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# Report of the directors



The directors present their report and audited financial statements of the Group for the year ended 28 March 2010.

## Activities and business review

The principal activity of the Group is the dissemination of news, information and advertising matter by way of print and other media.

The Group results for the period are set out in the income statement on page 41. A review of the Group's performance, future prospects and financial risks are contained in the statement from the chair on pages 4 to 6, the chief executive's review of operations on pages 7 to 12, the financial review on pages 23 to 26, and the financial instruments accounting policy on pages 47 to 48.

On 3 March 2010, the Board declared a dividend of 22.2p (2009 11.1p) per share on the ordinary share capital amounting to £200,000 (2009 £100,000) which was paid to The Scott Trust Limited on 3 March 2010.

## Land and buildings

The market value of land and buildings owned by the Group is estimated by the directors to be approximately £1.6 million greater than its balance sheet value of £11.0 million.

## Employee involvement

There is regular contact between management and staff, and with employees' representatives, to ensure that employees are provided with information on matters of concern to them as employees and are aware of the financial and economic factors affecting the performance of the Group, and so that their views can be taken into account in making decisions which are likely to affect their interests.

## Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

## Creditor payment policy

The Group has implemented systems to ensure the prompt recognition of all identifiable liabilities to creditors and payments are made to these creditors in line with the CBI's Prompt Payment Code. The creditor days figure for the Group at the year end was 25 days (2009 27 days).

## Donations

Charitable donations during the year totalled £371,776 (2009 £472,468), of which £328,641 (2009 £329,573) was paid to national charities, £30,604 (2009 £46,578) to local charities and £12,531 (2009 £96,317) to overseas charities. There were no contributions to political organisations during the year (2009 £nil).

## Ownership

All the ordinary shares of Guardian Media Group plc are owned by The Scott Trust Limited.

## Directors

The directors are listed on pages 13 and 14.

Nick Castro and Mark Dodson, who were directors on 29 March 2009, resigned on 2 November 2009 and 28 March 2010 respectively. Andrew Miller was appointed as a director on 2 November 2009. Neil Berkett and Simon Fox were appointed as independent directors on 3 November 2009 and 1 May 2010 respectively. All other directors served throughout the year.

# Report of the directors continued

## Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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 prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the Parent Company 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 Group and the Company and of the profit or loss of the Group 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 IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Disclosure of information to auditors

The directors confirm that so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware and 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.

This statement is given and should be interpreted in accordance with the provision of S418 of the Companies Act 2006.

## Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the chief executive's report on pages 7 to 12. The financial position of the Group, its cash flows, liquidity position and borrowing facility are described in the financial review on pages 23 to 26.

In addition, note 2 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## Financial risk management

The financial risk management objectives and policies of the Group are detailed in note 2 of the notes relating to the financial statements.

## Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

## Post balance sheet events

Details of post balance sheet events are given in note 27 on page 68.

By Order of the Board

Phil Boardman

Secretary  
9 June 2010

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