Poster Company Limited for the year ended ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also 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 2006 and of its loss 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
1 Embankment Place
London WC2N 6RH

30 October 2007

THE PERFECT POSTER COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2006

	Note	Year ended 31 December 2006 £	Year ended 31 December 2005 £
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	-
Taxation		<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-
Preference shares appropriation	5	<u>(3,250)</u>	<u>(3,250)</u>
RETAINED LOSS FOR THE PERIOD		(3,250)	(3,250)
ACCUMULATED PROFIT BROUGHT FORWARD		3,792,057	3,792,057
Preference shares appropriation	6	<u>3,250</u>	<u>3,250</u>
RETAINED PROFIT CARRIED FORWARD		<u>3,792,057</u>	<u>3,792,057</u>

There are no recognised gains or losses other than the loss for the financial period and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained loss for the periods stated above and their historical cost equivalents

The notes on pages 6 to 7 form part of these accounts.

THE PERFECT POSTER COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Note	31 December 2006 £	31 December 2005 £
CURRENT ASSETS			
Debtors	3	3,824,560	3,824,560
		<hr/>	<hr/>
TOTAL ASSETS		3,824,560	3,824,560
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Represented by			
Called up share capital	4	32,503	32,503
Profit and loss account		<u>3,792,057</u>	<u>3,792,057</u>
		<hr/>	<hr/>
		3,824,560	3,824,560
		<hr/>	<hr/>
Comprising			
Equity interests		3,707,747	3,710,997
Non - equity interests		<u>116,813</u>	<u>113,563</u>
		<hr/>	<hr/>
SHAREHOLDER'S FUNDS INCLUDING NON-EQUITY INTERESTS	6	3,824,560	3,824,560
		<hr/>	<hr/>

Approved by the Board on *31 October* 2007



A J Round
Director

The notes on pages 6 to 7 form part of these accounts.

THE PERFECT POSTER COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' Remuneration

Auditors' remuneration is borne by the parent company

Directors' Emoluments and Employees

No Director received any emoluments from the Company in respect of services during the period (2005 Nil)

Details of the Directors emoluments in respect of their services to the Group can be found in the financial statements of Independent News & Media (UK) Limited and Independent News & Media PLC There were no employees during the period (2005 Nil)

3 DEBTORS

	2006	2005
	£	£
Amounts owed by parent undertaking	<u>3,824,560</u>	<u>3,824,560</u>
	<u>3,824,560</u>	<u>3,824,560</u>

Amounts owed by parent undertaking are non-interest bearing, unsecured and repayable on demand

4 CALLED UP SHARE CAPITAL

	Authorised		Allotted and fully paid	
	2006	2005	2006	2005
	£	£	£	£
Equity shares				
Ordinary £1 shares	5,000	5,000	3	3
Non – equity shares				
'A' redeemable cumulative £1 Preference shares	45,000	45,000	-	-
'B' redeemable cumulative £1 Preference shares	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>
	<u>82,500</u>	<u>82,500</u>	<u>32,503</u>	<u>32,503</u>

The preference shares have priority on dividends and payment of capital However they have no voting rights unless the fixed preferential dividend remains unpaid The preference shares are redeemable at the option of the Company

THE PERFECT POSTER COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

5 ARREARS OF CUMULATIVE PREFERENCE DIVIDEND

The dividends in arrears on the 'B' 10% redeemable cumulative preference shares at 31 December 2006 amount to £84,313 (2005 £81,063)

6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2006 £	2005 £
Loss attributable to shareholders	(3,250)	(3,250)
Preference shares appropriation	3,250	3,250
Opening shareholder's funds	<u>3,824,560</u>	<u>3,824,560</u>
Closing shareholder's funds	<u>3,824,560</u>	<u>3,824,560</u>

7 CASH FLOW STATEMENT

The Company is exempt from producing a cash flow statement under Financial Reporting Standard 1 as it is wholly owned by a parent undertaking established under the law of a member state of the European Community. The parent undertaking prepares consolidated financial statements, including a consolidated cash flow statement, which includes all subsidiary undertakings and these financial statements are drawn up in accordance with companies legislation promulgated within the Republic of Ireland.

8 ULTIMATE HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Independent News & Media (UK) Limited, a company incorporated in Great Britain and registered in England. The ultimate holding company is Independent News & Media PLC, a company incorporated in the Republic of Ireland.

As permitted by paragraph 3(c) of FRS8 - Related Party Disclosures, transactions with other entities in the Group are not disclosed. There are no other related party transactions.

The only consolidated accounts produced that include the results of the Company are those of Independent News & Media PLC. A copy of those accounts can be obtained from Independent House, 2023 Bianconi Avenue, Citywest Business Campus, Naas Road, Dublin 24, Ireland.