

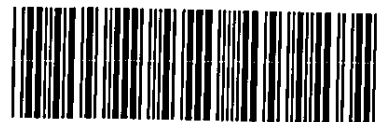
YORKSHIRE POST NEWSPAPERS LIMITED

Company Registration No. 2899

Report and Financial Statements

For the 52 weeks ended 31 December 2011

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YORKSHIRE POST NEWSPAPERS LIMITED

Report and Financial Statements 2011

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YORKSHIRE POST NEWSPAPERS LIMITED

Report and Financial Statements 2011 Officers and Professional Advisers

Directors

J A Fry	(resigned 31 October 2011)
S R Paterson	(resigned 15 March 2011)
S J Brown	(resigned 31 March 2012)
G Murray	(appointed 5 May 2011)
A G M Highfield	(appointed 1 November 2011)

Secretary

P M McCall

Registered Office

PO Box 168
Wellington Street
Leeds
West Yorkshire
LS1 1RF

Bankers

Lloyds TSB Bank Plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
Kent ME8 0LS

Solicitors

MacRoberts
Capella
60 York Street
Glasgow
G2 8JX

Independent Auditor

Deloitte LLP
Edinburgh
United Kingdom

YORKSHIRE POST NEWSPAPERS LIMITED

Directors' Report

For the 52 weeks ended 31 December 2011

The Directors present their annual report and the audited financial statements for the 52 weeks ended 31 December 2011

ACTIVITIES, RESULTS AND FUTURE PROSPECTS

The Company acts as an agent for Johnston Publishing Limited, publishing and distributing newspapers in the Yorkshire area of England. The result for the period is shown in the profit and loss account on page 6. The Directors do not expect any change in the activities of the business in the foreseeable future.

The financial position of the Company is set out in the balance sheet on page 7.

Johnston Press plc provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the Directors believe that performance indicators and principal risks or uncertainties specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The publicly available annual report of Johnston Press plc reviews these matters on a group basis.

GOING CONCERN

The Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Johnston Press plc Group has recently extended its financing facilities of which the Company is a guarantor to. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current committed facilities.

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

DIVIDENDS

No dividends have been paid or proposed by the Directors (2010 £ nil).

POST BALANCE SHEET DATE EVENTS

Details of post balance sheet events can be found in note 7.

DIRECTORS

The Directors who served during the period and to the date of this report are shown on page 1.

DIRECTORS' LIABILITY

As permitted by the Companies Act 2006, the Company has insurance cover for the Directors against liabilities in relation to the Company.

YORKSHIRE POST NEWSPAPERS LIMITED

Directors' Report (continued)

For the 52 weeks ended 31 December 2011

FINANCIAL RISK MANAGEMENT

The Company's principal assets subject to risk are intercompany receivables

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses short-term intercompany debt finance. The Directors do not consider there to be any risk associated with intercompany balances as these are managed for the Group as a whole by Johnston Press plc.

The Company does not enter into derivative financial instruments for hedging, speculative or any other purposes.

INDEPENDENT AUDITOR

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

- (1) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (2) the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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

Approved by the Board of Directors and signed on behalf of the Board



G Murray
Director

16 June 2012

YORKSHIRE POST NEWSPAPERS LIMITED

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 period. 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 judgments and 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 AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE POST NEWSPAPERS LIMITED

We have audited the financial statements of Yorkshire Post Newspapers Limited for the 52 week period ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 8. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its result for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.



Colin Gibson CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Edinburgh, United Kingdom
15 June 2012

YORKSHIRE POST NEWSPAPERS LIMITED

Profit and Loss Account

For the 52 weeks ended 31 December 2011

	Note	2011 £'000	2010 £'000
Turnover	1	12,617	14,932
Cost of sales		(12,617)	(14,932)
RESULT FOR THE FINANCIAL PERIOD	2	<u>-</u>	<u>-</u>

The current and prior period results have been derived wholly from continuing operations. The comparative period is for the 52 weeks ended 1 January 2011.

There have been no recognised gains or losses other than the result for the current and preceding financial periods and, accordingly, no statement of total recognised gains and losses or reconciliation of movements in shareholders' funds are shown.

The accompanying notes are an integral part of these financial statements.

YORKSHIRE POST NEWSPAPERS LIMITED

Balance Sheet

As at 31 December 2011

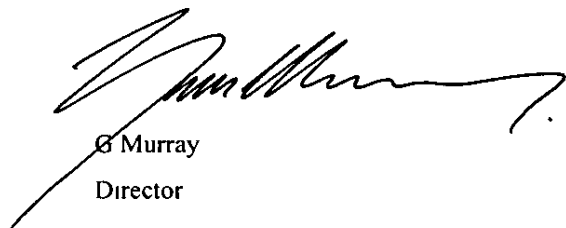
	Note	2011 £'000	2010 £'000
Current assets			
Debtors – amounts owed by group undertakings	4	88,532	88,532
NET ASSETS		<u>88,532</u>	<u>88,532</u>
Capital and reserves			
Called up share capital	5	690	690
Share premium account		425	425
Profit and loss account		87,417	87,417
SHAREHOLDERS' FUNDS		<u>88,532</u>	<u>88,532</u>

The comparative numbers are as at 1 January 2011

The accompanying notes are an integral part of these financial statements

The financial statements of Yorkshire Post Newspapers Limited, registered number 2899, were approved by the Board of Directors and authorised for issue on 16 June 2012

Signed on behalf of the Board of Directors



G Murray
Director

YORKSHIRE POST NEWSPAPERS LIMITED

Notes to the Financial Statements

For the 52 weeks ended 31 December 2011

1 ACCOUNTING POLICIES

The particular accounting policies adopted are described below. They have all been applied consistently throughout the current and preceding period.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial statements are prepared on the going concern basis as disclosed in the Directors' statement of going concern set out in the Directors' Report.

The financial statements have been prepared for the 52 week period ended 31 December 2011. The 2010 information relates to the 52 week period ended 1 January 2011.

Related parties

As the Company is a wholly owned subsidiary of Johnston Press plc, the Company has taken advantage of the exemption contained in FRS 8 and therefore not disclosed transactions and balances with entities which form part of the Group.

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Johnston Press plc whose consolidated financial statements include a cash flow statement and are publicly available.

Turnover and revenue recognition

Turnover represents charges to Johnston Publishing Limited in respect of the Company's services as an agent and is net of value added tax. All of the Company's turnover was generated in the United Kingdom. Turnover is recognised when services are rendered.

Pension costs

The Company participates in the Johnston Press Pension Plan (JPPP), a multi-employer scheme with defined benefit and defined contribution sections.

The Company is unable to identify its share of the underlying assets and liabilities of the scheme and therefore accounts for the scheme as if it were a defined contribution scheme.

The cost of contributions is charged to the profit and loss account when incurred. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. The preference shares of the Company qualify as equity.

Share based payments

The Company does not reflect costs associated with equity-settled share-based payments on the grounds that the benefits from services provided by its employees in respect of these payments are received by other group companies as a result of the agency agreements in place.

YORKSHIRE POST NEWSPAPERS LIMITED

Notes to the Financial Statements (continued) For the 52 weeks ended 31 December 2011

2 RESULT FOR THE FINANCIAL PERIOD

The result for the period is stated after charging

	2011 £'000	2010 £'000
Staff costs (note 3)	12,617	14,932

The auditor's remuneration in the current and prior period was borne by another group undertaking. The Directors estimate that the amount relating to the Company's statutory audit was £2,900 (2010 £7,300)

In 2011, the audit of the circulation and distribution of newspapers was carried out by the industry body, Audit Bureau of Circulation Limited (ABC)

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2011 Number	2010 Number
Average number of employees by activity:		
Editorial and production	170	214
Advertising and sales	184	270
Management and administration	83	80
	437	564

	2011 £'000	2010 £'000
Staff costs during the period comprised.		
Wages and salaries	10,325	12,213
Termination payments	668	646
Social security costs	991	1,162
Other pension costs	633	911
	12,617	14,932

Pension Contributions

The Company participates in the Johnston Press Pension Plan (JPPP). This is a mixed benefit multi-employer scheme, the assets and liabilities of which are held independently from the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

Pension contributions for the period amounted to £633,000 (2010 £911,000)

YORKSHIRE POST NEWSPAPERS LIMITED

Notes to the Financial Statements (continued) For the 52 weeks ended 31 December 2011

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

Pension Contributions (continued)

An updated valuation of the scheme at 31 December 2011 indicated that the scheme was 78% funded under FRS 17 (2010 86%)

The defined benefit scheme is closed to new members and was closed to future accrual from 30 June 2010. As at 31 December 2011 the required amounts of contributions to be paid to the scheme during 2012 was £2,200,000 (2010 £4,444,000), following the completion of the triennial valuation, these contributions increase to £5,700,000 from 1 June 2012.

Full details of the JPPP scheme and associated FRS 17 disclosures are provided in note 20 of the financial statements of Johnston Publishing Limited.

Directors' Emoluments

Four of the Directors did not receive or accrue emoluments in respect of their services to the Company in either period. The remuneration of the remaining Director was as follows:

	2011 £'000	2010 £'000
Emoluments	151	185
Termination payments	-	260
Pension contributions	-	21
	<u>151</u>	<u>466</u>

The interests of the Directors who are also Directors of the ultimate parent company, Johnston Press plc, in the shares of the ultimate parent company are disclosed in that company's financial statements.

For the remaining Director:

- No share options were exercised in the period (2010 nil)
- One award was made under the group Performance Share Plan (2010 one)

The number of Directors the Company paid contributions to the pension scheme in respect of was, as follows:

	2011 Number	2010 Number
Defined benefit scheme (to 30 June 2010)	-	1
Defined contribution scheme (from 30 June 2010)	-	1

As the defined benefit scheme was closed to future accrual from 30 June 2010, the Director who was previously in the defined benefit scheme at that date was moved to the defined contribution scheme.

Share based payments

Any gains made on the exercise of share options or the value of any shares or share options received under the long-term incentive schemes are not shown. Full details of share option schemes are provided in the financial statements of the ultimate parent company, Johnston Press plc. The costs of associated share-based payments under FRS 20 are not accounted for by the Company on the basis that the benefits from services provided by its employees in respect of these payments are received by other group companies as a result of the agency agreements in place. All such costs are accounted for in Johnston Publishing Limited and Johnston Press plc.

YORKSHIRE POST NEWSPAPERS LIMITED

Notes to the Financial Statements (continued) For the 52 weeks ended 31 December 2011

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts owed by group undertakings	88,532	88,532

5. CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Allotted, called up and fully paid shares:		
60,000 5 25% cumulative preference shares of £1 each	60	60
630,000 ordinary shares of £1 each	630	630
	690	690

6. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Value added tax

The Company is registered for VAT purposes in a group of undertakings, which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group, and failure by other members of the group to meet their VAT liabilities would give rise to additional liabilities for the Company. At 31 December 2011 the total liability of the group amounted to £3,931,000 (2010 £3,496,000). The Directors are of the opinion that no liability is likely to arise from the failure of these companies.

Security

On 28 August 2009, the Company entered into a security agreement with the Johnston Press plc Group's lenders. As detailed in note 7, this agreement was recently extended to 30 September 2015. The Company has provided a fixed charge over the assets of the Company, including intellectual property and a floating charge over its present and future undertakings. Further details of the finance arrangements of Johnston Press plc and its subsidiaries are contained in the annual report of Johnston Press plc to 31 December 2011. At 31 December 2011 Johnston Press plc and its subsidiaries had total net debt of £347,622,000 (2010 £377,394,000).

7. POST BALANCE SHEET DATE EVENTS

On 24 April 2012, Johnston Press plc extended the financing facilities it has in place to September 2015. The Company continues to be a guarantor to these facilities. Further details can be found in note 33 of the publicly available 2011 annual report for Johnston Press plc.

8. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The immediate parent company is Johnston Publishing Limited, a company registered in England and Wales. The ultimate parent company is Johnston Press plc, a company incorporated in the United Kingdom and registered in Scotland.

The only group in which the results of the Company are consolidated is that headed by Johnston Press plc. The financial statements of Johnston Press plc are available to the public and may be obtained from Johnston Press plc, 108 Holyrood Road, Edinburgh, EH8 8AS.