

Company Registration Number 3156223

BRISTOL NEWS & MEDIA LIMITED

Report and Financial Statements

3 October 2010

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REPORT AND FINANCIAL STATEMENTS 2010

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Anderson-Dixon
C Coward
T Dixon (appointed 12 April 2010)
T Hawkins
M R Norton
M P Pelosi
D Stickler
K Ward

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

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, the audited financial statements and auditors' report for the financial year ended 3 October 2010

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

The company is a wholly owned subsidiary of Daily Mail and General Trust plc ("DMGT") and operates as part of the group's A&N Media division

The company's principal activity is the publishing of newspapers in Bristol. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year. On 4 October 2010 the business and trading assets of Venue Publishing Limited, a fellow group company, were transferred to Bristol News & Media Limited.

The performance of the A&N Media division of Daily Mail and General Trust plc, which includes the company, is discussed in the DMGT Annual Report (available on www.dmgmt.co.uk) which does not form part of this Report.

As shown in the company's profit and loss account on page 7, the company's sales have decreased by £1,484,000 (5.5%) 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 26.5%) and services (down 13.1%) advertising revenue streams, together with a 8.6% decrease in circulation revenue. Other advertising revenue streams showed an increase. The operating result has improved by £2,109,000 due to lower severance costs this year, a profit on sale of tangible fixed assets of £1,251,000 (2009 loss of £29,000) and other cost savings. In addition there has been an impairment of £1,000,000 in the value of subsidiary investments during the year (2009 £700,000).

The profit after taxation of the company for the financial year amounted to £165,000 (2009 loss of £1,298,000).

The directors have not paid a dividend for the year (2009 £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 2010 and 2009, are as follows:

	2010	2009	% movement
Advertising revenues	£16,925,000	£18,275,000	(7.4%)
Circulation revenues	£7,345,000	£8,039,000	(8.6%)
Other revenues	£1,270,000	£710,000	78.9%
Total turnover	£25,540,000	£27,024,000	(5.5%)
Operating profit/ (loss)	£554,000	(£1,555,000)	200%
% operating profit/ (loss) margin	2.2%	(5.8%)	137.7%
Employees (average number)	471	303	55.4%
Net assets	£5,449,000	£5,284,000	3.1%

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year-end has improved in net asset terms by £165,000, compared to the prior year. This was 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.

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The business operates in highly competitive environments that can be subject to rapid change. Products and services, and their means of delivery, may be affected by technological innovations, changing legislation, competitor activity or changing customer behaviour. Further structural changes in the advertising market, resulting in significant advertising moving away from the company's traditional products to the internet, could significantly affect the results. The directors will continue to develop new opportunities and respond to threats, and will continue to invest in core brands and products and adapt in order to remain competitive.

General economic conditions and the financial health of the company's customers affect the performance of the business. A significant proportion of the revenue is derived from advertising spending which has historically been cyclical, with companies spending less on advertising in times of economic slowdown. The company is also exposed to the risk that consumer and business spending patterns change. This may affect the demand for its products and services. Increasing unemployment levels, reducing house prices and a general lack of consumer confidence are all impacting adversely on the business.

GOING CONCERN

The directors have considered the use of the going concern basis in the preparation of the financial statements in light of current trading conditions. These create an uncertainty over the use of the going concern basis in the preparation of the financial statements. However, the directors consider that the company has made a profit and has net assets and net current assets. In addition, it is an integral part of Daily Mail and General Trust plc's ('DMGT') structure and strategy and this is evidenced by a letter of support from DMGT, which states its intent to provide any necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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. Initiatives designed to minimise the company's net impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

DIRECTORS

The names of the current directors of the company, all of whom held office throughout the year, except as noted, are set out on page 1. In addition, F Stoddart resigned on 18 January 2010 and A Wright resigned on 12 April 2010.

No director of the company has or had a disclosable interest in any contract of significance at any stage during the year or the prior year.

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements.

Applications for employment by disabled people are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

DIRECTORS' REPORT (continued)

POLITICAL AND CHARITABLE DONATIONS

Charitable donations made by the company in the year amounted to £2,081 (2009 £1,120) in support of local charities. There were no political donations made by the company in the year (2009 £nil).

SUPPLIER PAYMENT POLICY

As stated in note 12 to these financial statements, the company's purchase ledger is operated by A&N Media Finance Services Limited ("ANMFS"), a fellow subsidiary of Daily Mail and General Trust plc. 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 3 October 2010 were equivalent to 24 days (2009 17 days) purchases, based on the average daily amount invoiced by suppliers during the year.

AUDITORS

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

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves 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 Board of Directors
and signed on behalf of the Board



P S Collins
Secretary

17 December 2010

DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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, 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 year ended 3 October 2010 which comprise the profit and loss account, the balance sheet, the reconciliation of movement in shareholders' funds and the related notes 1 to 21. 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 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 directors and auditors

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 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.

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 3 October 2010 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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.

Nigel Thomas (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Bristol, United Kingdom

17 December 2010

BRISTOL NEWS & MEDIA LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 3 October 2010

	Note	2010 £'000	2009 £'000
TURNOVER	2	<u>25,540</u>	<u>27,024</u>
OPERATING PROFIT/ (LOSS) BEFORE EXCEPTIONALS		1,554	(855)
Impairment of fixed asset investments	9	<u>(1,000)</u>	<u>(700)</u>
OPERATING PROFIT/ (LOSS) AND PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	554	(1,555)
Tax on profit/ (loss) on ordinary activities	6	<u>(389)</u>	<u>257</u>
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR	15	<u>165</u>	<u>(1,298)</u>

All activities relate to continuing operations

The company has no recognised gains and losses other than the profit for the current and loss for the prior financial year above and, accordingly, no separate statement of total recognised gains and losses has been presented

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

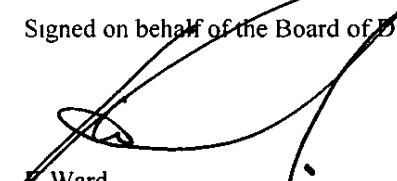
BRISTOL NEWS & MEDIA LIMITED

BALANCE SHEET
At 3 October 2010

	Note	2010	2009
		£'000	£'000
FIXED ASSETS			
Intangible assets	7	55	61
Tangible assets	8	982	3,929
Investments	9	1,157	2,157
		<u>2,194</u>	<u>6,147</u>
CURRENT ASSETS			
Debtors			
- amounts falling due within one year	10	191,723	202,004
- amounts falling due after more than one year	11	-	100
Cash at bank and in hand		29	18
		<u>191,752</u>	<u>202,122</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(188,497)	(202,930)
NET CURRENT ASSETS/ (LIABILITIES)		<u>3,255</u>	<u>(808)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,449</u>	<u>5,339</u>
PROVISIONS FOR LIABILITIES	13	-	(55)
NET ASSETS		<u>5,449</u>	<u>5,284</u>
CAPITAL AND RESERVES			
Called up share capital	14	-	-
Profit and loss account	15	5,449	5,284
SHAREHOLDERS' FUNDS		<u>5,449</u>	<u>5,284</u>

The financial statements of Bristol News & Media Limited, registered number 3156223, were approved by the Board of Directors and authorised for issue on 17 December 2010

Signed on behalf of the Board of Directors


R Ward
Director

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
Year ended 3 October 2010

	2010 £'000	2009 £'000
Profit/ (loss) for the financial year	165	(1,298)
Net increase/ (decrease) in shareholders' funds	165	(1,298)
Opening shareholders' funds	5,284	6,582
Closing shareholders' funds	5,449	5,284

NOTES TO THE FINANCIAL STATEMENTS**Year ended 3 October 2010****1 ACCOUNTING POLICIES**

The company's financial year is the 52 week period ended 3 October 2010. The comparative figures are for the 53 week period ended 4 October 2009. 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 directors have considered the use of the going concern basis in the preparation of the financial statements and have concluded that it is appropriate. More information is provided in the Directors' Report.

The financial statements contain information about Bristol News & Media Limited as an individual company and do not contain consolidated information of the group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the group is included by full consolidation in the consolidated financial statements of its ultimate United Kingdom parent, Daily Mail and General Trust plc, a company registered in England and Wales.

Leases

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

Rental income

Rental income is credited to the profit and loss account equally over the period of the rental agreement.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Impairment reviews are undertaken annually.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation

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

Buildings	10 to 50 years
Fixtures, plant, equipment, and motor vehicles	4 to 15 years

Freehold land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

1. ACCOUNTING POLICIES (continued)

Investments

Fixed asset and other investments are held at cost, less amounts charged for any impairment in value. Impairment reviews are undertaken annually.

Intangible fixed assets

Intangible fixed assets comprise acquired publishing titles and franchise fees, and are stated in the balance sheet at the directors' assessment of the purchase consideration which should be apportioned to the intangible assets based on discounted cash flow valuations of the titles within the newspaper industry. Publishing rights and franchise fees are amortised over a period of 20 years and 5 years respectively. Impairment reviews are undertaken annually.

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.

Pension costs

Defined Benefit Scheme

The company participates in a defined benefit pension scheme which includes members from other companies within the Daily Mail and General Trust plc group. The company is unable to identify its share of the underlying assets and liabilities within the scheme and accounts for the scheme as a defined contribution scheme. In the opinion of the directors, the company's membership of the scheme falls within the multi-employer provisions of FRS 17 "Retirement benefits" and will be accounted for as if it were a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs is the contribution payable for the year.

Defined Contribution Scheme

The amount charged to the profit and loss account in respect of pension costs is the contribution payable for the year.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 3 October 2010

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.

3. OPERATING PROFIT/ (LOSS)

	2010		2009	
	£'000	£'000	£'000	£'000
Turnover		25,540		27,024
Other operating charges	(10,179)		(15,449)	
Auditors' remuneration – audit fees	(33)		(48)	
Amounts paid under operating leases				
- plant and machinery	(529)		(138)	
- land and buildings	(738)		(981)	
Profit/ (loss) on disposal of tangible fixed assets	1,251		(29)	
Rent receivable	345		307	
Total other operating charges	(9,883)		(16,338)	
Staff costs	(13,022)		(9,550)	
Depreciation– owned assets	(622)		(869)	
Amortisation – intangible assets	(6)		(6)	
Impairment of fixed asset investments	(1,000)		(700)	
Staff severance costs	(453)		(1,116)	
		(24,986)		(28,579)
Operating profit/ (loss)		554		(1,555)

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 disclose such fees on a consolidated basis.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

4 EMPLOYEES

	2010	2009
Average number of persons employed by the company by activity	No	No.
Publishing	471	303
	<u> </u>	<u> </u>
	2010	2009
Total staff costs comprised	£'000	£'000
Wages and salaries	11,049	8,111
Social security costs	887	663
Pension costs	1,086	776
	<u> </u>	<u> </u>
	13,022	9,550
	<u> </u>	<u> </u>

Staff costs and employee numbers include directors, except as disclosed in note 5. The increase in headcount is due to the transfer of people from Western subsidiaries of Northcliffe Media Limited, into a centralised function held in Bristol News & Media Limited. The costs are recharged back to those subsidiaries.

5. DIRECTORS' EMOLUMENTS

	2010	2009
	£'000	£'000
The emoluments of the directors of the company were as follows		
Aggregate emoluments (including benefits)	1,224	991
Compensation for loss of office	72	-
	<u> </u>	<u> </u>
	1,296	991
	<u> </u>	<u> </u>

Included within the aggregate emoluments figure above are £396,000 (2009 £141,000) of performance related bonuses payable to certain directors by Northcliffe Media Limited, the parent company. These costs are not recharged to the company. Of the directors at 3 October 2010 who received emoluments during the year, retirement benefits are accruing to seven under a defined benefit scheme (2009 eight).

The emoluments of M P Pelosi were paid by Northcliffe Media Limited and are excluded from the details above. It is not practicable to split his remuneration between the services provided to Northcliffe Media Limited and its subsidiary companies. His remuneration is fully disclosed in the financial statements of Northcliffe Media Limited.

	2010	2009
	£'000	£'000
Highest paid director		
Aggregate emoluments	476	355
	<u> </u>	<u> </u>
	£'000	£'000
Accrued pension under a defined benefit scheme	88	87
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

6. TAX ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES

	2010 £'000	2009 £'000
Corporation tax		
Corporation tax charge/ (credit) for the year	354	(132)
Under-provision in respect of prior years	243	25
	<u>597</u>	<u>(107)</u>
Deferred tax		
Timing differences, origination and reversal	(208)	(150)
	<u>389</u>	<u>(257)</u>

The current tax rate for the year is 28% (2009 28%) The current tax charge for the year is more than 28% (2009 credit less than 28%) for the reasons set out in the following reconciliation

	£'000	£'000
Profit/ (loss) on ordinary activities before taxation	<u>554</u>	<u>(1,555)</u>
Tax on profit/ (loss) on ordinary activities at standard rate	155	(435)
Factors affecting the charge		
Disallowable expenses	13	19
Capital allowances - timing differences	256	74
Short-term timing differences	-	23
Profit on disposal of tangible fixed assets (non-taxable)		(8)
Impairment of fixed asset investments not deductible for tax	(350)	195
Under-provision in respect of prior years	280	
	<u>243</u>	<u>25</u>
	<u>597</u>	<u>(107)</u>

It is not anticipated that the forthcoming tax change, from 28% to 24% over coming years, will have a material impact on the tax charge

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

7 INTANGIBLE FIXED ASSETS

	Publishing rights £'000	Franchise fees £'000	Total £'000
Cost			
At 5 October 2009 and 3 October 2010	154	53	207
Accumulated amortisation			
At 5 October 2009	93	53	146
Charge for the year	6	-	6
At 3 October 2010	99	53	152
Net book value			
At 3 October 2010	55	-	55
At 4 October 2009	61	-	61

8 TANGIBLE FIXED ASSETS

	Long leasehold freehold land and buildings £'000	Fixtures, plant, equipment and motor vehicles £'000	Total £'000
Cost			
At 5 October 2009	3,004	9,911	12,915
Additions	-	516	516
Disposals	-	(20)	(20)
Transfers to fellow group companies	(690)	(3,531)	(4,221)
At 3 October 2010	2,314	6,876	9,190
Accumulated depreciation			
At 5 October 2009	2,505	6,481	8,986
Charge for the year	2	620	622
Disposals	-	(10)	(10)
Transfers to fellow group companies	(193)	(1,197)	(1,390)
At 3 October 2010	2,314	5,894	8,208
Net book value			
At 3 October 2010	-	982	982
At 4 October 2009	499	3,430	3,929

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

9. FIXED ASSET INVESTMENTS

	£'000
Cost	
At 5 October 2009 and 3 October 2010	2,857
Provision for impairment	
At 5 October 2009	700
Charge for the year	1,000
At 3 October 2010	1,700
Net book value	
At 3 October 2010	1,157
At 4 October 2009	2,157

During the year an impairment charge of £1,000,000 was made against the carrying value of the company's fixed asset investments (2009 £700,000)

In the opinion of the directors, the value of the investments in subsidiaries is not less than their book value

All trading subsidiaries are engaged in the publishing of newspapers, operate principally within the United Kingdom and are registered in England and Wales

Subsidiaries

The subsidiaries held at 3 October 2010 and at 4 October 2009 of which the ordinary shares are 100% owned, except as stated, are as follows

100% directly owned

Non-trading

Bristol Evening Post and Press Limited	
Brunel Press Limited	
Chew Valley Gazette Limited	
Bristol Evening Post Limited	
BUP Properties Limited	
News of the West Limited	
Venue Publishing Limited	(ceased trading 4 October 2010)
Western Media FPC Limited	

95% owned non-trading

Fine Line Films and Television Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 3 October 2010

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Trade debtors	7,348	6,970
Amounts owed by group undertakings	183,651	194,469
Other debtors	235	200
Prepayments and accrued income	336	365
Deferred taxation asset (see note 13)	153	-
	<u>191,723</u>	<u>202,004</u>

The company operates the sales ledger for several fellow subsidiary companies of Northcliffe Media Limited

11. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £'000	2009 £'000
Amounts owed by group undertakings	<u>-</u>	<u>100</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Amounts owed to group undertakings	184,942	197,820
Corporation tax	372	1,722
Other taxation and social security	2,198	1,790
Other creditors	-	70
Accruals and deferred income	985	1,528
	<u>188,497</u>	<u>202,930</u>

The purchase ledger is operated by A&N Media Finance Services Limited, a fellow subsidiary of Daily Mail and General Trust plc

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

13. PROVISIONS FOR LIABILITIES

	£'000
Deferred taxation	
At 5 October 2009	55
Prior year movement – excess of depreciation over capital allowances	(98)
Current year movement – depreciation and other timing differences	(110)
	<u>(153)</u>
At 3 October 2010 (asset – see note 10)	<u>(153)</u>

Deferred taxation provided in the financial statements is analysed as follows

	2010 £'000	2009 £'000
Excess (2009 shortfall) of depreciation over capital allowances	<u>(153)</u>	<u>55</u>

There is no unprovided deferred taxation

At 3 October 2010, the company had a deferred taxation asset of £153,000 (2009 liability of £55,000). The directors are of the opinion, based on forecast trading, that the level of profits in the current and future years make it more likely than not that the asset will be recovered.

Deferred taxation is expected to reverse at a rate between 24% and 27% (2009 28%).

14. CALLED UP SHARE CAPITAL

	2010 £'000	2009 £'000
Authorised		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
	£'000	£'000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>-</u>	<u>-</u>

15. STATEMENT OF MOVEMENTS IN RESERVES

	£'000
Profit and loss account	
At 5 October 2009	5,284
Profit for the financial year	165
	<u>5,449</u>
At 3 October 2010	<u>5,449</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

16. FINANCIAL COMMITMENTS

At 3 October 2010 and 4 October 2009, the company had annual commitments under non-cancellable operating leases as follows

	2010		2009	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiring				
- within one year	-	79	-	12
- between one and two years	-	138	-	68
- between two and five years	-	95	-	62
- after five years	-	-	948	-
	<u>-</u>	<u>312</u>	<u>948</u>	<u>142</u>

The decrease in operating lease commitments relating to land and buildings reflects the completion of the historic lease arrangements, with a new formal agreement to occupy premises yet to be finalised

17. CONTINGENT LIABILITIES

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 3 October 2010, the potential liability was £56,000 (2009 £46,000).

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 3 October 2010 was £2,010,000 (2009 £4,974,000).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 3 October 2010

18. PENSION ARRANGEMENTS

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 was launched on 1 October 2007 and, since 1 August 2008 has been 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.

Harmsworth Pension Scheme

The Harmsworth Pension Scheme is a defined benefit scheme providing service-related benefits based on final pensionable salary. The assets of the scheme are held independently from the Company's finances and are administered by a trustee company. The most recent actuarial valuation of the scheme, upon which the current contributions are based, was carried out as at 31 March 2007 using the projected unit credit method.

Daily Mail and General Trust plc continues to develop a series of measures principally designed to limit the Group's exposure to people living longer than is currently expected. These measures have been discussed with scheme trustees and a formal process of employee consultation will begin in December. The Group expects that this package of changes will secure the future of the schemes, which will continue to provide a valuable retirement provision for scheme members.

The funding strategy agreed with the Trustee of the principal 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). Daily Mail and General Trust plc agreed with the Trustee that this margin would be covered by a contingent asset and the Group put in place letters of credit of an amount sufficient to cover any potential shortfall in this additional investment return arising prior to the next triennial valuation. As at 3 October 2010, the letter of credit had a value of £46.94 million (2009: £32.1 million). Post year-end on 5 October 2010 the Group made a funding payment of £8.6 million to the scheme in exchange for which the trustee agreed that the letter of credit could be reduced by a corresponding amount.

Cash contributions paid by the Company to the Harmsworth Pension Scheme as required by the schedule of contributions remain at the same level of 18.0% of members' scheme salaries (2009: 18.0%) with employees contributing either 5% or 7.5% depending on which section of the scheme they are in. However, since 1 January 2009 a majority of members have agreed to a salary sacrifice arrangement whereby the Company pays the equivalent of the employee's contribution in exchange for a corresponding reduction in salary. In addition, Daily Mail and General Trust plc agreed to make a series of funding payments amounting to £3.17 million over a period of 27 months commencing in September 2009 in exchange for which the Trustees agreed to accept the cancellation of letters of credit that had been provided by Daily Mail and General Trust plc following the merger of the two main pension schemes of the Group in November 2007. In the year to 3 October 2010 the Group paid £1.0 million in accordance with that agreement (2009: £1.0 million).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 3 October 2010

18. PENSION ARRANGEMENTS (continued)

Other key financial assumptions adopted were as follows

Long-term assumed rate of	
Price inflation	3.0% pa
Salary increases	4.3% pa
Pension increases (on excess over GMP*)	3.0% pa
Discount rate for accrued liabilities	
- Pre-retirement	6.4% pa
- Post-retirement	4.8% pa

* Guaranteed minimum pension (GMP) is the minimum pension that the 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 principal scheme showed that the combined accumulated assets of the scheme as at 31 March 2007 represented 99% of the scheme's Technical Provisions in respect of past service benefits. However, in common with the majority of defined benefit schemes, there was a sharp deterioration over the following two years, with the equivalent funding level falling to 63% as at 31 March 2009. Recent quarterly updates provided to the trustee indicate that the funding position has since improved.

Members are able to make additional voluntary contributions (AVCs) into unit-linked funds held within each scheme. No benefit obligation arises to the Daily Mail and General Trust plc, 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 pension charge for the year ended 3 October 2010 comprised

	2010	2009
	£000	£000
AN Pension Saver	6	-
Defined Benefit Schemes	1,080	776
	<u>1,086</u>	<u>776</u>

Bristol News & Media Limited is 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 UK 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 using membership data as at 30 September 2010 along with asset valuations and cash flow information from the schemes for the year to 3 October 2010. The calculations use assumptions and actuarial methodology required by IAS 19. These showed that the market value of the principal scheme's assets was £1,342.6 million (2009 £1,228.4 million) and that the actuarial value of these assets represented 86% (2009 78%) of the benefits that had accrued to members (also calculated in accordance with IAS 19) resulting in a reported deficit of £214.3 million at 3 October 2010 (2009 £339.4 million deficit).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 3 October 2010

18. PENSION ARRANGEMENTS (continued)

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.

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.

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by FRS 831(C) revised 'Related party disclosures', and has not disclosed transactions with other group companies which are 100% owned by the same parent company.

20. POST BALANCE SHEET EVENTS

On 4 October 2010 the business and trading assets of Venue Publishing Limited, a fellow group company, were transferred to Bristol News & Media Limited.

21. 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

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