

Registration number 3156223

# Bristol News & Media Limited

Directors' Report and Financial Statements

for the Year ended 2 October 2011

TUESDAY



\*A19XW7PU\*

A27

29/05/2012

#99

COMPANIES HOUSE

---

## **Bristol News & Media Limited**

### **Contents**

Company Information .....	page 1
Directors' Report .....	page 2 to 5
Directors' Responsibilities Statement - - - - -	page 6
Independent Auditors' Report .....	page 7 to 8
Profit and Loss Account .....	page 9
Balance Sheet - - - - -	page 10
Reconciliation of Movement in Shareholders' Funds .....	page 11
Notes to the Financial Statements - - - - -	page 12 to 28

---

## **Bristol News & Media Limited**

### **Company Information**

<b>Directors</b>	C Coward T Dixon M R Norton K Ward S A Auckland
<b>Company secretary</b>	P S Collins
<b>Registered office</b>	Northcliffe Accounting Centre PO Box 6795 St George Street Leicester LE1 1ZP
<b>Bankers</b>	The Royal Bank of Scotland plc Corporate Services PO Box 34 15 Bishopsgate London EC2P 2AP
<b>Solicitors</b>	Foot Anstey Salt Quay House 4 North East Quay Sutton Harbour Plymouth Devon PL4 0BN
<b>Auditors</b>	Deloitte LLP Chartered Accountants and Statutory Auditors Bristol United Kingdom

---

## **Bristol News & Media Limited**

### **Directors' Report for the Year Ended 2 October 2011**

The directors present their annual report on the affairs of the Company, together with the financial statements for the period from 4 October 2010 to 2 October 2011

#### **Principal activity**

The principal activity of the Company was the publishing of newspapers in Bristol

On the 30 September 2011 all of the employees of the business were transferred and all of the trade together with the trading assets and liabilities (excluding current tax balances) were sold to Northcliffe Media Limited for a consideration of £4,000,000. The value of the net liabilities of the Company that were transferred was £1,800,000, realising a profit on disposal of £5,800,000

#### **Going Concern**

As explained in the principal activity section of the Directors' Report, the Company transferred its trade and trading assets and liabilities to Northcliffe Media Limited, a fellow subsidiary company on 30 September 2011 and has ceased trading. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

#### **Business review**

The Company has ceased trading and has transferred all trade, trading assets and employees to Northcliffe Media Limited. The Directors are therefore of the opinion that the risks and uncertainties are negligible.

#### **Employees**

Details of the number of company employees and related costs can be found in the notes to the financial statements

## Bristol News & Media Limited

### Directors' Report for the Year Ended 2 October 2011

..... (continued)

#### Results and dividends

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

As shown in the Company's profit and loss account, the Company's sales have decreased by £1,701,000 (6.7%) over the prior year, approximately in line with industry declines, due to the economic climate. The main reasons for the decrease were lower recruitment (down 34.7%) and property (down 19.1%) advertising revenue streams, together with a 6.8% decrease in circulation revenue. Other advertising revenue streams also showed a decrease but to a lesser degree. Due to the adoption of wholesale distribution and the resulting change in accounting for wholesaler commission, year on year circulation revenue is not directly comparable. The operating result has declined by £526,000 due to the lower sales, only partially being offset by reduced staff, other costs and a reduced charge for fixed asset investments of £285,000 (2010: £1,000,000).

The profit of the Company after taxation for the financial year amounted to £5,725,000 (2010: £165,000). This increase is largely due to the £5,800,000 profit on sale of the trading assets to Northcliffe Media Limited.

The directors have not paid a dividend for the year (2010: £nil).

The balance sheet of the financial statements shows that the Company's financial position at the year-end has improved in net asset terms, with net assets increasing by £5,725,000 during the year, due to the profit for the year not being distributed as dividends.

The Company's key financial and other performance indicators during the period were as follows:

	Unit	2011	2010
Advertising turnover	£	16,037,000	16,925,000
Circulation turnover	£	6,849,000	7,345,000
Other turnover	£	953,000	1,270,000
Total turnover	£	23,839,000	25,540,000
Operating profit	£	28,000	554,000
% operating profit margin	%	1	6
Profit after tax	£	5,725,000	165,000
Employees (average number)	FTE	318	471
Net assets	£	11,174,000	5,449,000

## **Bristol News & Media Limited**

### **Directors' Report for the Year Ended 2 October 2011**

*..... (continued)*

#### **Directors of the Company**

The directors who held office during the period were as follows

S Anderson-Dixon (resigned 8 July 2011)

C Coward

T Dixon

T Hawkins (resigned 21 September 2011)

M R Norton

M P Pelosi (resigned 21 March 2011)

D Stickler (resigned 26 August 2011)

K Ward

S A Auckland (appointed 21 March 2011)

#### **Policy on payment of suppliers**

The Company's purchase ledger was operated by A&N Media Finance Services Limited ("ANMFS"), a fellow subsidiary of Daily Mail and General Trust plc. The policy of ANMFS, and companies using ANMFS' services, 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.

Trade creditors for ANMFS as at 2 October 2011 were equivalent to 24 days (2010: 24 days) purchases, based on the average daily amount invoiced by suppliers during the year.

#### **Political donations**

Political donations made by the Company during the period amounted to £nil (2010: £nil).

#### **Charitable donations**

Charitable donations made by the Company during the period amounted to £nil (2010: £2,081).

#### **Disclosure of information to the auditors**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have 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 information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Bristol News & Media Limited**

**Directors' Report for the Year Ended 2 October 2011**

*. .... (continued)*

**Reappointment of auditors**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

30<sup>th</sup> January 2012  
Approved by the Board on                      and signed on its behalf by



P S Collins  
Company secretary

---

## **Bristol News & Media Limited**

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the Directors' 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). 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 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.



## **Independent Auditors' Report to the Members of Bristol News & Media Limited**

We have audited the financial statements of Bristol News & Media Limited for the period from 4 October 2010 to 2 October 2011, which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Movement in Shareholders' Funds and Notes to the Financial Statements - notes 1 to 19. 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 auditors**

As explained more fully in the Directors' Responsibilities Statement (set out on page 6), 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 (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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 2 October 2011 and of its profit for the period 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**

In forming our opinion on the financial statements, which is not modified, 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditors' Report to the Members of  
Bristol News & Media Limited**

*. . . . (continued)*

**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*

Nigel Thomas (Senior Statutory Auditor)

For and on behalf of Deloitte LLP, Chartered Accountants & Statutory Auditors  
Bristol, UK

Date *27/2/2012*

## Bristol News & Media Limited

### Profit and Loss Account for the Year Ended 2 October 2011

Turnover and operating profit derive wholly from discontinued operations

	Note	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
Turnover	2	23,839	25,540
Cost of sales		<u>(10,936)</u>	<u>(12,516)</u>
Gross profit		12,903	13,024
Administrative expenses		<u>(12,590)</u>	<u>(11,470)</u>
Operating profit	3	313	1,554
Profit on sale of discontinued operations		5,800	-
Amounts written off investments		<u>(285)</u>	<u>(1,000)</u>
Profit on ordinary activities before taxation		5,828	554
Tax charge on profit on ordinary activities	5	<u>(103)</u>	<u>(389)</u>
Profit for the financial period		<u>5,725</u>	<u>165</u>

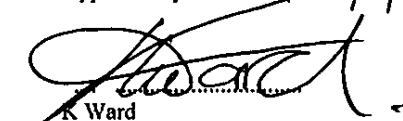
The Company has no recognised gains or losses for the period other than the results above and therefore no separate statement of recognised gains and losses has been presented

There is no difference between the profit/(loss) for the periods stated above, and their historical cost equivalents

**Bristol News & Media Limited**  
**(Registration number: 3156223)**  
**Balance Sheet at 2 October 2011**

	Note	2 October 2011 £ 000	3 October 2010 £ 000
<b>Fixed assets</b>			
Intangible fixed assets	8	-	55
Tangible fixed assets	9	-	982
Investments	10	872	1,157
		<u>872</u>	<u>2,194</u>
<b>Current assets</b>			
Debtors	11	14,488	191,723
Cash at bank and in hand		-	29
		<u>14,488</u>	<u>191,752</u>
Creditors Amounts falling due within one year	12	(4,186)	(188,497)
Net current assets		<u>10,302</u>	<u>3,255</u>
<b>Net assets</b>		<u>11,174</u>	<u>5,449</u>
<b>Share Capital and Reserves</b>			
Called up share capital	14	-	-
Profit and loss account	15	11,174	5,449
<b>Shareholders funds</b>		<u>11,174</u>	<u>5,449</u>

Approved by the Board on 30/11/12 and signed on its behalf by

  
K Ward  
Director

# **Bristol News & Media Limited**

## **Reconciliation of Movement in Shareholders' Funds for the Year Ended 2 October 2011**

	<b>Year ended 2 October 2011 £ 000</b>	<b>Year ended 3 October 2010 £ 000</b>
Profit attributable to the members of the Company	<u>5,725</u>	<u>165</u>
Net addition to Shareholders' Funds	5,725	165
Shareholders' funds at start of period	<u>5,449</u>	<u>5,284</u>
Shareholders' funds at end of period	<u>11,174</u>	<u>5,449</u>

## **Bristol News & Media Limited**

### **Notes to the Financial Statements for the Year Ended 2 October 2011**

#### **1 Accounting policies**

##### **Basis of preparation**

The accounting policies below have been applied on a consistent basis in both the current and prior periods. The annual financial statements are made up to the Sunday nearest to 30 September. The financial period ended 2 October 2011 and 3 October 2010 consists of 52 weeks.

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. As the Company is a wholly owned subsidiary of a UK parent, it does not prepare consolidated accounts as permitted by s400 Companies Act 2006. Consequently these financial statements give information about the Company rather than the Group.

The Directors have changed the format of the profit and loss account in order to align with the rest of the group and to better reflect the nature of the operations following significant changes in the business operations in recent years.

##### **Going concern**

As explained in the principal activity section of the Directors' Report, the Company transferred its trade and trading assets and liabilities to Northcliffe Media Limited, a fellow subsidiary company on 30 September 2011 and has ceased trading. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

##### **Intangible fixed assets**

Intangible assets with finite lives are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight line basis, with a full year's charge in the year of acquisition and none in the year of disposal. The useful estimated lives are as follows:

<b>Asset class</b>	<b>Amortisation rate</b>
Publishing rights	20 years
Franchise fees	5 years

##### **Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

<b>Asset class</b>	<b>Depreciation rate</b>
Fixtures & fittings	4-15 years
Plant and equipment	4-15 years
Motor vehicles	4-15 years

##### **Investments**

Investments in subsidiaries are stated at cost, less any provision for impairment, where appropriate.

##### **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.

## **Bristol News & Media Limited**

### **Notes to the Financial Statements for the Year Ended 2 October 2011**

*..... (continued)*

#### **Deferred tax**

Deferred tax 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 financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. 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.

#### **Pensions**

The Company participates in the Daily Mail and General Trust Group's defined benefit pension schemes and defined contribution schemes.

As it is not possible to identify the Company's share of the underlying assets and liabilities of the Group's defined benefit pension schemes on a consistent and reasonable basis, in accordance with FRS 17, the defined benefit schemes are accounted for as if they were defined contribution schemes. The Company's contributions to both the defined benefit and defined contribution pension schemes are charged to the profit and loss account on an accruals basis as they become payable.

#### **Cash flow**

The Company is a wholly owned subsidiary of Daily Mail and General Trust plc (DMGT) and the cash flows of the Company are included in the consolidated cash flow of that company. Consequently the Company is exempt under the terms of FRS 1(revised) from publishing a separate cash flow statement.

#### **Related party transactions**

The Company has taken advantage of the exemptions under paragraph 3(c) of FRS 8 not to disclose transactions or balances with entities that are wholly owned by the DMGT Group.

#### **Hire purchase and leasing**

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

## **2 Turnover**

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied and is stated after the deduction of trade discounts. Revenue is recognised on the publication of advertising or on the sale of newspapers. Other revenue is recognised as the goods or services are provided.

Turnover consists entirely of sales made in the United Kingdom and is attributable to the principal activity of the company.

**Bristol News & Media Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

..... *(continued)*

**3 Operating profit**

Operating profit is stated after charging/ (crediting)

	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
Operating leases - plant and machinery	82	161
Operating leases - other assets	730	1,106
Fees payable to the Company's auditors for the audit of the Company's annual accounts	30	33
Profit on sale of tangible fixed assets	-	(1,251)
Depreciation of owned assets	329	622
Amortisation	<u>6</u>	<u>6</u>

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

Operating leases - other assets comprises of operating leases on land and buildings £543,000 (2010 £738,000) and operating leases on motor vehicles £187,000 (2010 £368,000)

During the year the company impaired it's fixed asset investments by £285,000 (2010 £1,000,000)



**Bristol News & Media Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

..... *(continued)*

**4 Profit on sale of discontinued operations**

	<b>Year ended 2 October 2011 £ 000</b>	<b>Year ended 3 October 2010 £ 000</b>
Profit on sale of discontinued operations	<u>5,800</u>	<u>-</u>

On the 30 September 2011 all of the employees of the business were transferred and all of the trade together with the trading assets and liabilities (excluding current tax balances) were sold to Northcliffe Media Limited for a consideration of £4,000,000. The value of the net liabilities of the Company that were transferred was £1,800,000, realising a profit on disposal of £5,800,000.

# Bristol News & Media Limited

## Notes to the Financial Statements for the Year Ended 2 October 2011

..... (continued)

### 5 Taxation

#### Tax on profit on ordinary activities

	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
<b>Current tax</b>		
Corporation tax charge at 27% (2010 - 28%)	62	354
Adjustments in respect of previous years	(112)	243
Current tax (credit)/ charge	(50)	597
<b>Deferred tax</b>		
Origination and reversal of timing differences	444	(110)
Deferred tax adjustment relating to previous years	(291)	(98)
Total deferred tax (note 13)	153	(208)
Tax charge on profit on ordinary activities	103	389

#### Factors affecting current tax charge for the period

Tax on profit on ordinary activities for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK of 27% (2010 - 28%). The differences are reconciled below

	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
Profit on ordinary activities before taxation	5,828	554
Corporation tax at standard rate (27% (2010 - 28%))	1,574	155
Depreciation in excess of capital allowances	(444)	256
Expenses not deductible for tax purposes	8	13
Impairment of fixed asset investments not deductible for tax	77	280
Adjustments in respect of prior years	(112)	243
Profit on disposal of tangible fixed assets (non-taxable)	-	(350)
Profit on sale of trading assets not taxable	(1,566)	-
Other differences	413	-
Total current tax	(50)	597

## Bristol News & Media Limited

### Notes to the Financial Statements for the Year Ended 2 October 2011

..... (continued)

#### Factors that may affect future tax charges

Legislation reducing the main rate of corporation tax from 28% to 26% with effect from 1 April 2011 was substantively enacted during the period. Accordingly, current tax has been provided for at an effective rate of 27% in these financial statements. Further reductions to the main rate of corporation tax of 1% per annum to 23% by 1 April 2014 have been announced by the government and the reduction to 25% was substantively enacted on 19 July 2011.

The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year. There are no deferred tax assets or liabilities in the Company and as a result the changes to the rate of tax have no impact on the deferred tax.

#### 6 Particulars of employees

The aggregate payroll costs were as follows

	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
Wages and salaries	8,730	11,049
Social security costs	790	887
Staff pensions	850	1,086
	<u>10,370</u>	<u>13,022</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows

	Year ended 2 October 2011 No.	Year ended 3 October 2010 No.
Administration and support	<u>318</u>	<u>471</u>

# Bristol News & Media Limited

## Notes to the Financial Statements for the Year Ended 2 October 2011

..... (continued)

### 7 Directors' remuneration

The directors' remuneration for the period was as follows

	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
Remuneration (including benefits in kind)	911	1,224
Compensation for loss of office	<u>561</u>	<u>72</u>

In respect of the highest paid director

	Year ended 2 October 2011 £ 000	Year ended 3 October 2010 £ 000
Remuneration	308	476
Defined benefit accrued pension entitlement at the end of the period	<u>90</u>	<u>88</u>

Included within the aggregate emoluments figure above are £162,000 (2010 £396,000) of performance related bonuses payable to certain directors by Northcliffe Media Holdings Limited, the parent company. These costs are not recharged to the company. Of the directors at 2 October 2011 who received emoluments during the year, retirement benefits are accruing to four under a defined benefit scheme (2010 seven).

The emoluments of M P Pelosi (to date of resignation) and S A Auckland were paid by Northcliffe Media Holdings Limited and are excluded from the details above. It is not practicable to split their remuneration between the services provided to Northcliffe Media Holdings Limited and its subsidiary companies. Their remuneration is fully disclosed in the financial statements of Northcliffe Media Holdings Limited.

**Bristol News & Media Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

..... *(continued)*

**8 Intangible fixed assets**

	<b>Publishing rights &amp; titles £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>		
At 4 October 2010	207	207
Disposals	<u>(207)</u>	<u>(207)</u>
At 2 October 2011	<u>-</u>	<u>-</u>
<b>Amortisation</b>		
At 4 October 2010	152	152
Charge for the period	6	6
Eliminated on disposals	<u>(158)</u>	<u>(158)</u>
At 2 October 2011	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 2 October 2011	<u>-</u>	<u>-</u>
At 3 October 2010	<u>55</u>	<u>55</u>

The net book value of disposals of £49,000 all relates to amounts transferred to Northcliffe Media Limited

**Bristol News & Media Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

..... *(continued)*

**9 Tangible fixed assets**

	Freehold properties £ 000	Plant and machinery £ 000	Fixtures and fittings £ 000	Motor vehicles £ 000	Total £ 000
<b>Cost or valuation</b>					
At 4 October 2010	2,314	4,951	1,894	31	9,190
Additions	-	9	-	-	9
Disposals	(2,314)	(4,960)	(1,894)	(31)	(9,199)
At 2 October 2011	-	-	-	-	-
<b>Depreciation</b>					
At 4 October 2010	2,314	4,257	1,618	19	8,208
Charge for the period	-	282	47	-	329
Eliminated on disposals	(2,314)	(4,539)	(1,665)	(19)	(8,537)
At 2 October 2011	-	-	-	-	-
<b>Net book value</b>					
At 2 October 2011	-	-	-	-	-
At 3 October 2010	-	694	276	12	982

The net book value of disposals of £662,000 all relates to amounts transferred to Northcliffe Media Limited

# Bristol News & Media Limited

## Notes to the Financial Statements for the Year Ended 2 October 2011

..... (continued)

### 10 Investments

	Subsidiary undertakings £ 000	Total £ 000
<b>Cost</b>		
At 4 October 2010	2,857	2,857
At 2 October 2011	2,857	2,857
<b>Provision for impairment</b>		
At 4 October 2010	(1,700)	(1,700)
Charge for the period	(285)	(285)
2 October 2011	(1,985)	(1,985)
<b>Net book value</b>		
At 2 October 2011	872	872
At 3 October 2010	1,157	1,157

During the year, an impairment charge of £285,000 was made against the carrying value of the Company's fixed asset investments (2010 £1,000,000)

In the opinion of the Directors, the value of the investment in subsidiaries is not less than their book value

### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>			
Bristol Evening Post and Press Limited	Ordinary	100%	Non-trading
Brunel Press Limited	Ordinary	100%	Non-trading
Chew Valley Gazette Limited	Ordinary	100%	Non-trading
Bristol Evening Post Limited	Ordinary	100%	Non-trading
BUP Properties Limited	Ordinary	100%	Non-trading
News of the West Limited	Ordinary	100%	Non-trading
Venue Publishing Limited	Ordinary	100%	Non-trading
Western Media FPC Limited	Ordinary	100%	Non-trading
Fine Line Films and Television Limited	Ordinary	95%	Non-trading

**Bristol News & Media Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

..... *(continued)*

**11 Debtors**

	<b>2 October 2011 £ 000</b>	<b>3 October 2010 £ 000</b>
Trade debtors	-	7,348
Amounts owed by group undertakings	14,488	183,651
Other debtors	-	235
Deferred tax	-	153
Prepayments and accrued income	-	336
	<u>14,488</u>	<u>191,723</u>

**12 Creditors: Amounts falling due within one year**

	<b>2 October 2011 £ 000</b>	<b>3 October 2010 £ 000</b>
Amounts owed to group undertakings	4,124	184,942
Corporation tax	62	372
Other taxes and social security	-	2,198
Accruals & deferred income	-	985
	<u>4,186</u>	<u>188,497</u>



**Bristol News & Media Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

..... *(continued)*

**13 Deferred tax asset**

The movement in the deferred tax asset in the period is as follows

	2 October 2011 £ 000	3 October 2010 £ 000
At start of the period	153	(55)
Deferred tax (charged)/credited to the profit and loss account	(153)	208
At end of the period	<u>-</u>	<u>153</u>

**Analysis of deferred tax**

	2 October 2011 £ 000	3 October 2010 £ 000
Difference between accumulated depreciation and capital allowances	-	153
	<u>-</u>	<u>153</u>

**14 Share capital**

**Allotted, called up and fully paid shares**

	2 October 2011		3 October 2010	
	No.	£	No	£
Ordinary of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**15 Reserves**

	Profit and loss account £ 000	Total £ 000
At 4 October 2010	5,449	5,449
Profit for the period	<u>5,725</u>	<u>5,725</u>
At 2 October 2011	<u>11,174</u>	<u>11,174</u>

## **Bristol News & Media Limited**

### **Notes to the Financial Statements for the Year Ended 2 October 2011**

..... *(continued)*

#### **16 Contingent liabilities**

Certain undertakings within the A&N Media group are included in a group VAT registration. The contingent liability of Bristol News & Media Limited under the group VAT registration at 2 October 2011 was £4,309,000 (2010 £2,010,000).

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 plc group. The maximum liability under the guarantee is limited to the credit balances on those 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 2 October 2011, the potential liability was £nil (2010 £56,000).

#### **17 Pension schemes**

The Company operates AN PensionSaver, a group personal pension arrangement under which contributions are paid by the employer and employees. It also participates in a defined benefit pension scheme operated by Daily Mail and General Trust plc.

##### **AN PensionSaver**

AN PensionSaver is the principal pension arrangement offered to employees of the Company.

Assets of the plan are invested in funds selected by members and held independently from the Company's finances. The investment and administration of the plan is undertaken by Fidelity Pension Management.

## Bristol News & Media Limited

### Notes to the Financial Statements for the Year Ended 2 October 2011

. . . . . (continued)

#### Harmsworth Pension Scheme

The Company participates in the Harmsworth Pension Scheme, a defined benefit scheme operated by the Daily Mail and General Trust plc (DMGT), providing service-related benefits. The assets of the scheme are held independently from the Company's finances and are administered by a trustee company. The scheme is no longer offered to new employees of the Company.

With effect from 1 April 2011 the benefit design of the scheme changed significantly to align with DMGT's objective of controlling risk and cost going forward. On the same date the scheme also ceased to be contracted-out of the State Second Pension. The scheme continues to operate on a defined benefit basis but total benefits are no longer linked to final salary. These changes do not affect benefit entitlements accrued by members prior to 1 April 2011. Benefits accrued up to 31 March 2011 are protected on a final salary basis, but they have been de-linked from pensionable salary. This part of a member's benefit will instead be increased in line with the retail price index (RPI), capped at 5%.

From 1 April 2011 benefits are accrued on a cash basis rather than a pension basis with members building up a retirement account (a cash balance which is used to buy an annuity from an insurance company at retirement). The accumulated retirement account is calculated on a Career Average Revalued Earnings (CARE) basis using pensionable pay history.

DMGT communicated these changes through a formal employee consultation process that ended in February 2011.

The scheme was closed to new employees with effect from 1 October 2009 and will fully close to new entrants on 31 March 2012. Full actuarial valuations of the defined benefit scheme is carried out triennially by the actuary. The latest valuation as at 31 March 2010 was signed on 30 June 2011 along with a new schedule of contributions. In view of the closure of the scheme to new entrants, it was agreed to use a control period, over which the future contribution rate is assessed, equal to the average working lifetime of the active membership, known as the attained age method. The valuation as at 31 March 2010 and the funding basis arising from it makes allowance for the scheme changes described above.

The rates of normal cash contributions paid by the Company to the scheme under the two schedules of contributions in force during the year were 18.0% of members' scheme salaries (2010: 18.0%) for the six-month period to 31 March 2011 (with employees contributing either 5.0% or 7.5% depending on which section of the scheme they are in), followed by six-months from 1 April 2011 of the equivalent of 10.0% of members' basic salary for the 'Standard' section (with members contributing 4%) and 15.0% of members' basic salary for the 'Plus' section (with members contributing 6.0%). As a part of funding agreements with the trustees of the main schemes DMGT has agreed Recovery Plans involving a series of annual funding payments amounting to £265.9 million over a period to end on 5 October 2023. The first of these payments amounting to £36.7 million was made by DMGT post year-end on 5 October 2011. The normal and deficit funding payments described above are subject to review following subsequent actuarial valuations.

The contributions payable to the scheme are determined by the trustee company after taking advice from an independent qualified actuary and following agreement with DMGT.

The funding strategy agreed with the trustee of the scheme in connection with the 2007 valuation made allowance for assumed future investment returns on the scheme's assets of 3.3% p.a. above price inflation, compared with the real return of some 2.6% p.a. implicit within the calculation of the Technical Provisions (i.e. the value of the scheme's benefit liabilities). DMGT agreed with the trustee that this margin would be covered by a contingent asset and DMGT has put in place a letter of credit (to be updated annually) of an amount sufficient to cover any potential shortfall in this additional investment return arising prior to the 2010 triennial valuation. As at 2 October 2011, the letter of credit had a value of £53.6 million (2010: £46.9 million).

## Bristol News & Media Limited

### Notes to the Financial Statements for the Year Ended 2 October 2011

..... (continued)

#### Pension arrangements

Price inflation RPI - 3.5% pa

Price inflation CPI - 2.9% pa

Salary increases - 3.3% pa

Pension increases (on excess over GMP\*) - 3.3% pa

#### Discount rate for accrued liabilities

Pre-retirement - 6.5% pa

Post-retirement - 4.9% pa

*\* Guaranteed minimum pension (GMP) is the minimum pension that a scheme must legally provide by being contracted out of the earnings-related part of the State Pension*

The financial assumptions shown above used in the most recent actuarial valuation were selected to provide a basis for funding the schemes and are not intended to reflect the Company's experience or policy regarding pay in any one financial year

The valuation of the scheme showed that the combined accumulated assets of the scheme as at 31 March 2010 and taking account of the scheme changes from 1 April 2011 represented 83% of the scheme's Technical Provisions in respect of past service benefits. Recent quarterly updates provided to the trustee indicate that the funding position has since deteriorated in common with most other defined benefit plans

Members are able to make additional voluntary contributions (AVCs) into unit-linked funds held within each scheme. No benefit obligation arises to DMGT, or the Company, from these AVCs and the related unit-linked AVC assets have been excluded from the valuation of assets and liabilities reported below

The Company and its fellow subsidiaries which contribute to the scheme are unable to identify its share of the underlying assets and liabilities in the defined benefit schemes in which it participates. The schemes are operated on an aggregate basis with no segregation of the assets to individual participating employers and, therefore, the same contribution rate is charged to all participating employers (ie the contribution rate charged to each employer is affected by the experience of the schemes as a whole). The schemes are therefore accounted for as defined contribution schemes by the Company. This means that the pension charge reported in these financial statements is the same as the cash contributions due in the period.

The ultimate parent company, Daily Mail and General Trust plc, is required to account for defined benefit schemes under International Accounting Standard 19 "Employee Benefits" ("IAS 19"). The IAS 19 disclosures in the Annual Report and Accounts of Daily Mail and General Trust plc have been based on calculations performed as part of the work being carried out for the formal valuation of the scheme as at 31 March 2010, and adjusted to 2 October 2011 to take account of membership data as at 30 September 2011. The calculations are adjusted to allow for the assumptions and actuarial methodology required by IAS 19. These showed that the market value of the principal scheme's assets was £1,333.6 million (2010: £1,342.6 million) and that the actuarial value of these assets represented 83.0% (2010: 86.2%) of the benefits that had accrued to members (also calculated in accordance with IAS 19) resulting in a reported deficit of £273.2 million at 2 October, 2011 (2010: £214.3m deficit). The size of the surplus or deficit in the schemes, as measured for funding purposes, impacts on the calculations undertaken by the actuary to determine the cash funding (contributions) required from the companies that participate in the schemes. The valuations and disclosures required under IAS 19 for the financial statements of Daily Mail and General Trust plc are not materially different to the valuations and disclosures required under FRS 17.

## Bristol News & Media Limited

### Notes to the Financial Statements for the Year Ended 2 October 2011

..... (continued)

#### Stakeholder pensions

The Company provides access to a stakeholder pension plan for relevant employees who are not eligible for other pension schemes operated by the Group

Pension costs charge for the year	2011 £000	2010 £000
AN PensionSaver	10	6
Harmsworth Pension Scheme	840	1,080
Total P&L charge for the year	850	1,086

#### 18 Commitments

##### Operating lease commitments

As at 2 October 2011 the Company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2 October 2011 £ 000	3 October 2010 £ 000
Other		
Within one year	-	79
Within two and five years	-	233
	-	312

No operating lease commitments remain at 2 October 2011 as they were transferred to Northcliffe Media Limited on 30 September 2011

**Bristol News & Media Limited**

**Notes to the Financial Statements for the Year Ended 2 October 2011**

..... *(continued)*

**19 Ultimate parent company and controlling party**

The Company is controlled by Rothermere Continuation Limited which is incorporated in Bermuda. The ultimate controlling party is the Viscount Rothermere, who is a director of Daily Mail and General Trust plc. The Company's immediate parent undertaking at the balance sheet date was Daily Mail and General Trust plc.

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