Company Registration No. 204478

NCJ Media Limited

Report and Financial Statements

52 weeks ended 2 January 2011

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NCJ Media Limited (Registration No. 204478)

Report and financial statements for the 52 weeks ended 2 January 2011

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Officers and registered office

Directors

Vijay Vaghela
Paul Vickers
T M Directors Limited

Secretary

T M Secretaries Limited

Registered office

One Canada Square
Canary Wharf
London
E14 5AP

NCJ Media Limited (Registration No. 204478)

Directors' report

The directors present their annual report and the audited financial statements for the 52 weeks ended 2 January 2011

Principal activity

The principal activity of the company is the publication of newspapers, and it is part of the Regionals division of Trinity Mirror plc The ultimate parent company at 2 January 2011 was Trinity Mirror plc

Review of developments, future prospects and financial position

The result for the financial period is set out in the profit and loss account on page 6 The financial position of the company is set out on page 8 The directors expect the company to perform satisfactorily during 2011

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend for the 52 weeks ended 2 January 2011 (53 weeks ended 3 January 2010 £nil) The retained profit of £6,514,000 for the financial period (53 weeks ended 3 January 2010 £4,619,000) has been transferred to reserves

Principal risks and uncertainties

There is an ongoing process for the identification, evaluation and management of the significant risks faced by the company The key risk facing the company is the impact the economy has on the company's revenues and on the group financing facilities The principal risks and uncertainties of the group which include those of the company are discussed on pages 29 to 30 of the Trinity Mirror plc annual report which does not form part of this report

Key performance indicators

The key performance indicators that the company uses to review and monitor its businesses are primarily financial These include revenue, operating profit and operating margin, circulation volumes, unique users and reach In a declining market, as has been experienced in 2010, the company seeks to target performance in line with or ahead of competitors or comparators taking account of the company's strategy The development, performance and position of Trinity Mirror plc, which includes the company, is discussed in the Business Review set out on pages 20 to 30 of the Trinity Mirror plc annual report which does not form part of this report

Directors' and officers' liability insurance

During the year, the company has maintained adequate cover for its directors and officers under a Directors' and officers' liability insurance policy

Creditor payment policy

It is the policy of the Trinity Mirror 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 fellow subsidiary undertaking, as part of a centralised accounts payable function. The average payment period for the 52 weeks ended 2 January 2011 was 36 days (53 weeks ended 3 January 2010 33 days)

Directors' report (continued)

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, credit risk, liquidity risk, 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 are relevant to the company are credit risk in respect to financial assets which are primarily amounts owed by fellow subsidiaries, and liquidity risk in order to ensure that sufficient funds are available for ongoing operation These risks are mitigated by the nature of the debtor balances owed being intercompany, and the sources of funding, which is due from other group companies which are able to repay these if required

Political and charitable donations

During the 52 weeks ended 2 January 2011 contributions for charitable purposes were £3,458 (53 weeks ended 3 January 2010 £449) No direct political donations were made during either period

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 personal letter or circular to employees individually

Employee share award scheme - the company participates in the employee share award scheme of Trinity Mirror plc

Pension schemes - the company participates in the pension schemes of the group as described in note 3

Auditors

The directors at the date of this report confirm that

- as far as each of the directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and

- each of the directors has taken all the steps he should have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Approved and signed on behalf of the Board of Directors

Vijay Vaghela

30 March 2011

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 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 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 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

Going concern basis

In determining whether the company's financial statements can be prepared on a going concern basis the directors have considered the factors likely to affect future development, performance and financial position including the matters disclosed in the Directors' report The company is part of the Trinity Mirror group and the going concern review completed at the date of signing of the group accounts is set out on page 43 of the Trinity Mirror plc annual report which does not form part of this report The going concern of the company is dependent on the going concern of the Trinity Mirror group

In particular the company has considered

- the implications of the challenging economic environment on the company's revenue and profits,
- the impact on the business of key suppliers being unable to meet their obligation to the company,
- the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected, and
- the reliance on the group financing facilities

At the date of signing of these financial statements the directors have considered all the factors impacting the company's and group's business, including downside sensitivities The directors therefore 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 company's financial statements

Independent auditor's report to the members of NCJ Media Limited
(Registration No. 204478)

We have audited the financial statements of NCJ Media Limited for the period ended 2 January 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 20 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 Statement of Directors' Responsibilities, 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 2 January 2011 and of its profit 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 year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Paul Williamson

Paul Williamson BSc FCA
(Senior Statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne, United Kingdom
1 April 2011

NCJ Media Limited (Registration No. 204478)

Profit and loss account
52 weeks ended 2 January 2011

	Note	52 weeks ended 2 January 2011 £'000	53 weeks ended 3 January 2010 £'000
Turnover	2	36,820	40,830
Cost of sales		(15,827)	(18,108)
Gross profit		20,993	22,722
Distribution costs		(2,696)	(4,043)
Administrative expenses	4	(9,044)	(11,721)
Operating profit	4	9,253	6,958
Interest payable and similar charges	5	-	(378)
Profit on ordinary activities before taxation		9,253	6,580
Tax on profit on ordinary activities	6	(2,739)	(1,961)
Retained profit for the period	16	6,514	4,619

All results relate solely to continuing operations

There were no recognised gains or losses during the current or prior period other than those shown in the profit and loss account Consequently, a separate statement of total recognised gains and losses has not been presented

NCJ Media Limited (Registration No. 204478)

Reconciliation of movements in shareholders' funds
52 weeks ended 2 January 2011

	52 weeks ended 2 January 2011 £'000	**53 weeks ended 3 January 2010 £'000**
Profit on ordinary activities after taxation	6,514	4,619
Share-based payments credit	133	154
Net increase to shareholders' funds	6,647	4,773
Opening shareholders' funds	96,113	91,340
Closing shareholders' funds	102,760	96,113

NCJ Media Limited (Registration No. 204478)

Balance sheet
2 January 2011

	Note	2 January 2011		3 January 2010	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	7	60,060		60,060	
Tangible fixed assets	8	2,732		3,105	
Investments	9	-		-	
			62,792		63,165
Current assets					
Stocks	10	8		24	
Debtors	11	177,348		161,835	
Cash at bank and in hand		1,323		1,014	
		178,679		162,873	
Creditors: amounts falling due within one year	12	(138,037)		(128,722)	
Net current assets			40,642		34,151
Total assets less current liabilities			103,434		97,316
Deferred income	13		(596)		(626)
Provisions for liabilities	14		(78)		(577)
Net assets			102,760		96,113
Capital and reserves					
Called up share capital	15		64,225		64,225
Profit and loss account	16		38,535		31,888
Shareholders' funds			102,760		96,113

These financial statements were approved by the Board of Directors on 30 March 2011

Signed on behalf of the Board of Directors

Vijay Vaghela

NCJ Media Limited (Registration No. 204478)

Notes to the accounts
52 weeks ended 2 January 2011

1. Accounting policies

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

Basis of preparation

The financial statements have been prepared on a going concern basis as set out on page 4

Basis of accounting

The financial statements are prepared under the historical cost convention

Stocks

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

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 substantively 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

Consolidated financial statements and cash flows

The company is exempt under Section 400 of the Companies Act 2006 from preparing group financial statements for the company and its subsidiaries, as the company is a wholly owned subsidiary of a company incorporated in England and Wales Therefore, these financial statements represent those of the company and not the group 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 provisions of Financial Reporting Standard 1 (Revised), "Cash Flow Statements", from publishing a separate cash flow statement

Intangible fixed assets

Intangible fixed assets comprise publishing rights and titles acquired as part of the acquisition of a business and are stated in the balance sheet at the Directors' assessment of the fair value of intangible assets based on discounted cash flow valuations The financial statements depart from the specific requirement of companies legislation to amortise these assets over a finite period for the overriding purpose of giving a true and fair, due the fact that the directors consider publishing rights and titles have indefinite economic lives due to the historic longevity of the brands and the ability to evolve the brands in the ever changing media landscape The carrying value of these assets will be reviewed annually and adjusted to recoverable amount if required

Regional development grant

Regional development grants are being credited to revenue over a period approximating to the average life of the related fixed assets

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Notes to the accounts
52 weeks ended 2 January 2011

1. **Accounting policies (continued)**

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

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 contributed to the Trinity Retirement Benefit Scheme, a defined benefit scheme and to the Trinity Mirror Pension Plan, a defined contribution scheme during the period

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

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

Advertising revenue is recognised upon publication Circulation revenue is recognised at the time of sale Printing revenue is recognised when the service is provided Digital revenue is recognised over the period of the online campaign Other revenue including leaflets and events revenue is recognised at the time of sale or provision of service

3. Information regarding directors and employees

Directors' emoluments

The directors received no remuneration in respect of services to the company (53 weeks ended 3 January 2010 £nil)

Staff costs are as follows

	52 weeks ended 2 January 2011 £'000	53 weeks ended 3 January 2010 £'000
Wages and salaries	9,073	10,600
Social security costs	852	1,022
Pension costs	437	730
	10,362	12,352

The average weekly number of employees during the period is set out below

	No.	No.
Production	155	190
Sales and distribution	130	544
Administration	386	84
	671	818

The above excludes 12 (53 weeks ended 3 January 2010 6) casual workers due to the impracticality of determining regular and occasional workers The employee costs and numbers exclude the directors

Pensions

The company contributed to the Trinity Retirement Benefit Scheme, a defined benefit scheme during the period The Group announced closure of its defined benefit schemes to future accrual from the 31 March 2010 All participants of these schemes had the option to join the 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

The pension costs of this scheme are assessed across its membership as a whole, and it is not possible to determine the share of the scheme's assets and liabilities that relates to NCJ Media Limited Accordingly, the requirements of FRS17 "Retirement Benefits" relating to multi-employer schemes apply and the company accounts for the scheme as if it were a defined contribution scheme

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 2009, using the following assumptions

Pension increases (pre 1997)	3 40% pa
Pension increases (post 1997)	3 40% pa
Inflation rate	3 50% pa

3. **Information regarding directors and employees (continued)**

From 1 Apnl 2010, there are no contnbutions payable due to the closure to future accrual Contnbutions paid up until 31 March 2010 to the scheme for the 52 weeks ended 2 January 2011 were £190,906 (53 weeks ended 3 January 2010 £691,889) Accrued pension costs at 2 January 2011 were £nil (3 January 2010 £nil)

The financial statements of the ultimate parent company, Trinity Mirror plc, contain full disclosure details of the scheme

The defined benefit pension scheme of the group to which the company contributed and the deficit at the latest valuation date is as follows

	Latest Valuation Date	Deficit £m
Trinity Retirement Benefit Scheme	30 June 2009 (signed June 2010)	102 2

Agreements have been reached with the trustees of the defined benefit pension schemes for annual deficit funding payments to be made These deficit funding payments for each scheme are borne and not recharged by the respective sponsoring entity in the group

The company also contributes to the Trinity Mirror Pension Plan, a defined contribution scheme

Contributions to the Trinity Mirror Pension plan, for the 52 weeks ended 2 January 2011 were £245,672 (53 weeks ended 3 January 2010 £38,139) At 2 January 2011 there were no outstanding or prepaid contributions (3 January 2010 £nil)

4. **Operating profit**

Operating profit is stated after charging/(crediting)

	52 weeks ended 2 January 2011 £'000	53 weeks ended 3 January 2010 £'000
Administrative expenses - exceptional restructuring costs	-	1,547
Depreciation - owned assets	353	542
Profit on disposal of fixed asset	(41)	-
Operating lease - land and buildings	23	42
Operating lease - plant and machinery	373	319
Release of Regional Development & Local Authority Grants	(3)	(3)

The auditors' remuneration of £20,000 (53 weeks ended 3 January 2010 £20,000) for the audit of the statutory accounts of this company has been borne and not recharged by another group company

5. **Interest payable and similar charges**

	52 weeks ended 2 January 2011 £'000	53 weeks ended 3 January 2010 £'000
Hire purchase and finance leases	-	378

6. Tax on profit on ordinary activities

	52 weeks ended 2 January 2011 £'000	53 weeks ended 3 January 2010 £'000
Tax charge in period		
Profit on ordinary activities before taxation	9,253	6,580
Current tax:		
Corporation tax charge for current period	1,354	120
Group relief payable	1,400	1,889
Adjustment to prior period	(5)	(40)
	2,749	1,969
Deferred tax:		
Deferred tax credit for current period	(20)	(68)
Adjustment to prior period	1	60
Deferred tax rate change	9	-
Total tax charge	2,739	1,961

Reconciliation of current tax charge

The standard rate of corporation tax in the UK is 28% (53 weeks ended 3 January 2010 28%) The change in standard rate of corporation tax from 28% to 27% is effective from 1 April 2011 The actual rate of current tax for the period is more than 28% (53 weeks ended 3 January 2010 was more than 28%) for the reasons set out in the following reconciliation

	52 weeks ended 2 January 2011 %	53 weeks ended 3 January 2010 %
UK standard rate of corporation tax	28 0	28 0
Expenses not deductible for tax purposes	1 8	1 4
Capital allowances in excess of depreciation	-	1 0
Movement in short term timing differences	-	0 1
Prior period adjustment	(0 1)	(0 6)
Actual rate of current tax for period	29 6	29 9

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Notes to the accounts
52 weeks ended 2 January 2011

7. Intangible fixed assets

	2 January 2011 £'000	3 January 2010 £'000
Fair value and net book value		
At start and end of period	60,060	60,060

8. Tangible fixed assets

	Freehold property £'000	Fixtures, fittings, plant and machinery £'000	Total £'000
Cost			
At start of period	5,900	6,694	12,594
Additions	59	10	69
Disposals	(266)	-	(266)
Write off of assets	(437)	(2,567)	(3,004)
At end of period	5,256	4,137	9,393
Accumulated depreciation			
At start of period	(3,086)	(6,403)	(9,489)
Charge for the period	(167)	(186)	(353)
Disposals	177	-	177
Write off of assets	437	2,567	3,004
	(2,639)	(4,022)	(6,661)
Net book value			
At 2 January 2011	2,617	115	2,732
At 3 January 2010	2,814	291	3,105

9. Investments

	Subsidiary undertakings £'000	Total £'000
Cost and net book value		
At start and end of period	-	-

The company has a 99% ordinary share interest in Markstead Limited, a dormant company registered in England and Wales

Notes to the accounts
52 weeks ended 2 January 2011

10. Stocks

	2 January 2011 £'000	3 January 2010 £'000
Raw materials and consumables	8	24

11. Debtors

	2 January 2011 £'000	3 January 2010 £'000
Trade debtors	3,598	4,096
Amounts owed by ultimate parent company	164,088	146,564
Amounts owed by fellow subsidiaries	9,153	10,582
Other debtors	100	185
Prepayments and accrued income	126	135
Deferred tax asset	283	273
	177,348	161,835

	2 January 2011 £'000	3 January 2010 £'000
Deferred taxation		
At start of period	273	265
Current period tax credit	20	68
Adjustment to prior period	(1)	(60)
Effect of change in rate of corporation tax	(9)	-
At end of period	283	273

The amounts provided in the accounts are as follows

	2 January 2011 £'000	3 January 2010 £'000
Depreciation in excess of capital allowances	121	108
Other short term timing differences	153	157
Share-based payments	9	8
	283	273

In the current period the opening deferred tax provision was recalculated due to the reduction in the standard rate of corporation tax from 28% to 27% from 1 April 2011, resulting in a charge of £9,727 to the profit and loss account, see note 6

Notes to the accounts
52 weeks ended 2 January 2011

12. Creditors: amounts falling due within one year

	2 January 2011 £'000	3 January 2010 £'000
Trade creditors	578	606
Amounts owed to immediate parent company	71,200	71,200
Amounts owed to fellow subsidiaries	62,450	53,265
Corporation tax payable	696	121
Other taxation and social security	950	974
Accruals and deferred income	2,158	2,518
Other creditors	5	38
	138,037	128,722

13. Deferred income

	2 January 2011 £'000	3 January 2010 £'000
Government and local authority grants		
At start of period	117	120
Release to profit and loss account	(3)	(3)
At end of period	114	117
25 year lease granted to TM Printing		
At start of period	509	536
Release to profit and loss account	(27)	(27)
At end of period	482	509
Total deferred income		
At start of period	626	656
Release to profit and loss account	(30)	(30)
At end of period	596	626

Notes to the accounts
52 weeks ended 2 January 2011

14. Provisions for liabilities

	Share based payments NIC £'000	Restructuring £'000	Property provisions £'000	Total £'000
At start of period	28	512	37	577
Current period charge	3	100	-	103
Utilised in period	-	(580)	(22)	(602)
At end of period	31	32	15	78

The property provision relates to vacant properties and is expected to be utilised over the remaining terms of the leases which in some cases exceed one year The share-based payments provision relates to national insurance obligations attached to the future crystallisation of equity awards under the long term incentive plan and is expected to be utilised on any exercise of the options over the next three periods The restructuring provision relates to severance costs incurred in the delivery of cost reduction measures expected to be utilised in the next period

15. Called up share capital

	2 January 2011 £'000	3 January 2010 £'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

16. Reserves

	Profit and loss account £'000
At start of period	31,888
Retained profit for the period	6,514
Share-based payments credit for the period	133
At end of period	38,535

Notes to the accounts
52 weeks ended 2 January 2011

17. Operating lease commitments

At 2 January 2011, the company was committed to making the following payments during the next period in respect of non-cancellable operating leases

	2 January 2011			3 January 2010		
	Other £'000	Land and buildings £'000	Total £'000	Other £'000	Land and buildings £'000	Total £'000
Leases which expire						
Within one year	24	2	323	203	3	206
Within two to five years	297	-	531	116	8	124
After five years	-	17	17	-	31	31
	321	19	340	319	42	361

18. Contingent liabilities

The company, together with certain of its fellow subsidiaries in the United Kingdom, has guaranteed the loans (including loan notes issued through the US Private Placement market) and bank overdraft of the ultimate parent company with certain of the group's bankers At 2 January 2011 this amounted to £366 1 million (3 January 2010 £361 0 million)

19. Ultimate parent company and immediate parent undertaking

In the opinion of the directors, the company's ultimate parent company and controlling entity at 2 January 2011 was Trinity Mirror plc, a company incorporated and registered in England and Wales 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 Copies of the group financial statements are available from its registered office at One Canada Square, Canary Wharf, London, E14 5AP

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

20. 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