

Company Registration No. 204478

**NCJ Media Limited (formerly Newcastle
Chronicle and Journal Limited)**

Report and Financial Statements

52 weeks ended 31 December 2006



NCJ Media Limited

Report and financial statements for the 52 weeks ended 31 December 2006

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NCJ Media Limited

Report and financial statements for the 52 weeks ended 31 December 2006

Officers and registered office

Directors

T M Directors Limited

Secretary

T M Secretaries Limited

Registered Office

One Canada Square
Canary Wharf
London
E14 5AP

NCJ Media Limited

Director's report

The sole director presents its annual report and the audited financial statements for the 52 weeks ended 31 December 2006

Change of Name

On the 30 June 2006, the company name was changed from Newcastle Chronicle and Journal Limited to NCJ Media Limited

Principal Activity

The principal activity of the company is the publication of newspapers and is part of the Regionals division of Trinity Mirror plc. The ultimate parent company at 31 December 2006 was Trinity Mirror plc

Results, review of activities and future prospects

The company's results for the 52 weeks ended 31 December 2006 are set out on page 6. The financial position of the company is set out on page 8. The director expects the company to perform satisfactorily during 2007.

Dividends and transfer from reserves

The company's profit before taxation was £18,582,000 (52 weeks ended 1 January 2006: £21,608,000). During the period dividends of £15,000,000 were paid to the immediate parent company (52 weeks ended 1 January 2006: £26,500,000). The Director does not recommend the payment of a final dividend (52 weeks ended 1 January 2006: £nil). The retained loss for the period of £2,100,000 (52 weeks ended 1 January 2006: retained loss of £11,437,000) has been transferred from reserves.

Principal risks and uncertainties

Trinity Mirror plc manages the group's risk at a group level, rather than at an individual statutory entity level. For this reason, the sole director believes that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the business. The principal risks and uncertainties of the group which include those of the company are discussed on page 25 of the Trinity Mirror plc annual report which does not form part of this report.

Key performance indicators

Trinity Mirror plc manages the group's operations on a divisional basis. For this reason the sole director believes that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance and position of the business. The development, performance and position of Regionals division of Trinity Mirror plc, which includes the company, are discussed in the Business Review set out on pages 8 to 25 of the Trinity Mirror plc annual report, which does not form part of this report.

Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, currency risk, liquidity, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the credit control procedures in place.

Director and its interests

The present membership of the Board is set out on page 1. There have been no changes to the membership of the Board of directors during the period or since the period end. The sole director has had no interests in the shares of the company, its fellow subsidiaries or its ultimate parent company at any time.

NCJ Media Limited

Director's report (continued)

Director's and officers' liability insurance

During the period, the company has maintained cover for its director and officers under a director's and officers' liability insurance policy

Donations

During the period contributions for charitable purposes totalled £3,691 (52 weeks ended 1 January 2006 £2,210)

Employee related matters

Disabled persons - the company policy is to give fair and equal consideration to the recruitment, employment and career development of disabled persons where suitable opportunities arise, and to provide such training and other assistance as may be necessary and practicable. Employees who become disabled and are unable to continue in their existing jobs are given the opportunity to be retrained for suitable alternative employment

Employee involvement - communication and participation of employees is achieved through both formal and informal channels. The means of communication range from formal union procedures to staff briefings and formal and informal management briefings where appropriate, communication is by individual personal letter or circular

Employee share award scheme

The company participates in the employee share award scheme of Trinity Mirror plc and its subsidiary undertakings (the "Group")

Pension schemes

The company participates in the pension schemes of the Group as described in Note 3 to the financial statements

Creditor payment policy

It is the policy of the Trinity Mirror plc group to agree suitable terms and conditions for its business transactions with suppliers. These terms and conditions range from standard written terms to individually drafted contracts. Once such terms are agreed it is the group's policy to fully adhere to them, including payment schedules provided the supplier has also complied with the terms and conditions. The costs incurred by the company are paid by Trinity Mirror Shared Services Limited, a subsidiary undertaking, as part of a centralised accounts payable function. The average payment period for the 52 weeks ended 31 December 2006 was 33 days (52 weeks ended 1 January 2006 23 days)

Auditors

The sole director at the date of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to make itself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

The company has elected, pursuant to Section 386 of the Companies Act 1985, to dispense with the obligation to appoint auditors annually. Deloitte & Touche LLP will continue in office as auditors

Approved and signed by the sole director



T M Directors Limited

V Vaghela

20 September 2007

NCJ Media Limited

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of NCJ Media Limited

We have audited the financial statements of NCJ Media Limited for the 52 week period ended 31 December 2006 which comprise the Profit and Loss account, the Reconciliation of Movements in Equity Shareholders' Funds, the Balance Sheet and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. The other information comprises only the Director's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2006 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne

21 September 2007

NCJ Media Limited

Profit and loss account 52 weeks ended 31 December 2006

	Note	52 weeks ended 31 December 2006 £'000	52 weeks ended 1 January 2006 £'000
Turnover	2	56,480	60,605
Cost of sales		(23,661)	(23,298)
Gross profit		32,819	37,307
Distribution costs		(4,101)	(4,235)
Administrative expenses – recurring		(9,495)	(10,474)
Administrative expenses – exceptional	4	(39)	(338)
Administrative expenses – total		(9,534)	(10,812)
Other operating income		21	21
Operating profit	4	19,205	22,281
Interest payable and similar charges	5	(623)	(673)
Profit on ordinary activities before taxation		18,582	21,608
Tax on profit on ordinary activities	6	(5,682)	(6,545)
Profit on ordinary activities after taxation		12,900	15,063
Equity dividends	7	(15,000)	(26,500)
Retained loss for the financial period	18	(2,100)	(11,437)

All amounts relate to continuing operations

The company has no recognised gains or losses for the current or prior period other than those included above and accordingly no statement of total recognised gains and losses has been presented

NCJ Media Limited

Reconciliation of movements in equity shareholders' funds 52 weeks ended 31 December 2006

	52 weeks ended 31 December 2006 £'000	52 weeks ended 1 January 2006 £'000
Profit for the financial period attributable to the members	12,900	15,063
Equity dividends	(15,000)	(26,500)
Share-based payments (debit)/credit	(24)	74
Net decrease to equity shareholders' funds	(2,124)	(11,363)
Opening equity shareholders' funds	70,165	81,528
Closing equity shareholders' funds	68,041	70,165

NCJ Media Limited

Balance sheet 31 December 2006

	Note	31 December 2006		1 January 2006	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	8	60,060		60,060	
Tangible assets	9	4,159		5,116	
Investments	10	1		1	
			64,220		65,177
Current assets					
Stocks	11	255		279	
Debtors	12	117,922		115,220	
Cash at bank and in hand		599		1,334	
		118,776		116,833	
Creditors: amounts falling due within one year	13	(103,556)		(98,638)	
Net current assets			15,220		18,195
Total assets less current liabilities			79,440		83,372
Creditors: amounts falling due after more than one year	14		(9,982)		(11,627)
Provisions for liabilities and charges	15		(700)		(815)
Accruals and deferred income	16		(717)		(765)
			68,041		70,165
Capital and reserves					
Called up share capital	17		64,225		64,225
Profit and loss account	18		3,816		5,940
Equity shareholders' funds			68,041		70,165

These financial statements were approved by the sole director on 20 September 2007

Signed on behalf of the sole director



TM Directors

V Vaghela

NCJ Media Limited

Notes to the accounts 52 weeks ended 31 December 2006

1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the current period and prior period.

Accounting convention

The financial statements are prepared under the historical cost convention.

Intangible fixed assets

Intangible fixed assets comprise acquired publishing rights and titles and are stated in the balance sheet at the directors' assessment of the fair value of intangible assets based on discounted cash flow valuations. In the opinion of the directors these assets have an indefinite economic life, due to their typical lifespan, and are not therefore subject to annual amortisation. The carrying value of these assets will be reviewed annually and adjusted to the recoverable amount if required.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Freehold land and tangible capital assets not yet in use have not been depreciated. Depreciation on assets qualifying for investment and regional development grants is calculated on their full cost. Depreciation on other assets is provided on cost in equal instalments over the estimated lives of the assets. The estimated useful economic lives are as follows:

Freehold property	67 years
Leasehold properties	The term of the lease
Fixtures, fittings, plant and machinery	3 - 25 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and production overheads.

Regional Development grant, Newcastle City Council grant and Trinity Mirror Printing grant

Regional Development grants are being credited to revenue over a period approximating to the average life of the related fixed assets. The Newsroom grant (NCC Grant) is being credited to revenue over a five year period which is the estimated initial life of the project. The TM Printing Grant is being credited over a twenty five year period.

Investments

Fixed asset investments are stated at cost unless, in the opinion of the directors, there has been an impairment in value, in which case an appropriate adjustment is made.

Group consolidated financial statements are not prepared as the company is a wholly owned subsidiary of another company registered in England and Wales.

Taxation

Current tax comprising UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or subsequently enacted by the balance sheet date.

Deferred taxation is provided in full at the anticipated tax rates on timing differences arising from the different treatment of items for accounting and taxation purposes. No provision is made for deferred tax on investment revaluations. A deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The company has elected not to discount the deferred tax assets and liabilities.

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Notes to the accounts 52 weeks ended 31 December 2006

1 Accounting policies (continued)

Leases

Where the company has substantially all the risks and rewards of ownership of an asset subject to a lease, the lease is treated as a finance lease. Other leases are treated as operating leases. Future instalments payable under finance leases, net of finance charges are included in creditors with the corresponding asset values recorded in fixed tangible assets and depreciated over the shorter of their estimated useful lives or their lease terms. Payments are apportioned between the finance element, which is charged to the profit and loss account as interest, and the capital element which reduces the outstanding obligation for future instalments. Operating lease payments are charged to the profit and loss account in equal annual amounts over the period of the leases.

Pension scheme arrangements

The company contributes to the Trinity Retirement Benefit Scheme, a defined benefit scheme and to the Trinity Mirror Pension Plan, a defined contribution scheme.

The Trinity Retirement Benefit Scheme operates for employees of a number of Trinity Mirror group companies and as such, NCJ Media Limited is unable to identify its share of the underlying assets and liabilities of the Scheme. Under Financial Reporting Standard 17, "Retirement Benefits", contributions paid by the company are charged to the profit and loss account as incurred during the period.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Share-based payments

Equity settled share-based payments are measured at fair value at the date of grant and expensed on a straight line basis over the vesting period based on the estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The shares offered under such schemes are shares in Trinity Mirror plc, the ultimate parent company.

Cash flow statements

The company is a wholly owned subsidiary, and the cash flows of the company are included in the consolidated cash flow statement of its parent undertaking which is publicly available. Consequently the company is exempt under the terms of Financial Reporting Standard 1, "Cash Flow Statements", from publishing a separate cash flow statement.

Capital instruments

Capital instruments are accounted for in accordance with the principles of FRS 4 issued by the Accounting Standards Board and are classified as equity share capital or debt as appropriate.

2 Turnover

Turnover arises wholly from the company's principal activity carried out within the United Kingdom and excludes VAT and similar sales based taxes. Turnover is recognised when goods or services have been delivered and title has passed.

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Notes to the accounts 52 weeks ended 31 December 2006

3. Information regarding directors and employees

	52 weeks ended 31 December 2006 £'000	52 weeks ended 1 January 2006 £'000
Employee costs during the period		
Wages and salaries	12,702	13,122
Social security costs	1,120	1,164
Pension costs	915	976
	<u>14,737</u>	<u>15,262</u>
Average number of persons employed	No.	No.
Production	226	214
Sales and distribution	756	765
Administration	87	126
	<u>1,069</u>	<u>1,105</u>

The above excludes 39 (52 weeks ended 1 January 2006 59) casual workers due to the impracticality of determining regular and occasional workers. The employee costs and numbers exclude the director.

Directors' emoluments

The corporate director received no remuneration from the company (52 weeks ended 1 January 2006 £nil), is not a member of any pension scheme (1 January 2006 same) and has no options or interests in the company or its ultimate parent (1 January 2006 same).

Pensions

The company contributes to the Trinity Retirement Benefit Scheme, a defined benefit scheme and to the Trinity Mirror Pension Plan, a defined contribution scheme.

The Trinity Retirement Benefit Scheme provides benefits based on final pensionable pay and is set up under a trust which holds the financial assets of the scheme separately from the company and which is controlled by trustees. Currently it is not possible to identify the company's share of those assets. The company pays contributions to the scheme at a fixed contribution rate, which is charged directly to the profit and loss account. Contributions to the scheme for the period were £871,067 (52 weeks ended 1 January 2006 £943,381). Accrued pension costs at 31 December 2006 were £nil (1 January 2006 £nil).

The pension cost is assessed in accordance with the advice of qualified actuaries using the projected unit method. The last formal actuarial valuation of the Trinity Retirement Benefit Scheme was prepared as at 30 June 2003. At the date of the revaluation the actuarial value of the assets in the scheme was sufficient to cover 88% of the accrued benefits of the members, after allowing for projected salaries on the basis of the following assumptions:

Investment return	4.50% pa
Pensionable salary increases	4.00% pa
Pension increases	2.50% pa
Price inflation	2.50% pa

Contributions to the Trinity Mirror Pension plan were £44,241 (52 weeks ended 1 January 2006 £32,805). At 31 December 2006 there were £nil of outstanding or prepaid contributions (1 January 2006 £nil). The accounts of the ultimate parent company, Trinity Mirror plc, contain full disclosure details of the scheme.

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Notes to the accounts 52 weeks ended 31 December 2006

4. Profit on ordinary activities before taxation

Operating profit on ordinary activities is stated after charging/(crediting)

	52 weeks ended 31 December 2006 £'000	52 weeks ended 1 January 2006 £'000
Exceptional redundancy costs due to restructuring	39	338
Depreciation		
- owned assets	995	962
Rentals under operating leases		
- land and buildings	54	119
- plant and machinery	509	557
Release of Regional Development & Local Authority Grants	(48)	(48)

The auditors' remuneration of £25,000 (52 weeks ended 1 January 2006 £16,000) for the statutory audit of the company's financial statements for the current and previous periods have been borne and not recharged by another group undertaking. Fees for other services provided were £18,000 (52 weeks ended 1 January 2006 £20,000)

5 Interest payable and similar charges

	52 weeks ended 31 December 2006 £'000	52 weeks ended 1 January 2006 £'000
Hire purchase and finance leases	623	673

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Notes to the accounts 52 weeks ended 31 December 2006

6. Tax on profit on ordinary activities

	52 weeks ended 31 December 2006 £'000	52 weeks ended 1 January 2006 £'000
Tax charge in period		
Profit on ordinary activities before taxation	18,582	21,608
Current tax:		
Corporation tax charge for current period	1,283	6,975
Group relief payable	4,500	-
Adjustment to prior period	10	(288)
	5,793	6,687
Deferred tax:		
Deferred tax charge for current period	(101)	(424)
Adjustment to prior period	(10)	282
	5,682	6,545

Included within the corporation tax charge for the period is a net tax credit of £11,700 (52 weeks ended 1 January 2006 credit of £101,400) in respect of exceptional items disclosed in the profit and loss account before operating profit (see note 2)

Reconciliation of current tax charge

The standard rate of current tax for the period, based on the UK standard rate of corporation tax, is 30% (52 weeks ended 1 January 30%) The actual rate of current tax for the period is more than 30% (52 weeks ended 1 January also more than 30%) for the reasons set out in the following reconciliation

	52 weeks ended 31 December 2006 £'000	52 weeks ended 1 January 2006 £'000
UK standard rate of corporation tax	30.0%	30.0%
Expenses not deductible for tax purposes	0.6%	0.3%
Capital allowances in excess of depreciation	1.0%	1.5%
Movement in short term timing differences	(0.5%)	0.5%
Prior period adjustment	0.1%	(1.3%)
Actual rate of current tax for period	31.2%	31.0%

NCJ Media Limited

Notes to the accounts 52 weeks ended 31 December 2006

7. Equity dividends

	52 weeks ended 31 December 2006 £'000	52 weeks ended 1 January 2006 £'000
Dividends paid to immediate parent company 23 4p per share (1 January 2006 18 7p and 22 6p per share)	15,000	26,500

8 Intangible fixed assets

	31 December 2006 £'000	1 January 2006 £'000
Valuation and net book value At beginning and end of period	60,060	60,060

9. Tangible fixed assets

	Freehold £'000	Leasehold £'000	Fixtures, fittings, plant and machinery £'000	Assets under the course of construction £'000	Total £'000
Cost					
At beginning of period	172	5,775	11,198	294	17,439
Additions	-	-	38	-	38
Disposals	-	-	(1,563)	-	(1,563)
Reclassifications	-	95	145	(239)	1
At end of period	172	5,870	9,818	55	15,915
Accumulated depreciation					
At beginning of period	-	(2,333)	(9,990)	-	(12,323)
Charge for the period	-	(261)	(734)	-	(995)
Additions	-	-	(1)	-	(1)
Disposals	-	-	1,563	-	1,563
Reclassifications	-	(9)	9	-	-
	-	(2,603)	(9,153)	-	(11,756)
Net book value					
At 31 December 2006	172	3,267	665	55	4,159
At 1 January 2006	172	3,442	1,208	294	5,116

The net book value of assets held under finance leases and hire purchase contracts as at 31 December 2006 £nil (1 January 2006 £nil) The assets have been transferred to Trinity Mirror Printing Limited during the prior period

NCJ Media Limited

Notes to the accounts 52 weeks ended 31 December 2006

10. Investments

	Listed investments £'000	Subsidiary undertakings £'000	Total £'000
Cost			
At beginning and end of period	<u>1</u>	<u>-</u>	<u>1</u>
Provisions for impairments			
At beginning and end of period	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At beginning and end of period	<u>1</u>	<u>-</u>	<u>1</u>

The market value of the listed investment at 31 December 2006 was £266 (1 January 2006 £175)

The company has a 100% ordinary share interest in Markstead Limited, a dormant company registered in England and Wales

11. Stocks

	31 December 2006 £'000	1 January 2006 £'000
Raw materials and consumables	<u>255</u>	<u>279</u>

12 Debtors

	31 December 2006 £'000	1 January 2006 £'000
Trade debtors	6,672	7,032
Amounts owed by ultimate parent company	95,659	89,679
Amounts owed by fellow subsidiaries	15,202	18,186
Other debtors	272	194
Prepayments and accrued income	117	129
	<u>117,922</u>	<u>115,220</u>

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Notes to the accounts 52 weeks ended 31 December 2006

13. Creditors: amounts falling due within one year

	31 December 2006 £'000	1 January 2006 £'000
Obligations under finance leases and hire purchase agreements	2,069	1,848
Trade creditors	1,464	1,050
Amounts owed to immediate parent company	71,200	71,200
Amounts owed to fellow subsidiaries	24,154	16,208
Corporation tax payable	678	3,487
Other taxation and social security	1,635	1,636
Accruals and deferred income	2,153	3,209
Other creditors	203	-
	<u>103,556</u>	<u>98,638</u>

14. Creditors: amounts falling due after more than one year

	31 December 2006 £'000	1 January 2006 £'000
Obligations under finance leases at a commercial rate of interest and hire purchase agreements	<u>9,982</u>	<u>11,627</u>
Repayable by instalments as follows		
Between one and two years	1,946	1,645
Between two and five years	8,036	6,895
Beyond five years	-	3,087
	<u>9,982</u>	<u>11,627</u>

The finance leases are secured by a fixed charge over the printing press, now owned by Trinity Mirror Printing Limited, which has a net book value as at 31 December 2006 of £1,826,744 (1 January 2006 £2,325,000)

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Notes to the accounts 52 weeks ended 31 December 2006

15. Provisions for liabilities and charges

	Share based payments £'000	Deferred taxation £'000	Property provisions £'000	Total £'000
Provision at beginning of period	46	759	10	815
Current period charge/(credit)	15	(101)	-	(86)
Adjustment to prior period	(19)	(10)	-	(29)
Provision at end of period	42	648	10	700

	31 December 2006 £'000	1 January 2006 £'000
Deferred taxation		
Provision at beginning of period	759	901
Current period tax charge	(101)	(424)
Adjustment to prior period	(10)	282
Provision at end of period	648	759

The amounts provided in the accounts are as follows

	31 December 2006 £'000	1 January 2006 £'000
Depreciation in excess of capital allowances	779	966
Other short term timing differences	(131)	(207)
	648	759

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Notes to the accounts 52 weeks ended 31 December 2006

16. Accruals and deferred income

	31 December 2006 £'000	1 January 2006 £'000
Government and local authority grants		
At beginning of period	149	170
Release to profit and loss account	(21)	(21)
At end of period	128	149
25 year lease granted to TM Printing		
At beginning of period	616	643
Release to profit and loss account	(27)	(27)
At end of period	589	616
Total Grants		
At beginning of period	765	813
Release to profit and loss account	(48)	(48)
At end of period	717	765

17 Called up share capital

	31 December 2006 £'000	1 January 2006 £'000
Authorised		
64,225,000 ordinary shares of £1 each	64,225	64,225
Called up, allotted and fully paid		
64,225,000 ordinary shares of £1 each	64,225	64,225

18. Reserves

	Profit and loss account £'000
Balance at 1 January 2006	5,940
Retained loss for the period	(2,100)
Share-based payments debit	(24)
Balance at 31 December 2006	3,816

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Notes to the accounts

52 weeks ended 31 December 2006

19. Operating lease commitments

At 31 December 2006, the company was committed to making the following payments during the next period in respect of non-cancellable operating leases

	31 December 2006			1 January 2006		
	Other £'000	Land and buildings £'000	Total £'000	Other £'000	Land and buildings £'000	Total £'000
Leases which expire						
Within one year	32	-	32	66	-	66
Within two to five years	392	12	404	246	12	258
After five years	-	31	31	-	31	31
	<u>424</u>	<u>43</u>	<u>467</u>	<u>312</u>	<u>43</u>	<u>355</u>

20. Contingent liabilities

The company, together with certain of its fellow subsidiaries in the United Kingdom, has guaranteed the loans (including the US Private Placement) and bank overdraft of the ultimate parent company with certain of the group's bankers. At 31 December 2006 this amounted to £467 million (1 January 2006 £457 million)

21. Ultimate parent company and immediate parent undertaking

In the opinion of the sole director, the company's ultimate parent company, and controlling entity at 31 December 2006 was Trinity Mirror plc, a company registered in England and Wales. Copies of the group financial statements are available from its registered office at One Canada Square, Canary Wharf, London, E14 5AP. Trinity Mirror plc is the parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared.

The immediate parent undertaking is TIH (Newcastle) Limited, a company registered in England and Wales.

22. Related party transactions

The company is a wholly owned subsidiary within the group, and utilises the exemption contained in Financial Reporting Standard 8, "Related Party Disclosures", not to disclose any transactions with entities that are part of the group. The address at which the group consolidated financial statements are publicly available is shown in note 19.