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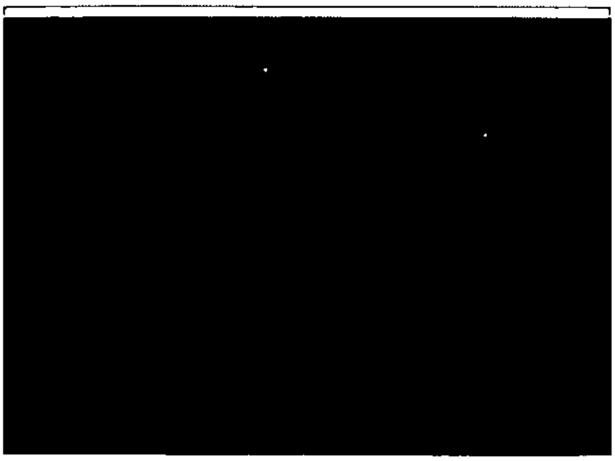
PRESS ASSOCIATION

PA Group Limited
Annual Report 2010



Lewis Whlyd's image of WikiLeaks founder Julian Assange looking out of the red tinted glass of a prison van as he is driven from the City of Westminster Magistrates Court London

Lewis Whyld's image of the former Prime Minister Gordon Brown leaving Downing Street with his family after announcing his resignation

Former Prime Minister Gordon Brown and his wife Sarah meeting patients and staff at the Yeadon Health Centre in Yorkshire The image was taken by Stefan Rousseau the Press Association's Photographer of the Year

Prime Minister David Cameron meeting with US President Barack Obama in the Oval Office at the White House in Washington The image was taken by Stefan Rousseau the Press Association's Photographer of the Year

Owen Humphrey's image of a man looking at the icicles at Gibsons cave in Bowlees Teesdale as the severe winter weather continued to grip the UK in December 2010

Owen Humphrey's image of armed police officers during the search for gunman Raoul Moat in countryside outside Rothbury Northumberland

The images above were shortlisted for the Photographer of the Year category in the Press Association's inaugural editorial awards competition

CONTENTS

CHAIRMAN'S STATEMENT

Throughout my first year as Chairman I have been pleased to note the spirit of innovation that runs through PA Group During my visits to the Press Association's offices I was struck not only by the quality of the products and services, but by the heritage of this UK institution The Press Association's long-held position at the heart of the UK's media industry is due to the exceptional quality of content it produces and its ability to innovate and adapt to the needs of its customers These are qualities that stand it in good stead in today's constantly-evolving digital age

Since his appointment as Chief Executive in February 2010 Clive Marshall has reinforced these values by introducing a number of structural and organisational changes These changes will ensure that our products, be they news, sport, business, entertainment or weather, are accessible to a broad variety of customers and media platforms In addition to current news and data, it is apparent that the Press Association's wealth of historic content is of increasing relevance to customers across a diverse range of sectors, and the Company has taken significant steps towards capitalising on this valuable resource

I have enjoyed meeting many members of PA Group staff during the year and have been impressed by their hard work and enthusiasm. As well as PA Group's UK operations I also visited MeteoGroup's headquarters in Holland and learned not only about its impressive advances in weather forecasting technology, but about the many benefits MeteoGroup's innovative products and services bring to transport and energy customers, amongst many others

On behalf of the board, I would like to thank all PA staff for their dedication and commitment, and all customers and shareholders for their continued support I look forward to working with you all in the coming year

Murdoch MacLennan
Chairman

John Giles was highly commended in the sports photographer of the year category at the 2010 Press Awards for his work which included the moment Mo Farah won the 10,000 metres at the European Championships in Barcelona


Stefan Rousseau was nominated for photographer of the year at the 2010 Press Awards, his images included Prime Minister David Cameron drinking a toast at a contract signing with Michael Gove, Vince Cable and George Osborne during a trip to China

GROUP CHIEF EXECUTIVE'S STATEMENT

It was with great pleasure that I returned to PA Group in February 2010 to take up the position of Chief Executive During my ten years away the Group changed immeasurably as it adapted to the needs of the evolving media landscape However, it has been reassuring to find that its central values of quality, integrity and innovation remain unchanged.

2010 was a year of great change for PA Group In a world where media platforms and devices are constantly evolving and proliferating, the opportunities for content providers have never been greater In order to ensure we capitalise fully on these opportunities, I have taken action to simplify the structure of the Company and to unify the way in which we collect, create and store our content This new structure has streamlined the organisation achieving significant efficiencies, created clear accountability for each business unit and ensured commercial focus and discipline across the whole Company.

Content, both data and editorial, lies at the heart of all our activities and responsibility for the gathering and processing of this information now sits under one single executive - Tony Watson. In addition I have appointed PA Group's first Chief Technology Officer, Andrew Dowsett, who is working to improve the resilience of our technology and overhaul the structure of our databases to enhance the flexibility of services we can offer customers. By making these changes we are equipping ourselves to support the increasing demand for content across new digital platforms These tasks will continue in 2011 and I am confident that they will yield good results for PA Group.

Group turnover (including joint ventures) for 2010 was £99 2 million (2009 continuing £101 1 million), with a Group profit before tax of £5 7 million (2009 £6.5 million). The structural changes and cost-control measures implemented have largely mitigated the £5 6 million UK revenue decline following the closure of Teletext, London Lite and thelondonpaper in the final months of 2009, with UK profit before tax falling by only £0 9 million as a result. Group net debt has been reduced by £1 8 million (23%) and we were also able to make a significant contribution of £2 25 million to the Company pension fund.

Business acquisition and disposal activity continued during 2010 In April 2010 CNW Group broadened its product range with the acquisition of dna13, an IT platform provider for media monitoring services In September 2010 the Group completed the sale of the remaining part of the Australasia sports data business, Champion Data, realising a profit on disposal of £0.4 million In October 2010 the group purchased a further 5 1% shareholding in Meteo Consult for a cash consideration of £1.6 million and in January 2011 the final 5 1% shareholding was purchased at a similar cost The group also strengthened the MeteoGroup business in France with the acquisition of MeteoStrategy for £60,000

Throughout 2010 the Group continued to capitalise on new and innovative ways of using our content and expertise, making it available to customers in different ways across multiple platforms.

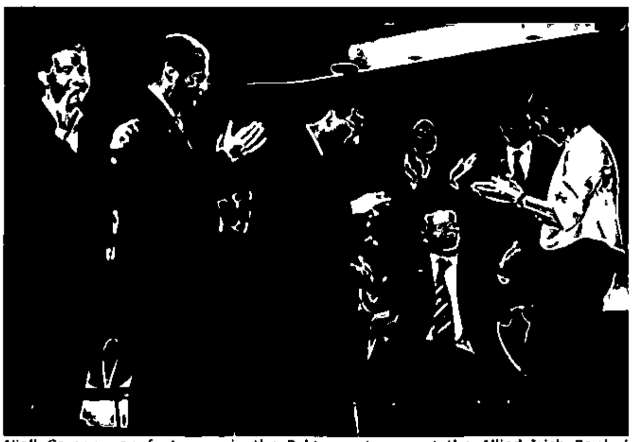
Our Tailored News service, providing tailored editorial for corporate websites, increased its customer base by 80% during the year The service helps brands to engage online customers, encourages repeat visits to their websites and improves search engine optimisation The market potential of Tailored News was demonstrated in a partnership struck with Dixons Retail for editorial content across multiple social platforms - a model that will be rolled out to other organisations in 2011

2010 also saw the development of a live blogging product which customers can use to provide real-time news on their websites around a particular event. A live blog covering the tuition fees vote, and subsequent student protests in London, became one of MSN's most popular website features during November

In addition, we also created a number of successful 'widgets' for AOL's UK website, using our real time sports data. These widgets - sections of content that simply plug in to the customer's website - provide users with breaking sports news and data as it happens The Press Association also created a bespoke World Cup News Centre for MSN, which delivered breaking news to users in 13 countries during the 2010 football World Cup in South Africa

The Press Association's TV listings content extended its reach with the launch of successful "FindMeTV" branded applications for iPhone, iPod, iPad and Android Meanwhile MeteoGroup's consumer-facing "WeatherPro" application continued to enjoy great success, becoming Europe's top selling paid-for weather App for iPhone in 2010, and being named "App of the Week" by online stores across Europe following the launch of the iPad app in May.

Dominic Lipinski's image of the protests against university funding cuts in London was part of his portfolio for the 2010 Press Awards where he was short-listed for photographer of the year



Niall Carson won first prize in the Politics category at the Allied Irish Bank / Press Photographers Association of Ireland Photojournalism awards 2011 for his image of Trevor Sargent receiving a standing ovation after his resignation as a government minister at the Tower Hotel in Waterford, Ireland

GROUP CHIEF EXECUTIVE'S STATEMENT

The Press Association also continued to offer media clients the opportunity to reduce costs through outsourced page production and sub-editing work Significant wins included a major contract with Mirror Group Newspapers for work across the Daily Mirror, Sunday Mirror and People, and additional agreements with Newsquest Scotland and the London Evening Standard

From an editorial perspective 2010 was an extraordinary year for news stories and the news Agency rose to the challenge of telling them in words, pictures and video - a result of our policy of training journalists across all three disciplines. In order to celebrate the considerable achievements of the Press Association's journalists, often overlooked by wider industry awards, I introduced our own editorial awards scheme - an internal competition I announced upon my arrival in February as a way to recognise editorial talent The standard of 2010's entries was exceptional and the event will now be an annual fixture

The May General Election was a milestone for the Agency as it marked our first multimedia general election campaign Reporters and photographers contributed video, text and photographs from the campaign trail and from each of the 649 election counts, providing a comprehensive results service to newspapers, broadcasters and online customers Sports reporters now also routinely shoot video, and this was demonstrated by the exceptional multimedia coverage achieved at the FIFA World Cup, the Ashes in Australia, the Commonwealth Games in India and every week in the Premier League

2010 was also a strong year for the Press Association's Images division During the year, our journalists and photographers captured 350,000 photographs, and the digital archive now contains 9 25 million images The excellence of our Images was recognised in a number of industry awards Stefan Rousseau was named the British Press Awards "news photographer of the year" for the second year running, and sports photographer Gareth Copley won the Sports Action section of the World Press Photo Awards

The Press Association's role at the heart of the British media was recognised in 2010 by our appointment as Host National News Agency for the 2012 London Olympic Games The appointment gives the Company significant editorial access and brings with it a wealth of opportunities. Work began on building relationships with Olympics stakeholders during the year, as well as preparations for the event itself Going into 2011, the Press Association is well positioned to maximise opportunities around this historic event

MeteoGroup, our weather business, increased its revenue by more than 10% in 2010 to £24 million Since PA Group's acquisition of the Company in 2005, MeteoGroup has more than doubled in size and is now Europe's leading private sector weather business, operating in nine of the largest European markets as well as the USA This position was consolidated in 2010 by a £0 5 million programme of investment in new territories and products Profit before tax for the year before these investments increased by 18% to £5.0 million

Rail was a leading growth sector for MeteoGroup during the year, and new customers included the French national network, SNCF, and Adhesion Forecasting for Network Rail in the UK Growth was also seen in the marine sector with increased demand for SPOS, MeteoGroup's on-board routing product, and new business in the renewable energy sector also making a significant contribution to revenue

In Canada, CNW Group maintained profit levels in 2010 despite incurring the planned short-term losses on dna13 during the post-acquisition business integration phase PA Group's share of the joint venture's profit before tax was £3 6m, CNW Group maintained its market-leading position, despite a highly competitive environment, commanding 63.5% of the Canadian news release distribution market and leading all other newswires in the production of Social Media (Multi-Media) news releases.

In 2010 we have begun equipping ourselves for the future by simplifying the Company structure and taking steps towards a more resilient technology infrastructure. This work will continue in 2011 with the aim of creating a solid foundation from which we can invest and grow The opportunities available to PA Group have never been greater and by continuing to improve the systems, technology and financial strength over the coming year, I am confident we can capitalise fully on its immense potential and continue to diversify our sources of profit I have thoroughly enjoyed my first year as Chief Executive and look forward to the year ahead

Clive Marshall
Group Chief Executive

Gareth Copley came second in the competition for the inaugural Wisden and MCC Photograph of the Year award, for an image captured in January 2010 of four South African fielders appealing the wicket of England's Stuart Broad during the Third Test at Newlands, Cape Town, South Africa

Anthony Devlin was nominated for photographer of the year at the Press Awards 2010, his images included Prime Minister Gordon Brown greeting French President Nicolas Sarkozy to Downing Street in London

PRESS ASSOCIATION TRUST'S STATEMENT

The principles of fast, fair and accurate reporting, so important to the Press Association, have in the opinion of the trustees stood up well this year despite the demand for greater multimedia content and the editorial pressures that creates

The editorial staff of the Press Association with its multi-skilled reporters - increasingly equipped to shoot photos and videos - enable the Agency to tell its stories effectively with no diminution of the Agency's essential journalistic standards or its frontline news gathering function There is a continued emphasis on accuracy Occasionally this necessitates the Agency appearing second to other news sources, but customers place great importance on being able to rely on PA getting facts and sources right – first time and every time

Inevitably though, the news business being what it is, mistakes are made But they are very few and are quickly and fully corrected. The trustees believe these corrections are essential to the Press Association's continuing reputation Throughout the year wire-output was monitored and it was found that corrections were applied to less than 1% of output.

During the year the Agency carried out surveys to understand changing customer requirements with the greater emphasis on multimedia packages Earlier deadlines, for instance, are having considerable effect on the editorial agenda of the Agency. The results showed a reassuring level of customer satisfaction, with 85% of the regional daily editors expressing satisfaction with the Press Association

The level of reporting resources has been maintained for the current year, vital for the maintenance of editorial standards Regional staffing has been rebalanced and the multimedia training schemes have been resumed with the taking on of six news trainees and two sport trainees

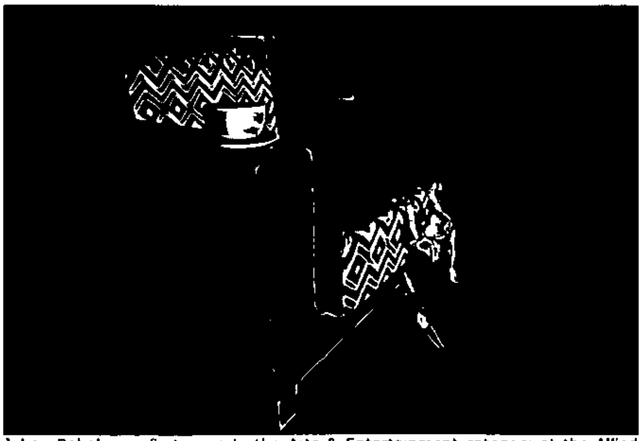
The trustees were reassured that the Agency has never used any of the dubious news gathering methods – phone-hacking and the impersonating of members of the public, for instance - which have caused so much controversy elsewhere On the other hand, the trustees were delighted to see that the Press Association continues its work on media freedom, especially challenging court orders and restrictions on reporting

The trustees would like to congratulate Ireland editor Deric Henderson who was named Northern Ireland Journalist of the Year for his coverage of the Iris Robinson scandal and Tom Wilkinson, Rod Minchin and Hugh Macknight who won the hard news trophy in the North East press awards for their coverage of the Raoul Moat story

In particular the General Election was a landmark for the Press Association as it marked the Agency's first multimedia campaign. Multi-skilled reporters and photographers contributed video, text and still pictures as well as a comprehensive results service It will provide a useful template for the covering of the London Olympic Games in 2012 where the Press Association has been appointed the "Host Agency".

In February 2011, the Press Association introduced for the first time its own internal awards scheme to honour its news gathering and production journalists. Such awards reinforce the high journalistic standards demanded of staff, which customers insist on and take for granted These editorial criteria are the cornerstone of the Press Association The trustees believe that at a time of rapid and ever-accelerating change in the media, with an increasing emphasis on video and the need to serve websites, the Press Association fulfils its editorial function with increasing success and integrity

John Bryant
Chairman of the Press Association Trust



Julien Behal won first prize in the Arts & Entertainment category at the Allied Irish Bank / Press Photographers Association of Ireland Photojournalism awards 2011 for his image of Jade Costello, aged 5, from Dublin trying to climb on a giant armchair as she enjoyed Ireland's Leprechaun Museum in central Dublin

Stefan Rousseau s photograph of the newly appointed Prime Minister, David Cameron, upon his arrival at Downing Street Stefan was named PA's Photographer of the year at the internal company awards and was short-listed for the same title at the 2010 Press Awards

THE BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Clive Marshall
Group Chief Executive
Reappointed to the Board in 2010
Originally joined PA Group in 1993
Age 53

Steven Brown
Group Finance Director
Appointed to the Board in 1996
Joined PA Group in 1995
Age 57

Jennifer Campbell
Managing Director, MeteoGroup
Appointed to the Board in 2008
Joined PA Group in 1996
Age 49

Tony Watson
Managing Director, Press Association
Appointed to the Board in 2007
Joined PA Group in 2003
Age 55

NON-EXECUTIVE DIRECTORS

Murdoch MacLennan
Chairman
Nominations Committee
Remuneration Committee
Rejoined the Board in 2010
Chief Executive, Telegraph Media Group
Age 62

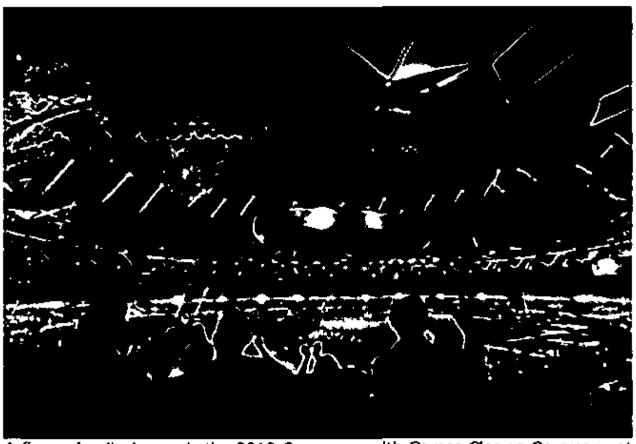
Sly Bailey
Nominations Committee
Remuneration Committee
Joined the Board in 2003
Chief Executive, Trinity Mirror plc
Age 49

Kevin Beatty
Nominations Committee
Remuneration Committee
Joined the Board in 2004
Managing Director, Associated Newspapers Limited
Age 53

Rebekah Brooks
Nominations Committee
Joined the Board in 2010
Chief Executive, News International plc
Age 42

Alan Crosbie
Nominations Committee
Audit Committee
Joined the Board in 2001
Chairman, Examiner Publications (Cork) Limited
Age 56

Adrian Jeakings
Nominations Committee
Audit Committee
Joined the Board in 2009
Chief Executive, Archant Limited
Age 52



A fireworks display ends the 2010 Commonwealth Games Closing Ceremony at the Jawaharlal Nehru Stadium in New Delhi, India The Photograph was taken by Anthony Devlin

Prime Minister David Cameron holds his baby daughter, Florence Rose Endellion, who was born last Tuesday 24th August during their summer holiday in Cornwall The photograph was taken by PA s Photographer of the Year, Stefan Rousseau

REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited financial statements of the Company and the Group for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The activities of the Group remain principally those of providing information to the media and other customers.

The Company's principal activity remains that of a holding Company.

BUSINESS REVIEW

The Group is required to set out in this report a fair review of the business during the financial year ended 31 December 2010 Further information regarding the Group, including important events and its progress during the year and likely future developments is contained in the Chairman's Statement and the Group Chief Executive's Statement on pages 1 to 3

The following information that fulfils the requirements of the Business Review (as required by Section 417 of the Companies Act 2006), which is incorporated in this Directors' report by reference can be found on pages 1 to 3 of this annual report

- Development and performance during financial year,
- Operations,
- Risks and uncertainties, and
- Position at year-end

RESULTS AND DIVIDEND

The profit for the financial year was £2,874,000 (2009 £3,085,000) No dividends were approved or paid in the year (2009 £nil) The resulting retained profit of £2,874,000 (2009 £3,085,000) has been transferred to reserves.

CHARITABLE DONATIONS

During the year the Group made charitable donations totalling £15,000 (2009 £11,000).

DIRECTORS

The following were Directors of the Company during the period and up to the date of signing the financial statements

- Mrs S Bailey
- Mr KJ Beatty
- Mr TJ Bowdler (resigned 18 March 2010)
- Mrs RM Brooks (appointed 18 March 2010)
- Mr SJ Brown
- Mr DI Campbell (resigned 8 October 2010)
- Mrs J Campbell
- Mr GA Crosbie
- Mr AD Jeakings
- Mr M MacLennan (appointed 19 March 2010)
- Mr CP Marshall (appointed 15 February 2010)
- Mr JR Murdoch (resigned 2 March 2010)
- Mr PJ Potts (resigned 21 January 2010)
- Mr AG Watson

EMPLOYEES

Under the Group's general policy of decentralised management, it is the responsibility of the management in each division and subsidiary to encourage the involvement and participation of employees in their companies. Staff are directly involved, through their elected representatives and alongside senior management, in Works Councils at each of the Group's main sites It continues to be Group policy to provide equal opportunities for employment, training and career development for all employees The policy for the employment of the disabled is that full and fair consideration should be given to their aptitudes and abilities Copies of the annual report are available to all employees Staff are also involved, through their elected representatives, in the conduct of the Group's defined benefit pension scheme

POLICY AND PAYMENT OF CREDITORS

Terms of payment are agreed at the commencement of business and payments are made in accordance with those terms or other legal obligations At 31 December 2010 the Group had an average of 25 days (2009 19 days) purchases outstanding in trade creditors

David Davies photograph of Frankie Dettori celebrating his victory on Cairnsmore in the Bridgend Designer Outlet Handicap Stakes during Ladies Day at Chepstow Racecourse

Lewis Whyld's photograph of Gordon Brown s conversation with Gillian Duffy Brown later referred to Duffy as a "bigoted woman", unaware that the microphone, pictured here, was still switched on

REPORT OF THE DIRECTORS

CONTRACTS WITH CUSTOMERS

The nature of the share ownership of PA Group means that there are commercial relationships between the Group and its shareholders Some members of the Board are also Directors of shareholder companies. The Board has established rules to deal with conflicts of interest when they arise, and in such situations the Director withdraws from the meeting while the particular matter is discussed. In the Board's opinion, there are no contracts with customers in which the Directors have a personal interest that require disclosure in the financial statements

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the Group and 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 those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and the Group, 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

INDEPENDENT AUDITORS

As far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware 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

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

By order of the Board.

Steven Brown
Company Secretary
3 May 2011

John Stillwell s Photograph of Prince William and Kate Middleton, during a photocall in the State Apartments of St James's Palace, London to mark their engagement

A lone fisherman tries his luck at catching some trout in the tranquil setting of the River Coquet near Rothbury, Northumberland, at sunset last night The image was taken by Owen Humphreys who was shortlisted for the Press Association s 2010 Editorial Awards

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PA GROUP LIMITED

We have audited the Group and Parent Company financial statements (the "financial statements") of PA Group Limited for the year ended 31 December 2010 which comprise the Group profit and loss account, the Group statement of total recognised gains and losses, the Group balance sheet, the Company balance sheet, the Group cash flow statement, the accounting policies and the related notes 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)

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 7 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 Group's and Parent 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 Group's and the Parent Company's affairs as at 31 December 2010 and of the Group's profit and cash flows 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Parent Company 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

Michael Thornton

Michael Thornton (Senior Statutory Auditor)
For and on behalf PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hull
3 May 2011

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 December

	Notes	2010 Total £'000	2009 Continuing £000	2009 Discontinued £000	2009 Total £000
Turnover group and share of joint ventures	1	99,172	101,051	561	101,612
Less share of joint ventures' turnover		(15,527)	(14,151)	-	(14,151)
Group turnover	1	83,645	86,900	561	87,461
Other operating income		261	258	-	258
		83,906	87,158	561	87,719
Staff costs	4	(49,599)	(52,158)	(634)	(52,792)
Depreciation and amortisation		(5,396)	(6,011)	-	(6,011)
Other operating charges		(27,168)	(25,803)	73	(25,730)
Operating profit	2	1,743	3,186	-	3,186
Share of operating profit in joint ventures and associates	6	3,559	3,603	30	3,633
Total operating profit (including joint ventures and associates) before goodwill amortisation and exceptional items		6,846	8,361	(604)	7,757
Goodwill amortisation		(1,544)	(1,572)	-	(1,572)
Exceptional items	3	-	-	634	634
Total operating profit (including joint ventures and associates)		5,302	6,789	30	6,819
Profit on the sale of associates	28	427			78
Loss on the sale of subsidiary		-			(263)
Interest receivable and similar income	7	71			37
Other finance income	7	425			600
Interest payable and similar charges	7	(510)			(759)
Share of joint ventures' and associates interest receivable/(payable)	7	20			(52)
Profit on ordinary activities before tax	1	5,735			6,460
Tax charge on profit on ordinary activities	8	(2,506)			(3,014)
Profit on ordinary activities after tax		3,229			3,446
Equity minority interest		(355)			(361)
Profit for the financial year	21,22	2,874			3,085

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

Discontinued operations include the results PA SportsTicker Inc, Sportal Australia Proprietary Limited and Sportal NZ Proprietary Limited which were disposals during the prior year

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December

	Notes	2010 £000	2009 £000
Profit for the financial year			
Group		462	754
Share of retained profit in joint ventures and associates		2,412	2,331
	22	2,874	3,085
Currency translation gain on investment in joint ventures and associates	11	221	185
Currency translation gain on subsidiaries		4	153
Actuarial gain/(loss) recognised in the pension scheme	29	3,628	(11,700)
Actuarial gain/(loss) recognised in the pension scheme of joint venture (net of deferred tax)		228	(208)
Movement in deferred tax relating to the pension scheme		(1,171)	3,276
Total recognised gain/(loss) relating to the year		5,784	(5,209)

GROUP BALANCE SHEET

as at 31 December

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
Fixed assets					
Intangible assets	9		18,079		17,967
Tangible assets	10		21,281		22,739
Investments					
Share of joint ventures' gross assets		7,734		5,262	
Share of joint ventures' gross liabilities		(4,837)		(2,595)	
Investment in joint ventures		2,897		2,667	
Investment in associates		-		39	
	11		2,897		2,706
			42,257		43,412
Current assets					
Debtors	13		12,519		11,770
Cash			3,291		3,654
			15,810		15,424
Creditors: amounts falling due within one year	14		(16,463)		(16,831)
Net current liabilities			(653)		(1,407)
Total assets less current liabilities			41,604		42,005
Creditors: amounts falling due after more than one year	15		(7,356)		(8,743)
Provisions for liabilities and charges	19		(2,251)		(2,368)
Net assets excluding pension liability			31,997		30,894
Pension liability	29		(3,942)		(8,451)
Net assets including pension liability	1		28,055		22,443
Capital and reserves					
Called up share capital	20		7,965		7,965
Profit and loss account	21		19,858		14,074
Total shareholders' funds	22		27,823		22,039
Equity minority interest			232		404
Capital employed			28,055		22,443

These financial statements were approved by the Board on 3 May 2011

Clive Marshall
Chief Executive

COMPANY BALANCE SHEET

as at 31 December
Company registration number 4197

	Notes	2010 £000	2009 £000
Fixed assets			
Tangible assets	10	12,617	12,913
Investments	12	84,071	84,071
		96,688	96,984
Current assets: Debtors	13	9,913	9,017
Creditors. amounts falling due within one year	14	(6,246)	(5,750)
Net current assets		3,667	3,267
Total assets less current liabilities		100,355	100,251
Creditors: amounts falling due after more than one year	15	(7,356)	(8,743)
Provisions for liabilities and charges	19	(1,017)	(752)
Net assets		91,982	90,756
Capital and reserves			
Called up share capital	20	7,965	7,965
Profit and loss account	21	84,017	82,791
Total shareholders' funds	22	91,982	90,756

These financial statements were approved by the Board on 3 May 2011

Clive Marshall
Chief Executive

GROUP CASH FLOW STATEMENT

for the year ended 31 December

	Notes	2010 £000	2009 £000
Net cash inflow from operating activities	24	4,891	7,324
Dividends received from joint ventures		2,573	2,498
Return on investment and servicing of finance	25	(615)	(893)
Tax paid		(1,436)	(1,029)
		5,413	7,900
Capital expenditure			
Payments to acquire tangible fixed assets	10	(2,463)	(2,280)
Purchase of trademarks	9	(11)	(12)
		(2,474)	(2,292)
Acquisitions and disposals			
Sale of subsidiary		-	836
Sale of associate	28	524	289
Purchase of subsidiaries	27	(1,621)	-
Payment of deferred consideration		-	(291)
Cash disposed of with sale of subsidiary		-	(46)
		(1,097)	788
Net cash inflow before financing		1,842	6,396
Financing	26		
Utilisation of revolving credit facility		493	-
Loan repayments		(1,282)	(4,356)
Capital element of finance lease payment		(160)	(278)
		(949)	(4,634)
Increase in net cash	26	893	1,762
Reconciliation of net cash flow to movement in net debt	26		
Net debt at 1 January		(7,916)	(14,312)
Increase in net cash		893	1,762
Decrease in borrowings		949	4,634
Net debt at 31 December		(6,074)	(7,916)

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards A summary of the more important Group accounting policies is set out below

BASIS OF CONSOLIDATION

The Group financial statements are a consolidation of the audited financial statements of the Company and its subsidiaries, the principal ones of which are listed in note 12 No profit and loss account is presented for PA Group Limited as provided by Section 230 of the Companies Act 2006 All acquisitions are accounted for using acquisition accounting rules The results of acquisitions are included in the consolidated profit and loss account from the day on which the subsidiary, joint venture, or associate is acquired The results of disposals are included in the consolidated profit and loss account up to the day on which the subsidiary, joint venture, or associate is disposed. Uniform accounting policies have been applied

TURNOVER

Turnover comprises the net amount receivable in respect of the sale of news, other information and media services. Revenue is recognised in the profit and loss account as services are provided to customers

INTEREST

Interest is recognised in the profit and loss account on an accruals basis

TAX

The charge for tax is based on the profit for the year and takes into account tax deferred or accelerated because of timing differences between the treatment of certain items for accounting and tax purposes. Full provision is made for deferred tax resulting from timing differences between profits computed for tax purposes and profits stated in the financial statements to the extent that there is an obligation to pay more tax, or a right to pay less tax, in the future as a result of the reversal of those timing differences Deferred tax assets are recognised to the extent that they are expected to be recoverable Deferred tax is not discounted

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation

Depreciation of fixed assets is provided, from the date assets are acquired, on a straight-line basis calculated to write off each asset over the term of its useful life, at the following rates

• Freehold property	2%
• Long leasehold property	5% - 10%
• Computers and other office equipment	14% - 50%

Freehold land is not depreciated

INVESTMENTS

a) Subsidiaries
Subsidiaries comprise of investments in undertakings where the Group holds a shareholding of over 50% and has overall control of the commercial and financial policy of the entity

The results of subsidiaries are fully consolidated within each category of the consolidated profit and loss account with adjustments made to eliminate inter-Group transactions The proportion of subsidiaries results which are attributable to minority interests are disclosed separately The assets and liabilities of subsidiaries are fully consolidated within each category of the consolidated balance sheet with adjustments made to eliminate inter-group balances The proportion of subsidiaries net assets which are attributable to minority interests are disclosed separately On acquisition, the excess of the cost of the investment over the Group's share of the net assets attributed to the holding is capitalised as goodwill and amortised over its useful economic life

In the Company balance sheet, investments in directly held subsidiaries are carried at cost and are subject to impairment testing upon indication that the carrying amount may not be recoverable.

b) Joint ventures
Joint ventures comprise of investments in undertakings where the Group holds an interest on a long-term basis and jointly controls the commercial and financial policy of the venture with one or more other parties or shareholders under a contractual arrangement The Group share of the results of its investment in joint ventures is included in the consolidated profit and loss account In the consolidated balance sheet the investment in joint ventures is included as the Group share of the net assets of the ventures at the year-end On acquisition, the excess of the cost of the investment over the Group's share of the net assets attributed to the holding is capitalised as goodwill and amortised over its useful economic life.

c) Associates
Associates comprise of investments in undertakings where the Group has a shareholding of between 20% and 50% and has significant influence over the commercial and financial policy of the entity The Group share of the results of its investment in associates is included in the consolidated profit and loss account In the consolidated balance sheet the investment in the associates is included as the Group share of the net assets of the associates at the year-end. The excess of the cost of the investment over the Group's share of the net assets attributed to the holding is capitalised as goodwill and amortised over its useful economic life

ACCOUNTING POLICIES

GOODWILL

Goodwill arising on consolidation represents the excess of the fair value of consideration paid over the fair value of the identifiable net assets acquired and is amortised through the profit and loss account over its useful economic life The Directors have assessed the estimated useful economic life of goodwill to be either 10 or 20 years, based upon their assessment of durability of the underlying business The Directors review the level of goodwill for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstance indicate that the carrying value may not be recovered

PROVISIONS

Provisions are made immediately where a constructive or legal obligation is identified, can be quantified and it is regarded as more likely than not that an outflow of resources will be required to settle the obligation The Group does consider the impact of discounting when establishing provisions and provisions are discounted when the impact is material and the timing of cash flows can be estimated with reasonable certainty

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange at the year-end Exchange differences arising from the restatement of the net investment in overseas joint ventures are taken directly to reserves The trading results of overseas joint ventures and subsidiaries are translated into sterling using the average exchange rate for the period and the difference in relation to closing rates is taken directly to reserves. All other currency differences are dealt with in the profit and loss account.

PENSIONS

The Group operates a defined benefit scheme which has now been closed to future accrual, under which contributions are paid by Group companies and employees to provide pension and other benefits expressed in terms of percentage of pensionable salary The amounts charged to operating profit, as part of staff costs, are the current service costs and gains and losses on settlements and curtailments. Past service costs are recognised immediately in the profit and loss account if the benefits have vested If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities The resulting defined benefit asset or liability, net of related deferred taxation, is presented separately after other net assets on the face of the balance sheet

The Group operates two defined contribution schemes, one for staff who previously participated in the defined benefit scheme and the second for staff who did not previously participate in the defined benefit scheme For these defined contribution schemes, the amounts charged to the profit and loss account are the contributions payable in the period

LEASING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee Assets held under finance leases are capitalised and depreciated over the shorter of the lease term or the useful economic life The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases on the effective interest method All other leases are classified as operating leases and rentals are charged on a straight-line basis over the lease term

DIVIDENDS

Dividends are recognised in the profit and loss account in the period in which they are paid

PHANTOM SHARE SCHEME

A phantom share option scheme is in operation for senior executives, with options being granted over a defined vesting period, settled in cash The amount payable is calculated by reference to the change in value of the Group No new grants will be made under the scheme but the scheme remains active for options that have not yet fully vested A provision is recorded based on amounts payable at the balance sheet date

NOTES TO THE FINANCIAL STATEMENTS

1 SEGMENTAL REPORTING	2010 Total £000	2009 Continuing £000	2009 Discontinued £000	2009 Total £000
GEOGRAPHICAL ANALYSIS				
Turnover including joint ventures				
United Kingdom (Group)	54,441	58,576	-	58,576
Continental Europe (Group)	24,689	23,218	-	23,218
Rest of World				
- Group	4,515	5,106	561	5,667
- Joint ventures	15,527	14,151	-	14,151
Total	99,172	101,051	561	101,612
Group	83,645	86,900	561	87,461
Joint ventures	15,527	14,151	-	14,151
Total	99,172	101,051	561	101,612
Profit/(loss) before tax including joint ventures and associates				
United Kingdom (Group)	(2,179)			17
Continental Europe (Group)	3,297			3,200
Rest of World				
- Group	611			(426)
- Joint ventures and associates	4,006			3,669
Total	5,735			6,460
Group	1,729			2,791
Joint ventures and associates	4,006			3,669
Total	5,735			6,460
BUSINESS ANALYSIS				
Turnover including joint ventures				
UK Group	60,053	65,694	561	66,255
Meteo Group	23,992	21,623	-	21,623
CNW Group (principle joint venture)	15,127	13,734	-	13,734
Total	99,172	101,051	561	101,612
Profit/(loss) before tax including joint ventures and associates				
UK Group	254			1,141
Meteo Group	4,456			4,249
CNW Group (principle joint venture)	3,612			3,580
Central costs	(2,587)			(2,510)
Total	5,735			6,460
Net assets, including pensions liability				
UK Group	12,920			9,678
Meteo Group	10,196			8,838
CNW Group (principle joint venture)	2,711			2,401
Central assets	2,228			1,526
Total	28,055			22,443

The geographical analysis is based on the country in which the customer is located The business analysis materially represents the country of service origin (Meteo Group being Continental Europe)

The 2009 discontinued operations operating profit of £30,000 falls within the Rest of the World geographic segment and UK Group business segment

The presentation of the business analysis information has changed from the previous year's presentation, reflecting the changes in the Group's internal reporting structure that took place during the year

Central net assets comprise of the Company assets and liabilities, excluding investments and amounts due to and from subsidiaries and which have been eliminated on consolidation

NOTES TO THE FINANCIAL STATEMENTS

2 OPERATING PROFIT

	2010 £000	2009 £000
Operating profit is stated after charging/ (crediting)		
Operating lease rentals		
- land and buildings	952	973
- motor vehicles and other equipment	497	551
Amortisation of goodwill (note 9)	1,511	1,539
Amortisation of trademarks (note 9)	9	8
Depreciation (note 10)	3,876	4,464
Reorganisation costs	1,136	574
Property income	(240)	(235)

Amortisation of goodwill of £1,511,000 (2009 £1,539,000) relates to subsidiary undertakings Goodwill amortisation in respect of joint ventures and associate amounts to £33,000 (2009 £33,000)

PAYMENTS TO AUDITORS	2010 £000	2009 £000
Fees payable to the Company's auditor for the audit of		
- Parent Company and consolidated accounts	23	25
- Company's subsidiaries, joint ventures and associates	82	80
- Pension scheme	8	7
Fees payable to the Company's auditor and its associates for other services		
- Taxation advice	51	72
- Actuarial advice	14	59
- Other services	4	2
Fees payable to Moore Stephens for the audit of Meteo Consult BV	62	59

3 EXCEPTIONAL ITEMS

The prior year exceptional item of £634,000 is the reversal of a provision against the trading loss of SportsTicker incurred in the period prior to disposal

4 STAFF COSTS AND EMPLOYEE INFORMATION

	2010 £000	2009 £000
Wages and salaries	42,361	45,349
Social security costs	4,599	4,606
Pension costs – defined benefit	1,100	1,600
Pension costs – defined contribution	1,539	1,237
	49,599	52,792

	2010 Number	2009 Number
Average number of Directors and staff employed by the Group during the year		
UK Group	1,092	1,262
Meteo Group	229	201
Central management	7	8
	1,328	1,471

NOTES TO THE FINANCIAL STATEMENTS

5 DIRECTORS EMOLUMENTS

	2010 £000	2009 £000
Group emoluments of the Company's Directors		
Aggregate emoluments	1,291	1,567
Aggregate amounts receivable under long-term incentive schemes	699	-
Defined contribution pension payments	62	-
Sums paid to third parties for Director's services	45	45
	2,097	1,612
Amounts in respect of the highest paid Director		
Aggregate emoluments	423	463
Amounts receivable under long-term incentive schemes	203	-
Payment of part settlement of contractual pension entitlement	-	197
Defined contribution pension payments	44	-
	670	660

Retirement benefits are accruing to three Directors (2009 five) under defined benefit schemes and to four directors (2009 nil) under defined contribution schemes The highest paid Director had an accrued annual pension at the year-end of £nil (2009 £64,390).

Compensation for loss of office amounting to £50,000 (2009 £nil) was paid to a former Director

6 SHARE OF OPERATING PROFIT IN JOINT VENTURES AND ASSOCIATES

	2010 £000	2009 £000
Share of operating profit in joint ventures	3,502	3,569
Share of operating profit in associates	57	64
	3,559	3,633
The above results include CNW Group Limited		
Turnover	15,127	13,734
Operating profit	3,582	3,619
Interest receivable/(payable)	30	(39)
Tax	(1,168)	(1,249)
Profit after tax	2,444	2,331

7 INTEREST AND SIMILAR ITEMS

	2010 £000	2009 £000
Interest payable on bank loans and overdrafts	(383)	(629)
Interest payable on finance leases	(20)	(29)
Interest charge imputed on deferred consideration payable (note 19)	(107)	(101)
Interest payable and similar charges	(510)	(759)
Share of joint ventures' and associates' interest payable	-	(52)
Total finance costs	(510)	(811)
Interest receivable and similar income	71	37
Other finance income - net return on pension scheme assets (note 29)	425	600
Share of joint ventures' and associates' interest receivable	20	-
Total finance income	516	637

NOTES TO THE FINANCIAL STATEMENTS

8 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2010 £000	2009 £000
Current tax		
UK Corporation tax at 28% (2009 28%)	6	44
Double tax relief	(6)	(44)
Under/(over) provision in respect of prior years	150	(152)
	150	(152)
Overseas tax	1,362	1,326
Share of joint ventures' tax	1,168	1,249
Total current tax	2,680	2,423
Deferred tax		
Origination and reversal of timing differences (accelerated capital allowances and other)	(832)	141
Pension scheme payments in excess of pension charge	658	450
Total deferred tax	(174)	591
Tax charge on profit on ordinary activities	2,506	3,014

The current tax for the year is higher (2009 higher) than the standard rate of corporation tax in the UK The differences are explained below.

	2010 £000	2009 £000
Profit on ordinary activities before tax	5,735	6,460
At standard rate of corporation tax of 28% (2009 28%)	1,606	1,809
Effects of		
Expenses not tax deductible	329	643
Overseas tax rates in excess of 28% (2009 28%)	482	529
Utilisation of tax losses brought forward	(28)	(54)
Excess of depreciation over capital allowances	395	185
Creation/(utilisation) of general provisions and other timing differences	175	(93)
Pension scheme payments in excess of pension charge	(482)	(450)
Current year tax losses carried forward	24	-
Adjustments in respect of prior periods	150	(152)
Other	29	6
	2,680	2,423

NOTES TO THE FINANCIAL STATEMENTS

9 INTANGIBLE ASSETS

	Goodwill £000	Trademarks £000	Total £000
GROUP			
Cost			
At 1 January 2010	29,681	81	29,762
Additions	-	11	11
Acquisition of subsidiaries (note 27)	1,621	-	1,621
At 31 December 2010	31,302	92	31,394
Accumulated amortisation			
At 1 January 2010	11,764	31	11,795
Charge for the year	1,511	9	1,520
At 31 December 2010	13,275	40	13,315
Net book amount			
At 31 December 2010	18,027	52	18,079
At 31 December 2009	17,917	50	17,967

NOTES TO THE FINANCIAL STATEMENTS

10 TANGIBLE ASSETS

	Freehold Property £000	Long leasehold Property £000	Computers and other office equipment £000	Total £000
GROUP				
Cost				
At 1 January 2010	16,101	418	34,064	50,583
Additions at cost	-	9	2,454	2,463
Disposals	-	-	(668)	(668)
Exchange rate movement	-	(19)	(127)	(146)
At 31 December 2010	16,101	408	35,723	52,232
Accumulated depreciation				
At 1 January 2010	3,209	243	24,392	27,844
Charge for the year	298	57	3,521	3,876
Disposals	-	-	(668)	(668)
Exchange rate movement	-	(13)	(88)	(101)
At 31 December 2010	3,507	287	27,157	30,951
Net book amount				
At 31 December 2010	12,594	121	8,566	21,281
At 31 December 2009	12,892	175	9,672	22,739

The net book value of fixed assets includes an amount of £390,000 (2009 £598,000) in respect of assets held under finance leases The related cost of these assets was £1,269,000 (2009 £1,269,000) and accumulated depreciation £879,000 (2009 £671,000)

	Freehold Property £000	Long leasehold Property £000	Computers and other office equipment £000	Total £000
COMPANY				
Cost				
At 1 January 2010	16,101	-	95	16,196
Additions at cost	-	-	11	11
At 31 December 2010	16,101	-	106	16,207
Accumulated depreciation				
At 1 January 2010	3,209	-	74	3,283
Charge for the year	298	-	9	307
At 31 December 2010	3,507	-	83	3,590
Net book amount				
At 31 December 2010	12,594	-	23	12,617
At 31 December 2009	12,892	-	21	12,913

NOTES TO THE FINANCIAL STATEMENTS

11 INVESTMENT IN JOINT VENTURES AND ASSOCIATES

	2010 £000	2009 £000
GROUP		
Share of net assets		
At 1 January	2,706	3,107
Currency translation difference on investment in joint venture and associate	221	185
Share of sustained loss after dividends received of £2,573,000 (2009 £2,498,000)	(128)	(134)
Amortisation of goodwill	(33)	(33)
Actuarial gain/(loss) recognised in the pension scheme of joint venture	228	(208)
Disposal of associates (note 28)	(97)	(211)
At 31 December	2,897	2,706
Analysed between		
Net assets	2,646	2,422
Goodwill	251	284
	2,897	2,706
Investment in joint ventures	2,897	2,667
Investment in associates	-	39
Total investment in joint ventures and associate	2,897	2,706

The joint ventures are as follows

COMPANY	ACTIVITY	GROUP INTEREST IN ORDINARY SHARES AND VOTING RIGHTS
CNW Group Limited (incorporated in Canada)	Communications and distribution	50%
Abaca US Inc. (incorporated in USA)	Photo Syndication	50%

The shares in CNW Group Limited and Abaca US Inc are held by an investment holding Company, PA News Investments Limited, that is a direct wholly owned subsidiary undertaking of PA Group Limited

During the year Group companies provided services to the joint ventures amounting to £86,000 (2009 £34,000) and received services amounting to £68,000 (2009 £58,000), both on an arms length basis. Amounts due from joint ventures at the year-end are included in debtors (see note 13).

Analysis of Group share of net assets in principle joint venture CNW Group Limited	2010 £000	2009 £000
Fixed assets	4,168	1,419
Current assets	3,257	3,523
Liabilities due within one year	(2,801)	(1,759)
Liabilities due after more than one year	(1,375)	-
Provisions for liabilities and charges	(538)	(782)
	2,711	2,401

During the year Group companies provided services to the associates amounting to £nil (2009 £49,000) and received services amounting to £nil (2009 £46,000), both on an arms length basis

NOTES TO THE FINANCIAL STATEMENTS

12 INVESTMENTS	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Cost and net book value				
At 1 January and 31 December	-	-	84,071	84,071

The principal trading subsidiary undertakings of the Company, all of which are incorporated in England and Wales unless stated, are as follows

COMPANY	ACTIVITY	GROUP INTEREST IN ORDINARY SHARES AND VOTING RIGHTS
The Press Association Limited	News, sport and entertainment information	100%
The Press Association of Ireland Limited (incorporated in the Republic of Ireland)	News	100% (i)
PA Information Services India Private Limited (incorporated in India)	Management of data processing	100% (i)
TNR Communications Limited	Video news releases	100% (ii)
PA Photos Limited	Photo syndication	100% (ii)
PA Sport UK Limited	Sport data	100% (iii)
iKnowledge Limited	Sport data	100% (iii)
PA Sport Asia Limited	Sport data	100% (iv)
PA Sport South Africa (Proprietary) Limited (incorporated in South Africa)	Sport data	76% (iv)
Meteo Consult BV (incorporated in the Netherlands)	Meteorological information	94.9% (i)
MeteoGroup UK Limited	Meteorological information	97.4% (ii) (v)
MeteoGroup Deutschland GmbH (incorporated in Germany)	Meteorological information	89 3% (v)
Meteo Services SA (incorporated in Belgium)	Meteorological information	81 4% (v)
Meteotemp España SL (incorporated in Spain)	Meteorological information	94 9% (v)
MeteoGroup Scandinavia AB (incorporated in Sweden)	Meteorological information	94 9% (v)
MeteoGroup Polska SP ZOO (incorporated in Poland)	Meteorological information	94 9% (v)
MeteoGroup USA Inc (incorporated in USA)	Meteorological information	94 9% (v)
MeteoGroup France SAS (incorporated in France)	Meteorological information	73 2% (v)
Meteo Strategy SAS (incorporated in France)	Meteorological information	73 2% (vi)

(i) The shares in these companies are held by PA News Investments Limited
(ii) The shares in these companies are held by The Press Association Limited
(iii) The shares in these companies are held by PA Sport Limited
(iv) The shares in these companies are held by PA Sport International Limited
(v) The shares in these companies are held by Meteo Consult BV.
(vi) The shares in these companies are held by Meteo Strategy SAS

NOTES TO THE FINANCIAL STATEMENTS

13 DEBTORS

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Trade debtors	6,864	6,546	-	-
Amount owed by subsidiary undertakings	-	-	9,523	8,703
Amount owed by joint venture	87	33	-	-
Other debtors	186	320	47	4
Prepayments and accrued income	3,538	3,700	114	160
Corporation tax recoverable	-	159	-	150
Deferred tax asset (note 18)	1,844	1,012	229	-
	12,519	11,770	9,913	9,017

Amounts owed by subsidiary and joint venture undertakings are unsecured, interest free and have no fixed repayment date

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Bank loans (note 17)	1,671	1,201	1,671	1,201
Bank overdraft	210	1,466	-	-
Trade creditors	2,578	1,785	-	-
Amount owed to subsidiary undertakings	-	-	3,840	3,544
Finance leases (note 16)	128	160	128	160
Other taxes and social security	2,659	2,483	41	61
Corporation tax	201	287	-	-
Other creditors	319	497	7	22
Accruals and deferred income	8,697	8,952	559	762
	16,463	16,831	6,246	5,750

The bank overdraft is secured by a first legal charge over the Group's freehold buildings in conjunction with the Group's bank loans (note 17). Interest is charged at the Bank of England base rate plus 2.0% and the overdraft is repayable on demand.

Amounts owed to subsidiary undertakings are unsecured, interest free and have no fixed repayment date

15 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Bank loans (note 17)	7,356	8,615	7,356	8,615
Finance leases (note 16)	-	128	-	128
	7,356	8,743	7,356	8,743

16 FINANCE LEASES

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Future minimum payments under finance leases are as follows				
Within one year	128	160	128	160
In more than one year, but less than five years	-	128	-	128
	128	288	128	288

The finance leases are held with Lombard Technology Services Limited and commenced in December 2006 The principal amount was for £1,229,000, denominated in Sterling, bearing interest fixed at 6 75% and are in respect of certain computer and telephone equipment

NOTES TO THE FINANCIAL STATEMENTS

17 BANK LOANS

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Bank loan expiring				
Within one year	1,671	1,201	1,671	1,201
In more than one year, but not more than two years	1,132	1,189	1,132	1,189
In more than two year, but not more than five years	3,395	3,029	3,395	3,029
In more than five years	2,829	4,397	2,829	4,397
	9,027	9,816	9,027	9,816

The Group's banking facilities, agreed in October 2008, comprise of a £10,000,000 multicurrency term loan, a £5,000,000 multicurrency revolving credit facility and a £5,000,000 overdraft facility These facilities are secured by a first legal charge over the Group's freehold buildings

£7,184,000 of the term loan was denominated in Sterling (£5,987,000 outstanding at 31 December 2010), bears interest based on LIBOR plus 1 25%, and the outstanding balance is repayable in equal quarterly instalments over the next eight years

£2,816,000 of the term loan was denominated in Euros (£2,501,000 outstanding at 31 December 2010 after retranslation at the year end exchange rate), bears interest based on EURIBOR plus 1 25%, and the outstanding balance is repayable in equal quarterly instalments over the next eight years

The revolving credit facility bears interest based on EURIBOR plus 1 25%, and is repayable by 31 December 2011 £493,000 was outstanding on this facility at 31 December 2010

The Group also continues to hold unsecured loans with Lombard Technology Services Limited which commenced in December 2006 The principal amount was for £754,000 (outstanding as at 31 December 2010 £46,000), denominated in Sterling, bearing interest fixed at 6 75%

18 DEFERRED TAX ASSET/(LIABILITY)

	Group £000	Company £000
At 1 January 2010	1,012	(327)
Transfer from profit and loss account (note 8)	832	556
At 31 December 2010	1,844	229

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
The deferred tax asset/(liability) comprises				
Fixed asset timing differences	1,154	766	(318)	(388)
Trading losses	1	36	-	-
Other timing differences	689	210	547	61
	1,844	1,012	229	(327)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Based on current capital expenditure plans, the Group expects current timing differences to reverse, hence the deferred tax asset is recognised in full under FRS 19

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws substantively enacted at the balance sheet dates

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantively enacted on 20 July 2010 and that will be effective from 1 April 2011, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

19 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred consideration £000	Management incentive plans £000	Deferred taxation £000	Other £000	Total £000
GROUP					
At 1 January 2010	1,022	258	-	1,088	2,368
Utilised in the year	(231)	(272)	-	(353)	(856)
Credited to profit and loss account	(258)	-	-	-	(258)
Charged to profit and loss account	107	890	-	-	997
At 31 December 2010	640	876	-	735	2,251
COMPANY					
At 1 January 2010	-	258	327	167	752
Utilised in the year	-	(272)	-	(26)	(298)
Charged to profit and loss account	-	890	(327)	-	563
At 31 December 2010	-	876	-	141	1,017

Amounts utilised in the year in respect of deferred consideration relate to the issue of loan notes made in respect iKnowledge Limited. These loan notes are classified as other creditors and are redeemable during 2011

Amounts credited to turnover within the profit and loss account in respect of deferred consideration relate to the unwinding of the PA SportsTicker Inc service provision discount agreement with the previous owner On acquisition, deferred consideration for PA SportsTicker Inc was discounted to net present value Amounts charged to interest within the profit and loss account in respect of deferred consideration relate to the imputed interest payable

A long-term incentive plan was set up in 2006 to reward PA Group Limited Executive Directors, and potentially other senior executive employees, by paying them a bonus related to performance over the period from 1 January 2006 to 31 December 2009 A final payment of £58,000 under this arrangement was made during the year.

A phantom share option scheme was set up in 2007 to reward PA Group Limited Executive Directors, and other senior executive employees, with options being granted over a defined vesting period, settled in cash The amount payable is calculated by reference to the change in value of the Group over the vesting period A payment of £214,000 was made in the year in respect of options granted during 2008 and 2009 The provision at the year end in respect of the remaining live options is £376,000.

A new long-term incentive plan was set up in the year to reward PA Group Limited Executive Directors, and potentially other senior executive employees, by paying them a bonus related to the cumulative performance over the period from 1 January 2010 to 31 December 2012 The provision at the year end in respect of this arrangement was £500,000

Other provisions for liabilities relate to a deferred bonus arrangement for an executive of MeteoGroup Deutschland GmbH and onerous leases arising on certain unoccupied leased properties to the extent that the Directors believe that costs will not be offset by assignment or sub-letting It is anticipated that these provisions will be fully utilised by the end of 2014

20 CALLED UP SHARE CAPITAL

	2010 £000	2009 £000
7,965,000 (8,000,000 authorised) ordinary shares of £1 each allotted and fully paid	7,965	7,965

NOTES TO THE FINANCIAL STATEMENTS

21 PROFIT AND LOSS ACCOUNT

	Group £000	Company £000
At 1 January 2010	14,074	82,791
Currency translation gain on overseas investments in subsidiaries, joint ventures and associates	225	-
Profit for the financial year	2,874	1,226
Actuarial gain on pension scheme	3,628	-
Actuarial gain on pension scheme of joint venture (net of deferred tax)	228	-
Movement on deferred tax relating to pension asset	(1,171)	-
At 31 December 2010	19,858	84,017

Cumulative goodwill written off directly to Group reserves prior to the implementation of FRS 10, Goodwill and Intangible Assets, is £12,885,000 (2009 £12,885,000) This goodwill was written off to reserves as a result of accounting policies adopted at the time of these acquisitions. Subsequent disposal of the businesses to which this goodwill relates would result in these amounts being charged to the profit and loss account.

The profit and loss reserve includes a pension scheme liability of £3,942,000 (2009 £8,451,000), stated after deferred taxation of £1,458,000 (2009 £3,286,000)

22 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Retained profit for the financial year	2,874	3,085	1,226	2,362
Currency translation gain on overseas investments in subsidiaries, joint ventures and associates	225	338	-	-
Actuarial gain/(loss) recognised on pension scheme	3,628	(11,700)	-	-
Actuarial gain/(loss) on pension scheme of joint venture	228	(208)	-	-
Movement in deferred tax relating to pension asset	(1,171)	3,276	-	-
Net increase/(decrease) in equity shareholders' funds	5,784	(5,209)	1,226	2,362
Opening equity shareholders' funds	22,039	27,248	90,756	88,394
Closing equity shareholders' funds	27,823	22,039	91,982	90,756

23 FINANCIAL COMMITMENTS

	2010 £000	2009 £000
Operating lease commitments		
The Group is committed to make the following payments next year under operating leases		
Land and buildings, leases expiring:		
Within one year	143	169
One to five years	769	644
Beyond five years	-	157
	912	970
Motor vehicles and equipment, leases expiring		
Within one year	53	43
One to five years	379	385
	432	428
Capital expenditure contracted for but not provided	206	108

NOTES TO THE FINANCIAL STATEMENTS

24 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 £000	2009 £000
Operating profit	1,743	3,186
Goodwill and trademark amortisation (note 9)	1,520	1,547
Depreciation charge (note 10)	3,876	4,464
(Decrease)/increase in provisions	(326)	34
Difference between pension charge and cash contributions	(2,286)	(1,007)
Decrease in stocks	-	4
Decrease in debtors	2	2,402
Increase/(decrease) in creditors	362	(3,306)
	4,891	7,324

The figures above include the following amounts in respect of discontinued operations	2010 £000	2009 £000
Decrease in debtors	-	(394)
Decrease in creditors	-	(263)
	-	(657)

25 RETURN ON INVESTMENTS AND SERVICING OF FINANCE

	2010 £000	2009 £000
Interest received	71	37
Interest paid	(403)	(652)
Dividends paid to minority interests	(283)	(278)
	(615)	(893)

26 RECONCILIATION OF NET DEBT

	1 January 2010 £000	Cash flow £000	Other non cash changes £000	31 December 2010 £000
Cash	3,654	(363)	-	3,291
Overdraft	(1,466)	1,256	-	(210)
	2,188	893	-	3,081
Debt due within 1 year	(1,201)	789	(1,259)	(1,671)
Debt due after 1 year	(8,615)	-	1,259	(7,356)
Finance lease due within 1 year	(160)	160	(128)	(128)
Finance lease after 1 year	(128)	-	128	-
	(7,916)	1,842	-	(6,074)

NOTES TO THE FINANCIAL STATEMENTS

27 ACQUISITION OF SUBSIBIARY UNDERTAKINGS

On 13 October 2010 MeteoGroup France SAS acquired 100% (Group share 73 2%) of the share capital of Meteo Strategy SAS for a cash consideration of £60,000 Goodwill arising on the acquisition is to be amortised over 20 years, being the period that the Directors estimate that the value of the underlying business acquired is expected to exceed the value of the assets acquired The book value of the assets of Meteo Strategy at acquisition was £63,000 The fair value of the liabilities was £122,000 The difference between the book value and fair value of liabilities of £185,000 relates to capitalised research costs that do not have a readily ascertainable market value.

On 27 October 2010 the Group acquired a further 5 1% (bringing the Group's shareholding to 94.9%) of the share capital of Meteo Consult BV for a cash consideration of £1,561,000 Goodwill arising on the acquisition is to be amortised over 20 years, being the period that the Directors estimate that the value of the underlying business acquired is expected to exceed the value of the assets acquired The book value and fair value of the assets of Meteo Consult BV at acquisition was £122,000

	Meteo Strategy SAS (73.2%) £000	Meteo Consult BV (5 1%) £000	Total £000
Fixed assets	-	99	99
Debtors	99	250	349
Cash	-	109	109
Creditors	(221)	(318)	(539)
	(122)	140	18
Minority interests	-	(18)	(18)
Net assets on acquisition	(122)	122	-
Goodwill	182	1,439	1,621
	60	1,561	1,621
Satisfied by			
Cash consideration	60	1,561	1,621

28 DISPOSALS OF ASSOCIATE UNDERTAKINGS

On 7 September 2010 the Group sold its 33.3% shareholding in Champion Data Holdings Proprietary Limited and indirect shareholding in Champion Data Proprietary Limited, associate undertakings, for a cash consideration of £530,000. Disposal costs of £6,000 were incurred The Group's share of the net assets on disposal was £97,000, resulting in a profit on disposal of £427,000.

The Group's share of the profits of Champion Data Holdings Proprietary Limited and Champion Data Proprietary Limited up to the date of disposal amount to £47,000 (2009 £34,000) These results have not been disclosed in the profit and loss account as discontinued operations as they are not considered material in the context of the overall Group

NOTES TO THE FINANCIAL STATEMENTS

29 PENSIONS

The Group operates a defined benefit pension scheme, the Press Association Pension Fund (1992) which was restructured during the year Defined benefit pension accrual ceased on 30 June 2010 for all members and a defined contribution section to the Fund was created to provide future pension benefits The funds are administered by trustees and are independent of the Group's finances. Contributions are paid to the scheme in accordance with the recommendations of an independent actuarial adviser

The Group also operates a defined contribution schemes (a Group personal pension plan) for staff not eligible to join the Press Association Pension Fund (1992)

The following disclosures relates to the defined benefit section of the Press Association Pension Fund (1992).

The results of the full actuarial valuation as at 31 December 2008 were updated to the accounting date by an independent qualified actuary in accordance with FRS 17 As required by FRS 17, the value of the defined benefit liabilities has been measured using the projected unit method

The key FRS 17 assumptions used for the scheme are set out below, along with the fair value of assets, a breakdown of the assets into the main asset classes, the present value of the FRS 17 liabilities and the deficit of assets against the FRS 17 liabilities (which equals the gross pension liability)

The main assumptions used were	31 December 2010	31 December 2009	31 December 2008
Price inflation (RPI)	3 50%	3 5%	2.8%
Price inflation (CPI)	2 80%	n/a	n/a
Discount rate	5 50%	5 7%	6.4%
Pensions increases (LPI)	3 50%	3 5%	2 8%
Salary growth	n/a	3 5% (no salary scale)	2 8% (plus salary scale)
Life expectancy of male aged 63 in accounting year	24 6 years	24 5 years	23 8 years
Life expectancy of male aged 63 in 20 years after accounting year	26 5 years	26 4 years	25 0 years

Asset distribution and expected return	31 December 2010		31 December 2009		31 December 2008	
	Expected return pa	Fair value £ million	Expected return pa	Fair value £ million	Expected return pa	Fair value £ million
Equities	8 0%	72.1	8 0%	50.4	8 0%	40 8
Bonds	5.5%	-	5.7%	10.0	6.4%	9 0
Property	6.8%	2 1	6.9%	2.0	7.0%	2.4
Insured annuities	5.5%	62.8	5.7%	62.3	6 4%	52 3
Other	0.5%	1.4	0.5%	2.3	3.0%	0 9
Total		138 4		127 0		105.4

The amounts included in the balance sheet arising from the Group's obligations in respect of the scheme are as follows

Balance sheet	2010 £ million	2009 £ million
Total market value of assets	138 4	127 0
Present value of scheme liabilities	(143.8)	(138 7)
Gross pension liability	(5 4)	(11.7)
Related deferred tax asset	1 5	3 3
Net pension liability	(3.9)	(8 4)

Over the year to 31 December 2010, contributions by the Group of £3 4m (2009 £2 6m) were made to the scheme This included special contributions of £1.8m (2009 £0 3m), and contributions in respect of members who opted for the salary conversion arrangement. At 31 December 2010, no employer contributions were due to the scheme but unpaid at that date. Following the conclusion of the 2008 actuarial valuation and closure of the defined benefit section of the scheme to future accrual, employer contributions have fallen to 2.5% of pensionable salaries to cover on-going scheme expenses Employer special contributions totalling £2,250,000 will also be paid in 2011 Contribution levels will be reviewed following the results of the 2011 actuarial valuation

NOTES TO THE FINANCIAL STATEMENTS

29 PENSIONS (CONTINUED)

Changes in the present value of the scheme liabilities are as follows	2010 £ million	2009 £ million
1 January	(138 7)	(107 0)
Employer's part of current service cost	(1 1)	(1 6)
Interest cost	(7.8)	(6.7)
Contributions by scheme participants	(0.1)	(0.3)
Actuarial losses	(2 3)	(28 0)
Benefits paid	6 2	4 9
31 December	(143.8)	(138.7)

Changes in the fair value of the scheme's assets are as follows	2010 £ million	2009 £ million
1 January	127 0	105 4
Expected return on the scheme's assets	8.2	7.3
Actuarial gain	5 9	16.3
Contributions by the employer	3.4	2.6
Contributions by scheme participants	0.1	0.3
Benefits paid	(6 2)	(4 9)
31 December	138 4	127.0

Scheme assets do not include any PA Group Limited own financial instruments or any property occupied by PA Group Limited

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets Expected returns on insurance policies are the discount rate used to place a value on these policies

The actual return on scheme assets over the year was £14 1m (2009 £23 6m)

The amounts recognised within the profit and loss account are as follows	2010 £ million	2009 £ million
Employer's part of current service cost	(1 1)	(1 6)
Expected return on scheme's assets	8 2	7 3
Interest cost	(7.8)	(6.7)
Total expense included in the profit and loss account	(0 7)	(1 0)

The amount recognised outside of the profit and loss account in the statement of total recognised gains and losses ("STRGL") for 2010 is a gain of £3 6m (2009 loss of £11 7m)

Amounts for current period and previous four periods	2010 £ million	2009 £ million	2008 £ million	2007 £ million	2006 £ million
Present value of scheme liabilities	(143.8)	(138.7)	(107 0)	(132.3)	(130 4)
Fair value of scheme's assets	138.4	127.0	105 4	137.9	131.1
(Deficit)/surplus	(5 4)	(11 7)	(1 6)	5 6	0 7

NOTES TO THE FINANCIAL STATEMENTS

29 PENSIONS (CONTINUED)

The history of experience gains and losses is	2010	2009	2008	2007	2006
Actual return less expected return on scheme's assets (£m)	5 9	16 3	(39 2)	(0 3)	3.6
Percentage of scheme's assets	4%	13%	(37%)	-	3%
Experience gains/(losses) arising on scheme's liabilities (£m)	-	0 2	0.5	(0.5)	(1.6)
Percentage of the present value of the scheme's liabilities	-	-	-	-	(1%)
Total amount recognised in the STRGL (£m)	3 6	(11.7)	(8 7)	2 8	(3 0)
Percentage of the present value of the scheme's liabilities	3%	(8%)	(8%)	2%	(2%)

The following disclosure relates to the CNW Group, which is a 50% joint venture

	2010 £ million	2009 £ million
Scheme deficit at start of year	(1.2)	(1.0)
Profit and loss expense	(0.1)	(0.1)
Contributions	0.3	0.1
Actuarial loss recognised in STRGL (including exchange rate gain)	0.4	(0.2)
Scheme deficit at end of year	(0 6)	(1 2)
Related deferred tax asset	0.2	0 3
Net balance sheet liability	(0 4)	(0 9)

Further disclosure has not been provided given the value of the scheme

30 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under FRS 8, Related Party Transactions, not to disclose transactions with other Group companies.

The Company provides administrative services to the Group's defined benefit pension scheme During the year a total of £40,000 (2009 £33,000) was recharged to the scheme, and at 31 December 2010 £nil (2009 £nil) was owed by the scheme to the Group.

Transactions during both periods with joint ventures and associates are disclosed in note 11

The nature of the share ownership of PA Group means that there are commercial relationships between the Group and its shareholders Some members of the Board are also Directors of shareholder companies The Board has established rules to deal with conflicts of interest when they arise, and in such situations the Director withdraws from the meeting while the particular matter is discussed In the Board's opinion, there are no contracts with customers in which the Directors have a personal interest that require disclosure in the financial statements.

31 POST BALANCE SHEET EVENTS

On 18 January 2011 the Company purchased a further 5 1% (bringing the Group's shareholding to 100%) of the share capital in Meteo Consult BV for a cash consideration of £1,567,000

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