

Company Registration No. SC276920



Trinity Mirror Printing (Saltire) Limited

Report and Financial Statements

52 weeks ended 1 January 2012

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Trinity Mirror Printing (Saltire) Limited
(Registration No. SC276920)

Report and financial statements for the 52 weeks ended 1 January 2012

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Trinity Mirror Printing (Saltire) Limited
(Registration No. SC276920)

Report and financial statements for the 52 weeks ended 1 January 2012

Officers and registered office

Directors

Sly Bailey
Vijay Vaghela
Paul Vickers
Philip Brown
T M Directors Limited

Secretary

T M Secretaries Limited

Registered Office

One Central Quay
Glasgow
G3 8DA

Trinity Mirror Printing (Saltire) Limited

(Registration No. SC276920)

Directors' report

The directors present their annual report and the audited financial statements for the 52 weeks ended 1 January 2012.

Principal activities

The principal activity of the company was contract newspaper printing primarily for fellow subsidiary undertakings and is part of the Nationals division of Trinity Mirror plc. The ultimate parent company at 1 January 2012 was Trinity Mirror plc.

Results, review of activities and future developments

The company's result for the 52 weeks ended 1 January 2012 is set out in the profit and loss account on page 6. The directors expect the company to perform satisfactorily during 2012.

Dividends and transfer from reserves

The profit on ordinary activities before taxation amounted to £1,304,000 (52 weeks ended 2 January 2011: profit £829,000). No dividend was paid during the 52 weeks ended 1 January 2012 (52 weeks ended 2 January 2011: £nil). The retained profit for the financial period of £952,000 (52 weeks ended 2 January 2011: profit of £594,000) has been transferred from 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 22 to 23 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 2011, 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 14 to 23 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, 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 considers 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 who are able to repay these if required.

Directors' and officers' liability insurance

During the 52 weeks, 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 company 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 company's policy to fully adhere to them, including payment schedules, provided the supplier has also complied with the terms and conditions. The company's suppliers are paid by Trinity Mirror Shared Services Limited, a fellow subsidiary undertaking, as part of a centralised accounts payable function. The average payment period disclosed by Trinity Mirror Shared Service Limited is 32 days (2 January 2011: 36 days).

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Directors' report (continued)

Employee related matters

Health and safety - strenuous efforts continue to be made throughout the company to improve our good record in this field. Full details of the company's health and safety policy can be obtained at a local level.

Disabled persons - the policy of the company 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 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 those of 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 the group.

Pension schemes - the company participates in the pension schemes of the group as described in note 4 to the financial statements.

Political and charitable donations

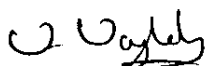
During the 52 weeks ended 1 January 2012 contributions for charitable purposes were £nil (52 weeks ended 2 January 2011: £nil). No direct political donations were made during either period.

Auditor

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

Approved and signed on behalf of the Board of Directors



Vijay Vaghela

7 June 2012

Trinity Mirror Printing (Saltire) Limited **(Registration No. SC276920)**

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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 35 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 Trinity Mirror Printing (Saltire) Limited

We have audited the financial statements of Trinity Mirror Printing (Saltire) Limited for the period ended 1 January 2012 which comprise the profit and loss account, the reconciliation of movement in shareholders' funds, the balance sheet and the related notes 1 to 12. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 January 2012 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

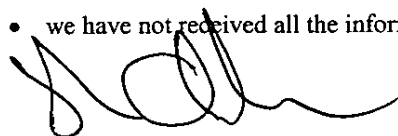
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



John Charlton
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

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Trinity Mirror Printing (Saltire) Limited
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Profit and loss account
52 weeks ended 1 January 2012

	Notes	52 weeks ended 1 January 2012 £'000	52 weeks ended 2 January 2011 £'000
Turnover	2	21,450	22,010
Cost of sales		(18,211)	(19,189)
Gross profit		3,239	2,821
Selling and marketing costs		(3)	(10)
Administrative expenses		(1,932)	(1,982)
		(1,935)	(1,992)
Profit on ordinary activities before taxation	3	1,304	829
Tax charge on profit on ordinary activities	5	(352)	(235)
Profit on ordinary activities after taxation	10	952	594

The results relate solely to continuing operations.

There are no recognised gains or losses other than the profit for the current period and loss for the prior period.
Accordingly a statement of total recognised gains and losses has not been prepared.

Trinity Mirror Printing (Saltire) Limited
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Reconciliation of movement in shareholders' funds
52 weeks ended 1 January 2012

	52 weeks ended 1 January 2012 £'000	52 weeks ended 2 January 2011 £'000
Profit for the period	952	594
Share-based payments credit in the period	21	20
Net increase to shareholder's funds	973	614
Opening shareholder's funds	1,482	868
Closing shareholder's funds	2,455	1,482

Trinity Mirror Printing (Saltire) Limited
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Balance sheet
1 January 2012

	Notes	1 January 2012		2 January 2011	
		£'000	£'000	£'000	£'000
Current assets					
Stocks	6	600		457	
Debtors	7	111,813		84,238	
Cash at bank and in hand		1		1	
		<u>112,414</u>		<u>84,696</u>	
Creditors: amounts falling due within one year	8	<u>(109,959)</u>		<u>(83,214)</u>	
Net current assets and net assets			<u>2,455</u>		<u>1,482</u>
Capital and reserves					
Called up share capital	9	-		-	
Profit and loss account	10	2,455		1,482	
Shareholder's funds			<u>2,455</u>		<u>1,482</u>

These financial statements were signed and approved on behalf of the Board of Directors on 7 June 2012.

Signed on behalf of the Board of Directors



Vijay Vaghela

Trinity Mirror Printing (Saltire) Limited
(Registration No. SC276920)

Notes to the financial statements
52 weeks ended 1 January 2012

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 and preceding periods.

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.

Turnover

The company's turnover, which excludes value added tax, represents the invoiced value of goods and services supplied. Printing revenue is recognised when the service is provided. Other revenue including leaflets and events revenue is recognised at the time of sale or provision of service.

Taxation

Current tax, including 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.

Stocks – engineering spares and consumables

Stocks are stated at the lower of cost and net realisable value.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Cash flow statement

The company is a wholly owned subsidiary of Trinity Mirror plc and the cash flows of the company are included in the consolidated group cash flow statement of Trinity Mirror plc. Consequently the company is exempt under the terms of Financial Reporting Standard 1 (Revised) - "Cash Flow Statements", from publishing a cash flow statement.

Pension scheme arrangements

The company contributed to the MGN Pension Scheme, a defined benefit scheme during the prior period and to the Trinity Mirror Pension Plan, a defined contribution scheme during the current and prior period.

The MGN Pension Scheme operates for employees of a number of Trinity Mirror group companies and as such, Trinity Mirror Printing (Saltire) 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.

Trinity Mirror group companies operate two defined contribution pension schemes, both which have been set up under trusts that hold their financial assets separately from those of Trinity Mirror group companies and are controlled by the trustees.

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.

Trinity Mirror Printing (Saltire) Limited
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Notes to the financial statements
52 weeks ended 1 January 2012

1. Accounting policies (continued)

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 the Trinity Mirror plc, the ultimate parent company.

2. Turnover

All the turnover of the company is derived from the conduct of its principal activity in the United Kingdom and includes £14,692,000 (52 weeks ended 2 January 2011: £15,966,000) of sales to other group companies.

3. Profit on ordinary activities before taxation

	52 weeks ended 1 January 2012 £'000	52 weeks ended 2 January 2011 £'000
Operating profit is stated after charging:		
Rental charges of fixed assets from immediate parent undertaking	4,211	4,932
Exceptional - restructuring costs	256	305
	<u>4,467</u>	<u>5,237</u>

The auditor's remuneration of £3,000 (52 weeks ended 2 January 2011: £4,000) for the audit of the statutory accounts of this company has been borne and not recharged by another group company.

4. Information regarding directors and employees

The average number of persons employed by the company during the period is analysed below:

	52 weeks ended 1 January 2012 No.	52 weeks ended 2 January 2011 No.
Production	125	138
Administration	7	8
	<u>132</u>	<u>146</u>

Staff costs, including costs relating to part time employees, are as follows:

	52 weeks ended 1 January 2012 £'000	52 weeks ended 2 January 2011 £'000
Wages and salaries	5,256	5,713
Social security costs	531	550
Pension cost	351	456
	<u>6,138</u>	<u>6,719</u>

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Notes to the financial statements
52 weeks ended 1 January 2012

4. Information regarding directors and employees (continued)

Directors' emoluments

The directors received no remuneration in respect of services to the company (52 weeks ended 2 January 2011: £nil).

Pensions

The company contributed to the MGN Pension Scheme, a defined benefit scheme during the prior period, and to the Trinity Mirror Pension Plan, a defined contribution scheme during the current and prior period. The group announced closure of its defined benefit schemes to future accrual from 31 March 2010. All participants of these schemes have the option to join the defined contribution scheme.

The MGN Pension 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 Trinity Mirror Printing (Saltire) 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 MGN Pension Scheme was prepared as at 31 December 2010, using the following assumptions:

Pension increases (pre 1997)	3.00% pa
Pension increases (post 1997)	3.50% pa
Inflation rate - RPI	3.50% pa
CPI	2.70% pa

From 1 April 2010, there were no contributions payable due to the closure to future accrual. Contributions paid to the scheme for the 52 weeks ended 1 January 2012 were £nil (52 weeks ended 2 January 2011: £155,000). Accrued pension costs at 1 January 2012 were £nil (2 January 2011: £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 contributes and the deficit at the latest valuation date is as follows:

	Latest Valuation Date	Deficit £m
MGN Pension Scheme	31 December 2010 (signed March 2012)	(66.8)

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 1 January 2012 were £351,000 (52 weeks ended 2 January 2011: £301,000). At 1 January 2012 there were no outstanding or prepaid contributions (2 January 2011: £nil).

Trinity Mirror Printing (Saltire) Limited
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Notes to the financial statements
52 weeks ended 1 January 2012

5. Tax charge on profit on ordinary activities

	52 weeks ended 1 January 2012 £'000	52 weeks ended 2 January 2011 £'000
Profit on ordinary activities before taxation	<u>1,304</u>	<u>829</u>
Current tax		
Current tax charge	357	243
Adjustment in respect of previous periods	-	(2)
Deferred tax		
Deferred tax credit for current period	<u>(5)</u>	<u>(6)</u>
Tax charge for the period	<u>352</u>	<u>235</u>

Reconciliation of current tax charge

The standard rate of current tax for the period, based on the UK standard rate of corporation tax, is 26.5% (52 weeks ended 2 January 2011: 28.0%). The actual rate of current tax for the period is more than 26.5% (52 weeks ended 2 January 2011 more than 28.0%) for the reasons set out in the following reconciliation:

	52 weeks ended 1 January 2012 %	52 weeks ended 2 January 2011 %
UK standard rate of corporation tax	26.5	28.0
Expenses not deducted for tax purposes	0.4	0.8
Losses brought forward	-	(0.2)
Capital allowances in excess of depreciation	0.4	0.7
Adjustment tax charge in respect of previous periods	<u>-</u>	<u>(0.2)</u>
Actual rate of current tax for period	<u>27.3</u>	<u>29.1</u>

The Finance Bill 2012 provides for a reduction in the main rate of UK corporation tax from 25% to 24% effective from 1 April 2012. This change was substantively enacted on 26 March 2012. This reduced rate has not been reflected in the calculation of deferred tax as it had not been substantively enacted at the balance sheet date. The impact of this change on the deferred tax balances is £460.

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Notes to the financial statements
52 weeks ended 1 January 2012

6. Stocks

	1 January 2012 £'000	2 January 2011 £'000
Engineering spares and consumables	600	457

7. Debtors

	1 January 2012 £'000	2 January 2011 £'000
Amounts owed by fellow subsidiaries	111,599	83,972
Deferred tax asset	12	7
Prepayments and accrued income	202	259
	<u>111,813</u>	<u>84,238</u>

The deferred tax asset included in the accounts comprises:

	1 January 2012 £'000	2 January 2011 £'000
Depreciation in excess of capital allowances	12	7
The movement in the deferred tax asset was as follows:		
At beginning of period	7	1
Current period charge	5	6
At end of the period	<u>12</u>	<u>7</u>

8. Creditors: amounts falling due within one year

	1 January 2012 £'000	2 January 2011 £'000
Trade payables	129	270
Amounts owed to ultimate parent company	62,577	51,327
Amounts owed to immediate parent company	21,854	16,389
Amounts owed to fellow subsidiaries	23,219	13,596
Corporation tax	262	122
Accruals and deferred income	1,918	1,510
	<u>109,959</u>	<u>83,214</u>

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Notes to the financial statements
52 weeks ended 1 January 2012

9. Called up share capital

	1 January 2012 £'000	2 January 2011 £'000
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

10. Reserves

	Profit and loss account £'000
Balance at beginning of period	1,482
Retained profit for the period	952
Share-based payments credit in the period	<u>21</u>
Balance at end of period	<u>2,455</u>

11. Ultimate parent company and immediate parent company

In the opinion of the directors, the company's ultimate parent company and controlling entity at 1 January 2012 was Trinity Mirror plc, a company incorporated and registered and incorporated 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 company's immediate parent undertaking is Trinity Mirror Printing Limited, a company registered in England and Wales.

12. 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 11.