Grant Thornton

Financial statements
NWN Media Limited

For the year ended 31 March 2010

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Company No 00167825

Company information

Company registration number	00167825
Registered office	Mold Business Park Wrexham Road Mold Flintshire CH7 1XY
Executive directors	D Faulkner H R Jones
Non-Executive directors	R W G Whitehair (Chairman) Mrs N P Woodward A J Moss G Hughes R J R Whitehair B Jones
Bankers	Allied Irish Bank (GB) 1 St Paul's Square Old Hall Street Liverpool L3 9PP
Solicitors	Walker Smith Way 26 Nicholas Street Chester CH1 2PQ DTM Legal LLP Archway House Station Road Chester CH1 3DR
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Royal Liver Building Liverpool L3 1PS

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Report of the directors

The directors present their report together with the financial statements for the year ended 31 March 2010

Principal activity

The company's principal activity continues to be the printing and publishing of newspapers with developing interest in other media

Review of business and future developments

The profit and loss account for the year is set out on page 12 Both the level of business and the year end financial position were satisfactory

The directors expect that the present level of trading activity will be sustained for the foreseeable future The directors believe they have built into the company's future profit and cash flow plans the financial flexibility to meet the market conditions

NWN Media has worked within its agreed bank covenants during the year The new press continues to provide an increasing contribution to the company's reserves with the expansion and development of a full range of services within the Contract Print market

The market remains fragile, with revenues 3 6% down on the previous year, a very creditable performance within the industry Focussed selling cost controls and interest rate swap agreements continue to form the basis for consolidating the company's position

NWN Media Limited's titles continue to perform in the top quartile of regional newspapers as measured by the Audit Bureau of Circulation with the acquisition of the Whitchurch Herald proving to be a sound investment, strengthening the company's portfolio of titles

Results and dividends

There was a profit for the financial year amounting to £233,617 (2009 £153,983) which has been transferred to reserves

Dividends totalling £124,629 (2009 £310,567) were paid during the year as detailed in the notes to the financial statements

Directors

The membership of the Board is set out below Other than as stated, all served on the Board throughout the year

- R W G Whitehair
- Mrs N P Woodward
- H R Jones
- A J Moss
- P S Hinchliffe (resigned 6 November 2009)
- D Faulkner
- G Hughes
- R J R Whitehair (appointed 16 March 2010)
- B Jones (appointed 16 March 2010)

Report of the directors

Fixed assets

The movements in fixed assets during the year are set out in the notes to the financial statements In conjunction with a professional valuation, the directors value the company's freehold land and buildings at £2,055,000 A calculation of the corporation tax payable should the property be disposed of has not been performed as no disposal is contemplated

Financial risk management objectives and policies

The company uses various financial instruments, these include loans cash and various items, such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken

The main risks arising from the company's financial instruments are interest rate risk and credit risk The directors review and agree policies for managing each of these risks and they are summarised below These policies have remained unchanged from previous years

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings The company exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities At the year-end £5,691,000 of the borrowings were at fixed rates

The company's directors are responsible for implementing its treasury policy by ensuring the availability of funds to meet the ongoing activities of the company and managing interest rate and liquidity risk In that regard the company has entered into an interest rate hedge in respect of part of the company's long term borrowings of £5 691,000

Credit risk

The company's principal financial assets are cash and trade debtors The principal credit risk arises therefore from its trade debtors

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references Credit limits are reviewed by the credit control manager and the operational accountant on a regular basis in conjunction with debt ageing and collection history

The company's financial instruments comprise borrowings, cash and liquid resources which arise directly from operations The main purpose of these financial instruments is to finance the cost of the company's operations

Report of the directors

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which 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 those financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Employee involvement

Within the limitations of commercial confidentiality and security, it is the policy of the company to take employees' views into account when making decisions

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company performance

It is the policy of the company that, within the limitations of the trading activities, disabled persons are employed on equal terms When employees become disabled, every effort is made to continue employment with retraining for alternative work, if necessary Opportunities for career development are available for disabled persons

Charitable donations

During the year donations of £600 (2009 £790) were made to registered charities

Report of the directors

Key performance indicators

Profitability ratios

Return on total assets	2 0%
Pre-tax profit margin	2 5%
Return on total capital and reserves	4 3%

Liquidity ratios

Quick ratio	1 30
Current ratio	1 39

The value of these ratios indicate that the liquidity of the company is more than adequate to cover its short term loans

Gearing

Total debt/net worth	65 6%

Auditor

Grant Thornton UK LLP offer themselves for reappointment in accordance with section 485 of the Companies Act 2006

ON BEHALF OF THE BOARD

D Faulkner
2 September 2010

Grant Thornton

Report of the independent auditors to the members of NWN Media Limited

We have audited the financial statements of NWN Media Limited for the year ended 31 March 2010 which comprise the principal accounting policies, the profit and loss account, the balance sheet the cash flow statement 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)

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

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 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Report of the independent auditors to the members of NWN Media Limited

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

Carl Williams

Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
2 September 2010

Principal accounting policies

Basis of preparation

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

Consolidation

The directors consider that the subsidiary undertakings of the company taken together are not material and therefore consolidated financial statements are not required.

Turnover

Turnover represents the invoiced value for sale of advertising space, newspapers, contract printing and promotional activities provided during the year exclusive of Value Added Tax, less retail, wholesale and direct debit discounts Turnover is recognised on product or service delivery

Capitalisation of finance costs and interest

Finance costs, including interest, incurred in relation to the acquisition of tangible fixed assets are capitalised and depreciated over the useful economic life of the asset in question Such costs are only capitalised when they specifically relate to the purchase of an asset, and cease to be capitalised when the asset has been made available for use The capitalised rate used to determine the amount of finance costs and interest capitalised is based on the funding mechanism used to purchase the asset

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment Depreciation of freehold property has been charged at 2 5% and freehold property improvements at between 10% and 25% of original cost on a straight line basis No depreciation is charged on land Plant equipment and motor vehicles are depreciated at the following rates on a straight line basis

Plant and machinery	-	between 5% and 33%
Fixtures and fittings	-	between 20% and 25%
Motor cars	-	between 25% and 33%
Motor vans	-	between 25% and 50%

Investments

Investments are stated at cost less any provision for permanent diminution in value

Operating leases

Operating lease payments are charged to the profit and loss account as incurred

Stocks

Stocks are stated at the lower of cost and net realisable value Cost is calculated on a first in first out basis

Principal accounting policies

Goodwill

Goodwill is stated at cost less amounts written off Amortisation is considered when the directors believe that cost exceeds net realisable value.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date Deferred tax is not subject to discounting

Pension plan

The company operates a New Generation Group Pension Plan with both the company and the employee contributing into a personal fund for each individual employee Contributions paid in the year are charged to the profit and loss account

The company also had a final salary scheme, the North Wales Newspapers Limited Pension and Life Assurance Scheme All contributions have ceased and benefits were frozen when the money purchase plan was established The fund available, to provide a minimum defined level of pension to certain current and former employees, is valued on a regular basis by a professionally qualified independent actuary The directors consider the need for any additional accruals to be made to cover deficits identified within this fund, on the basis of these actuarial valuations

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets Other grants are credited to the profit and loss account when received

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities Shares containing such obligations are classified as financial liabilities

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities Dividends and distributions relating to equity instruments are debited directly to reserves

Principal accounting policies

Derivative instruments

The company uses derivative financial instruments, primarily to manage exposures to fluctuations in interest rates Gains and losses arising on interest rate hedges in respect of borrowings are disclosed in the notes to the financial statements

Research and development

Research and development expenditure is written off in the year in which it is incurred

Profit and loss account

	Note	2010 £	2010 £	2009 £	2009 £
Turnover	1		15,215,788		15,792 085
Cost of sales			4,450,878		4,307,810
Gross profit			10,764,910		11,484,275
Administrative expenses		10,042,658		10 834,700	
Other operating income		(14,520)		(12,766)	
			10,028,138		10,821,934
Operating profit			736,772		662,341
Net interest	2		(361,326)		(437,345)
Profit on ordinary activities before taxation	1		375,446		224,996
Tax on profit on ordinary activities	4		(141,829)		(71,013)
Profit for the financial year	18		233,617		153 983

All of the activities of the company are classed as continuing

There were no recognised gains or losses other than the result for the financial year

Balance sheet

	Note	2010	2010	2009	2009
		£	£	£	£
Fixed assets					
Intangible assets	6		30,000		-
Tangible assets	7		14,843,650		15 490,828
Investments	8		10,020		10 020
			14,883,670		15,500,848
Current assets					
Stocks	9	250,586		262,114	
Debtors	10	2,088,909		1,912,028	
Cash at bank and in hand		1,786,959		1,612 788	
		4,126,454		3,786 930	
Creditors amounts falling due within one year	11	(2,972,358)		(2,732 526)	
Net current assets			1,154,096		1 054 404
Total assets less current liabilities			16,037,766		16,555 252
Creditors: amounts falling due after more than one year	12		(5,769,590)		(6,535 029)
Provisions for liabilities and charges	15		(1,593,246)		(1,454,281)
Net assets			8,674,930		8,565,942
Capital and reserves					
Called up share capital	17		39,065		39,065
Share premium account	18		6,264		6,264
Capital reserve	18		68,779		68,779
Capital redemption reserve	18		38,288		38,288
Profit and loss account	18		8,522,534		8 413,546
Shareholders' funds	19		8,674,930		8,565,942

The financial statements were approved by the Board of Directors on 2 September 2010 and signed on its behalf by

D Faulkner Director

The accompanying accounting policies and notes form part of these financial statements

Cash flow statement

	Note	2010 £	2010 £	2009 £	2009 £
Net cash inflow from operating activities	20		2,059,397		2,619,119
Net interest			(361,326)		(437,345)
Net cash inflow from returns on investments and servicing of finance			1,698,071		2,181 774
Taxation			-		-
Capital expenditure and financial investments					
Purchase of tangible fixed assets		(713,172)		(381,200)	
Purchase of intangible fixed assets		(30,000)		-	
Sale of tangible fixed assets		-		19,325	
Grant received		-		80,000	
			(743,172)		(281,875)
Equity dividends paid			(124,629)		(310,567)
Net cash inflow before financing			830,270		1,589,332
Financing					
Repayment of loans		(656,099)		(1,016,795)	
Net cash outflow from financing			(656,099)		(1,016,795)
Increase in cash in year	21		174,171		572,537

Notes to the financial statements

1 Turnover and operating profit

The analysis of turnover and profit before taxation are attributable to the principal activities of the company and relate to the United Kingdom

The profit on ordinary activities before taxation is stated after charging/(crediting)

	2010	2009
	£	£
Auditors' remuneration	18,500	18,500
Fees payable to auditors in respect of other services	18,335	16,365
Depreciation - tangible fixed assets owned	1,360,350	1 365 272
Profit on disposal of tangible fixed assets	-	(9 708)
Operating lease rentals - other	250,069	272 498
- land and buildings	97,787	65 118

2 Net interest

	2010	2009
	£	£
On bank loans	374,966	498,660
Other loan interest	-	10,100
Interest receivable	(13,640)	(71,415)
	361,326	437,345

3 Directors and employees

Staff costs in the year were as follows

	2010	2009
	£	£
Wages and salaries	5,392,044	6,573,105
Social security costs	479,652	535,811
Other pension costs	139,175	150,779
	6,010,871	7 259,695

Notes to the financial statements

3 Directors and employees (continued)

The average weekly number of persons (including the executive director) employed by the company during the year was as follows

	2010 Number	2009 Number
Production staff	43	44
Distribution and sales staff including delivery agents	287	260
Editorial staff	78	77
Administrative staff	19	23
	427	404

Remuneration in respect of directors was as follows

	2010 £	2009 £
Aggregate emoluments	424,952	449 007
Compensation for loss of office	67,700	-
Pension contributions to money purchase schemes	19,730	25,014
	512,382	474,021

During the year, five directors (2009. five) participated in money purchase pension schemes

The amounts set out above include remuneration in respect of the highest paid director as follows

	2010 £	2009 £
Emoluments	139,935	140,404
Pension contributions to money purchase pension schemes	8,960	8,960

Notes to the financial statements

4 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2010	2009
	£	£
Current taxation		
UK corporation tax payable @ 28% (2009 28%)	2,864	-
Deferred tax (see note 15)	138,965	71 013
	141,829	71,013

(b) Factors affecting the tax charge in the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 28%)

The differences are explained below

	2010	2009
	£	£
Profit on ordinary activities before taxation	375,446	224,996
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 28% (2009 28%)	105,125	62,999
Effects of		
Income not taxable	(17,972)	(18 955)
Expenses not deductible for tax purposes	43,918	43,570
Movement in accelerated capital allowances and other short term timing differences	(114,089)	(67,869)
Industrial building allowances falling out of charge	(13,163)	(19,745)
Adjustment to tax rate	(955)	-
Current tax charge for the year	2,864	-

5 Dividends

	2010	2009
	£	£
Equity dividends paid in the year:		
£1 ordinary shares - 2010 interim dividend of £0 51 (2009 £4 32)	19,935	168,761
£1 ordinary shares - 2009 final dividend of £2 68 (2009 £3 63)	104,694	141,806
	124,629	310,567
Equity dividends proposed after the year-end (not recognised as a liability)		
£1 ordinary shares - 2010 final dividend of £2 84 (2009 £2 68)	111,105	104 694

The above rates of dividends have been paid/proposed on all classes of ordinary shares

Notes to the financial statements

6 Intangible fixed assets

	Goodwill £
Cost at 1 April 2009	-
Acquisition	30,000
Cost at 31 March 2010	**30,000**

A newspaper title was purchased in the year which included an element of goodwill The goodwill is considered to have an indefinite useful life as it is generating profits and the company has no plans to cease production

7 Tangible fixed assets

	Freehold land and buildings £	Plant, machinery, vehicles, fixtures and fittings £	Total £
Cost			
At 1 April 2009	1,824,393	19,944,969	21,769,362
Additions	12,725	700,447	713,172
At 31 March 2010	1,837,118	20,645,416	22,482,534
Depreciation			
At 1 April 2009	680,553	5,597,981	6,278,534
Charge for the year	64,354	1,295,996	1,360,350
At 31 March 2010	744,907	6,893,977	7,638,884
Net book amount at 31 March 2010	**1,092,211**	**13,751,439**	**14,843,650**
Net book amount at 31 March 2009	1,143,840	14,346,988	15,490 828

Notes to the financial statements

8 Fixed asset investments

	Subsidiary undertaking	Other investments	Total
	£	£	£
Cost			
At 1 April 2009 and at 31 March 2010	10,000	20	10,020

Interests in group undertaking

The following information relates to the principal subsidiary undertaking

Name of undertaking	Country of incorporation or registration	Class of share capital held	Proportion held	Profit for financial year	Capital and reserves
				£	£
Chester & District Standard Limited	England and Wales	Ordinary	100%	-	10 000

The above subsidiary is non-trading.

9 Stocks

	2010	2009
	£	£
Spares	169,786	169,786
Raw materials and consumables	80,800	92,328
	250,586	262,114

10 Debtors

	2010	2009
	£	£
Trade debtors	1,775,194	1,725,289
Other debtors	70,915	50,829
Prepayments and accrued income	242,800	135,910
	2,088,909	1,912,028

Notes to the financial statements

11 Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank loan (see note 13)	**675,601**	630,448
Trade creditors	**885,944**	760,484
Social security and other taxes	**562,924**	386,210
Corporation tax	**2,864**	-
Amount owed to group undertaking	**10,000**	10,000
Other creditors	**203,629**	304,106
Accruals and deferred income	**567,209**	577,091
Deferred income - government grants	**64,187**	64,187
	2,972,358	2,732,526

12 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Bank loan (see note 13)	**5,015,647**	5,716,899
Deferred income - government grants	**753,943**	818,130
	5,769,590	6,535,029

13 Borrowings

The bank loan is repayable as follows

	2010	2009
	£	£
Within one year	**675,601**	630,448
After one and within two years	**727,134**	678,594
After two and within five years	**2,531,869**	2,362,854
After more than five years	**1,756,644**	2,675,451
	5,691,248	6,347,347

The loan with Allied Irish Bank is for 10 years at 2% margin plus costs over LIBOR The loan is secured by a legal mortgage over all the fixed and current assets of the company excluding certain properties of the company

The company has entered into an interest rate hedge in respect of £7,150,000 (2009 £7,150,000) of its long term borrowing At 31 March 2010 the fair value of the instrument was a liability of £247,973 (2009 £125,644)

Notes to the financial statements

14 Deferred income - government grants

Deferred income will be credited to the profit and loss account as follows

	2010	2009
	£	£
Within one year	64,187	64 187
After one and within two years	64,090	64 187
After two and within five years	176,688	181 976
After five years	513,165	571 967
	818,130	882,317

15 Provisions for liabilities and charges

Deferred taxation (see note 16)

	2010	2009
	£	£
At 1 April 2009	1,454,281	1,383,268
Provided in the year	138,965	71 013
At 31 March 2010	1,593,246	1,454,281

16 Deferred taxation

Deferred taxation provided for in the financial statements is set out below

	2010	2009
	£	£
Accelerated capital allowances	1,702,435	1,640,664
Other timing differences	(109,189)	(186,383)
	1,593,246	1 454,281

Notes to the financial statements

17 Share capital

	2010	2009
	£	£
Authorised		
Undesignated ordinary shares of £1 each	63,435	63,435
Ordinary A shares of £1 each	37,490	37,490
Ordinary B shares of £1 each	1,524	1,524
Ordinary C shares of £1 each	51	51
37,000 3.5% cumulative preference shares of £1 each	37,000	37,000
7,500 4.2% cumulative preference shares of £1 each	7,500	7,500
	147,000	147,000
Allotted, called up and fully paid		
Ordinary A shares of £1 each	37,490	37,490
Ordinary B shares of £1 each	1,524	1,524
Ordinary C shares of £1 each	51	51
	39,065	39,065

All ordinary shares rank pari passu in all respects save as otherwise set out in the company's articles of association. The rights attaching to shares are the same with a distinction drawn to assist in the governing of transfers and allotment of shares.

18 Share premium account and reserves

	Share premium account	Capital reserve	Profit and loss account	Capital redemption reserve
	£	£	£	£
At 1 April 2009	6,264	68,779	8,413,546	38,288
Profit for the financial year	-	-	233,617	-
Equity dividends paid	-	-	(124,629)	-
At 31 March 2010	6,264	68,779	8,522,534	38,288

19 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Retained profit for the financial year	233,617	153,983
Equity dividends paid	(124,629)	(310,567)
Net addition to shareholders funds	108,988	(156,584)
Shareholders' funds at 1 April 2009	8,565,942	8,722,526
Shareholders' funds at 31 March 2010	8,674,930	8,565,942

Notes to the financial statements

20 Net cash inflow from operating activities

	2010	2009
	£	£
Operating profit	736,772	662 341
Depreciation on tangible fixed assets	1,360,350	1 365 272
Profit on sale of tangible fixed assets	-	(9,708)
Decrease/(increase) in stocks	11,528	(7,658)
(Increase)/decrease in debtors	(176,881)	743 208
Increase/(decrease) in creditors	127,628	(134 336)
	2,059,397	2 619 119

21 Reconciliation of net cash flow to movement in net debt

	2010	2009
	£	£
Increase in cash in the year	174,171	572 537
Cash outflow from financing	656,099	1 016,795
Change in net debt resulting from cash flows	830,270	1 589,332
Net debt at 1 April 2009	(4,734,559)	(6,323 891)
Net debt at 31 March 2010	(3,904,289)	(4,734,559)

22 Analysis of changes in net debt

	At 1 April 2009	Cash flows	At 31 March 2010
	£	£	£
Cash at bank and in hand	1,612,788	174,171	1,786,959
Debt due within one year	(630,448)	(45,153)	(675,601)
Debt due after more than one year	(5,716,899)	701,252	(5,015,647)
	(4,734,559)	830,270	(3,904,289)

23 Capital commitments

The company had capital commitments at 31 March 2010 of £65,863 (2009 £64,116)

24 Contingent liabilities

The company had no contingent liabilities at 31 March 2010 or 31 March 2009

The grant received from the Welsh Assembly Government under Regional Selective Assistance has met all the conditions required One condition is due to be tested within five years and provided it is met there will be no repayment Details of the amounts included are shown in note 14

Notes to the financial statements

25 **Pension and similar obligations**

Defined contribution pension scheme

The company operates a defined contribution pension scheme The assets of the fund are held separately from those of the company in an independently administered fund The pension cost charge represents contributions payable by the company to the fund and amounted to £116 334 (2009 £128,399) At 31 March 2010 pension contributions of £17 682 (2009 £19,417) were accrued

Defined benefit pension scheme

In addition, the company operated a defined benefit pension scheme which was closed in June 1992 These employees have a guarantee from the company that their total benefits from the defined contribution and defined benefit schemes will be at least equal to a certain individually defined benefit From time to time an independent actuary assesses if the current rate of contributions to the defined contribution scheme, together with the accumulated funds held in the defined benefit scheme, is expected to be adequate to provide this benefit guarantee At 31 March 2010 pension contributions of £82,310 (2009 £98,096) were accrued in respect of this scheme

FRS17 disclosures

As stated above, the company operates a money purchase pension scheme, the North Wales Newspapers Retirement & Life Assurance scheme The company has funded special contributions in respect of a closed group of employees to provide a minimum defined level of pension (as described above) A full actuarial valuation of the cost of the minimum pension was carried out at as at 31 December 2008 by a qualified independent actuary

The major assumptions used by the actuary were

Pensionable salary growth	3% pa
Pension escalation in payment	Nil
Discount rate	5% pa
Inflation	2% pa

As discussed above, the company has made maximum accrual under adopted accounting standards of £82,310 (2009 £98,096) to cover for the anticipated deficit within the funding available for those employees with guarantees under the closed defined benefit scheme

Notes to the financial statements

26 Leasing commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows

	2010 Land and buildings £	2010 Other £	2009 Land and buildings £	2009 Other £
In one year or less	-	74,544	-	55,318
Between one and five years	54,850	136,646	52,850	191 885
In five years or more	32,000	-	32,000	-
	86,850	211,190	84,850	247,203

27 Related party transactions

The chairman of NWN Media Limited, R W G Whitehair, was also deputy chairman of Mediaforce (London) Limited, which acted as NWN Media Limited's agents for national advertising business during the year on a commission basis

During the year Mediaforce (London) Limited rendered services to NWN Media Limited, amounting to £109 678 (2009 £123,314) of which £2,227 (2009 £1,422) was accrued for at the year end

Mediaforce (London) Limited is the parent undertaking of Choice Media Limited NWN Media Limited made sales of £338,596 (2009 £339,978) to Choice Media Limited during the year and were owed £68,598 (2009 £62,162) at the balance sheet date

All transactions were carried out on an arms length basis

The company owed £10 000 to its subsidiary Chester & District Standard Limited at 31 March 2010 (2009 £10,000)