

Company Registration Number 06706464

THE SCOTT TRUST LIMITED

ANNUAL REPORT AND GROUP ACCOUNTS 2010

THE SCOTT TRUST LIMITED

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THE SCOTT TRUST LIMITED

List of directors and advisers

Directors

Dame Liz Forgan DBE
Larry Elliott
Andrew Graham
Will Hutton
Maleiha Malik
Carolyn McCall OBE
Geraldine Proudler
Alan Rusbridger
Anthony Salz
Jonathan Scott

Company secretary

Phil Boardman

Statutory Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Solicitors

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HS

Registered Office

Number 1 Scott Place
Manchester
M3 3GG

THE SCOTT TRUST LIMITED

Report of the directors

For the year ended 28 March 2010

The directors present their report and audited financial statements for the Group, comprising The Scott Trust Limited (“the Company”) and its subsidiaries, joint ventures and associate investments, for the year ended 28 March 2010. In order to simplify these accounts the Guardian Media Group plc Annual Report and Accounts 2010 has been included in Appendix 1. Cross references to these accounts have been made where the information is the same. Also for simplicity the note numbers in both sets of accounts are the same.

Activities and business review

The Scott Trust Limited is the holding company for Guardian Media Group plc whose Annual Report and Accounts is contained in Appendix 1 to this report. The principal activity of the Group is the dissemination of news, information and advertising matter by way of print and other media.

The Group results for the year are set out in the Group income statement on page 10. A review of the Group’s performance, future prospects and financial risks are contained in the consolidated accounts of Guardian Media Group plc in Appendix 1 within the statement from the chair, the chief executive’s review of operations, the statement from the chair of the Scott Trust and the financial review.

The Board does not envisage any major changes in the Company’s activities in the foreseeable future.

Land and buildings

Details of the market value and book value of land and buildings for the Group are set out in the report of the directors in the consolidated accounts of Guardian Media Group plc in Appendix 1.

Employee involvement and employment of disabled persons

The Group’s policy on employee involvement and employment of disabled persons is set out in the report of the directors in the consolidated accounts of Guardian Media Group plc in Appendix 1.

Creditor payment policy

The Group’s policy on creditor payments is set out in the report of the directors in the consolidated accounts of Guardian Media Group plc in Appendix 1.

Donations

Details of donations paid are set out in the report of the directors in the consolidated accounts of Guardian Media Group plc in Appendix 1.

Directors

The directors of the company who all held office throughout the year are listed on page 2.

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 Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Parent Company 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 Group and the Company and of the profit or loss of the Group for that period.

THE SCOTT TRUST LIMITED

Report of the directors (continued)

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 IFRS as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively; 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 confirm they have complied with the above requirements in preparing these financial statements.

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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors and disclosure of information to auditors

The directors confirm that so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the chief executive's report. The financial position of the Group, its cash flows, liquidity position and borrowing facility are described in the financial review. In addition, note 2 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives, details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk. These reports are set out in the consolidated accounts of Guardian Media Group plc in Appendix 1.

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

Financial risk management

The financial risk management objectives and policies of the Group are detailed in note 2 of the notes to the Guardian Media Group plc consolidated accounts in Appendix 1.

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By Order of the Board

Phil Boardman
Company secretary

9 June 2010

SCOTT TRUST LIMITED - REGISTERED IN ENGLAND AND WALES 06706464



THE SCOTT TRUST LIMITED

Directors' remuneration report for the year ended 28 March 2010

Remuneration policy for chair and independent directors

The level of fees for the chair and independent directors is reviewed biennially and approved by the chair of Guardian Media Group plc. The chair and independent directors are not eligible for pension fund membership and will not participate in any of the Group's bonus schemes. There was no increase in any fees approved at the biennial review in 2009/10. The fees are next due for review in 2011/12. Directors who are also executive directors of Guardian Media Group plc do not receive a fee.

Directors' contracts

Details of the service contracts of directors are as follows, with the exception of Carolyn McCall OBE and Alan Rusbridger which are set out in the directors' remuneration report of the consolidated accounts of Guardian Media Group plc in Appendix 1:

	Contract date	Contract unexpired term	Notice period	Contractual termination payments
Dame Liz Forgan DBE Larry Elliott ¹	1 October 2008	3 years 10 months	None	None
Andrew Graham	1 October 2008	5 years	None	None
Will Hutton	1 October 2008	4 years 10 months	None	None
Maleiha Malik	1 October 2008	7 years	None	None
Carolyn McCall OBE ²				
Geraldine Proudler Alan Rusbridger ²	1 October 2008	1 year 9 months	None	None
Anthony Salz	9 March 2009	9 years	None	None
Jonathan Scott	1 October 2008	Not applicable	None	None

¹ Larry Elliott was due to retire in 2009, but at the request of the STL Board, agreed to remain on the Board for a further period of time to be mutually agreed with the Board.

² Details of the contracts of Carolyn McCall OBE and Alan Rusbridger are set out in the directors' remuneration report of the consolidated accounts of Guardian Media Group plc in Appendix 1.

Directors' emoluments

	Directors fees 2010 (12 months) £000	Directors fees 2009 (6 months) £000
Dame Liz Forgan DBE	53	26
Larry Elliott	6	2
Andrew Graham	11	6
Will Hutton	11	6
Maleiha Malik	11	6
Carolyn McCall OBE ³	-	-
Geraldine Proudler	11	6
Alan Rusbridger ³	-	-
Anthony Salz	11	1
Jonathan Scott	11	6
Total	125	59

³ The emoluments of Carolyn McCall OBE and Alan Rusbridger are set out in the directors' remuneration report of the consolidated accounts of Guardian Media Group plc in Appendix 1. They are not paid a separate fee for their services as directors of The Scott Trust Limited.

The 2009 figures represent the amounts paid to the directors in their capacity as trustees of The Scott Trust Limited from 1 October 2008. During 2008/09 Guardian Media Group plc paid £59,229 to eight members of the Scott Trust in relation to their duties as trustees up to the determination of the Scott Trust in October 2008.

THE SCOTT TRUST LIMITED

Corporate governance

Following its incorporation in September 2008, the Scott Trust Board has developed corporate governance processes and procedures for the Company in conjunction with Guardian Media Group's corporate governance statement, which is set out in the annual report of the consolidated accounts of Guardian Media Group plc in Appendix 1.

In addition, the following is relevant to The Scott Trust Limited (STL):

The Board

The Scott Trust Limited Board comprises a chair, the editor-in-chief of the Guardian, a director drawn from among Guardian journalists and five independent directors, three of whom meet the independent criteria set out in the Combined Code. The chief executive of Guardian Media Group has customarily been invited to become a director. A member of the Scott family currently sits on the Board. There is also a reciprocal arrangement whereby the chair of the Board attends all Guardian Media Group meetings and in turn the chair of Guardian Media Group is invited to attend all STL meetings.

Details of all the directors and the company secretary are set out on pages 17 and 18 of the consolidated accounts of Guardian Media Group plc in Appendix 1. They indicate the directors' wide range of business and other relevant experience.

The Board intends to meet four/five times each year. Board papers are circulated to the directors by the company secretary in advance of Board meetings to ensure Board members are supplied in a timely manner with the information they need. There is a written schedule of specific matters reserved for Board consideration which includes approval of all Scott Trust Limited Board appointments and certain other Guardian Media Group Board and senior executive appointments and substantial investments, acquisitions and disposals by Guardian Media Group. Board meetings are minuted and minutes are circulated to all Board members by the company secretary.

On appointment to the Board, directors receive appropriate briefings on Guardian Media Group and its activities, and follow a tailored induction programme which includes meeting Guardian Media Group senior management.

All directors have access to the company secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed. A procedure exists for directors to take independent professional advice, at the Group's expense, if necessary, in the furtherance of their duties.

In due course, consideration will be given to introducing a performance appraisal of Board members and a process to review the effectiveness of the Board, probably on a biennial basis.

The Company maintains an appropriate level of directors' and officers' insurance in respect of legal action against the directors. In accordance with the Company's Articles of Association, the directors and officers of the Company are all indemnified out of the assets of the Company, to the extent permitted by law, in respect of liabilities incurred as a result of their office. No cover is provided in the event that a director or officer has acted fraudulently.

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Corporate governance (continued)

The number of meetings of the Board held in the financial year ended 28 March 2010, with details of individual attendance by directors, is set out in the table below.

Director	Board Meetings
Dame Liz Forgan DBE	6
Larry Elliott	6
Andrew Graham	6
Will Hutton	6
Maleiha Malik	6
Carolyn McCall OBE	6
Geraldine Proudler	6
Alan Rusbridger	6
Anthony Salz	5
Jonathan Scott	6
Number of meetings held	6

THE SCOTT TRUST LIMITED

Independent auditors' report

Independent auditors' report to the members of The Scott Trust Limited

We have audited the Group financial statements of The Scott Trust Limited for the year ended 28 March 2010 which comprise the Group income statement, the Group statement of comprehensive income, the Group balance sheet, the Group cash flow statement, the Group statement of changes in equity and the notes relating to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 group'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 Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 28 March 2010 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Group financial statements are prepared is consistent with the Group financial statements.

THE SCOTT TRUST LIMITED

Independent auditors' report (continued)

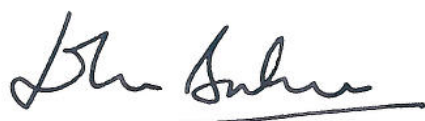
Matters on which we are required to report by exception

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:

- 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.

Other matters

We have reported separately on the parent company financial statements of The Scott Trust Limited for the year ended 28 March 2010.

A handwritten signature in black ink, appearing to read 'John Baker', with a horizontal line underneath it.

John Baker (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

9 June 2010

THE SCOTT TRUST LIMITED

Group income statement

For the year ended 28 March 2010

	Note	2010 Before exceptional items £m	2010 Exceptional items £m	2010 Total £m	2009 Before exceptional items £m	2009 Exceptional items £m	2009 Total £m
Continuing operations							
Turnover	3	280.0	-	280.0	310.9	-	310.9
Operating costs	4	(334.1)	(81.4)	(415.5)	(376.2)	(31.3)	(407.5)
Operating loss	4	(54.1)	(81.4)	(135.5)	(65.3)	(31.3)	(96.6)
Income from other financial assets	6	1.5	-	1.5	4.2	-	4.2
Interest payable and similar charges	7	(2.6)	-	(2.6)	(4.8)	-	(4.8)
Other financing income/(expenses)	7	5.4	-	5.4	(24.4)	-	(24.4)
Interest receivable and similar income	7	89.1	-	89.1	95.3	-	95.3
Share of post-tax losses of joint ventures	14	(32.6)	(96.5)	(129.1)	(67.3)	-	(67.3)
Share of post-tax profit/(losses) of associates	14	-	-	-	0.1	(3.3)	(3.2)
Profit/(loss) before taxation		6.7	(177.9)	(171.2)	(62.2)	(34.6)	(96.8)
Taxation	8	(0.5)	11.0	10.5	14.2	5.3	19.5
Profit/(loss) from continuing operations		6.2	(166.9)	(160.7)	(48.0)	(29.3)	(77.3)
Discontinued activities							
Profit/(loss) for year from discontinued activities	9	3.1	(47.0)	(43.9)	(2.0)	5.2	3.2
Profit/(loss) attributable to equity shareholders		9.3	(213.9)	(204.6)	(50.0)	(24.1)	(74.1)

The notes on pages 14 to 18 form part of these financial statements

THE SCOTT TRUST LIMITED

Group statement of comprehensive income

For the year ended 28 March 2010

	Note	2010 £m	2009 £m
Loss attributable to equity shareholders		(204.6)	(74.1)
Actuarial (loss)/gain	28	(1.6)	0.5
Deferred taxation credit/(charge) on actuarial (loss)/gain		0.4	(0.1)
Net fair value gain/(loss) - non-current other financial assets	10	34.7	(0.5)
Joint venture - share of			
- actuarial loss	14	-	(0.5)
- deferred taxation credit on actuarial loss	14	-	0.1
- fair value gain/(loss) - interest rate swap	14	3.9	(4.7)
- currency translation differences on foreign currency net investments	14	(0.8)	0.3
Acquisition of joint venture			
- Reversal of joint venture profits		-	(4.1)
- Revaluation of previous interest		-	0.7
Net income/(expense) not recognised in the income statement		36.6	(8.3)
Total expense for the year		(168.0)	(82.4)

THE SCOTT TRUST LIMITED

Group balance sheet

As at 28 March 2010

	Note	2010 £m	2009 £m
Assets			
Non-current assets			
Goodwill	11	63.0	105.4
Intangible assets	12	95.9	130.5
Property, plant and equipment	13	44.3	84.1
Investments accounted for using the equity method	14	247.7	275.2
Deferred tax assets	23	0.3	-
Other financial assets - available for sale	10	173.8	184.5
Other financial assets	14	1.6	1.5
		626.6	781.2
Current assets			
Inventories	15	1.3	1.9
Trade and other receivables	16	57.9	76.7
Other financial assets - available for sale	10	50.0	-
Cash and cash equivalents	18	37.0	83.2
		146.2	161.8
Liabilities			
Current liabilities			
Financial liabilities	19	7.6	7.3
Derivative financial instruments	10	3.3	5.4
Trade and other payables	20	60.6	61.0
Current tax liabilities	17	2.3	8.8
Provisions	22	22.8	9.1
		96.6	91.6
Net current assets		49.6	70.2
Non-current liabilities			
Financial liabilities	19	64.9	72.3
Retirement benefit liabilities	28	2.0	1.9
Other non-current liabilities	21	9.2	5.0
Deferred tax liabilities	23	-	11.4
Provisions	22	14.2	6.9
		90.3	97.5
Net assets		585.9	753.9
Shareholders' equity			
Share capital	24	0.2	0.2
Consolidation reserve		836.1	836.1
Retained earnings		(250.4)	(82.4)
Total shareholders' equity		585.9	753.9

These financial statements were approved by the Board of directors on 9 June 2010 and signed on its behalf by:

Dame Liz Morgan DBE
Chair

Carolyn McCall OBE
Director

The notes on pages 14 to 18 form a part of these financial statements.

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Group cash flow statement

For the year ended 28 March 2010

	Note	2010 £m	2009 £m
Cash flow from operating activities			
Cash used by operations	26	(36.9)	(45.1)
Interest received		0.5	11.2
Interest paid		(3.3)	(3.3)
Tax (paid)/received		(3.5)	4.5
Net cash used by operating activities		(43.2)	(32.7)
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)		-	(5.0)
Disposal of trade and assets	9	7.4	-
Deferred consideration paid		-	(209.0)
Purchase of intangibles	12	(4.2)	(9.1)
Purchase of other non-current financial assets	10	(42.1)	(212.6)
Sale of other non-current financial assets	10	38.9	31.6
Proceeds from sale of property, plant and equipment		2.7	0.4
Purchase of property, plant and equipment	13	(1.9)	(31.0)
Purchase of available for sale investment		-	(49.9)
Sale of available for sale investment		-	50.0
Other loans advanced		(0.1)	(0.2)
Dividend received		0.1	0.1
Net cash generated/(used) in investing activities		0.8	(434.7)
Cash flow from financing activities			
Finance lease principal payments		(6.9)	(8.1)
Exchange gain/(loss) on settlement of forward contracts		3.1	(18.8)
Net cash used in financing activities		(3.8)	(26.9)
Net decrease in cash and cash equivalents		(46.2)	(494.3)
Cash and cash equivalents at beginning of the year		83.2	577.5
Cash and cash equivalents at end of the year		37.0	83.2

Group statement of changes in equity

For the year ended 28 March 2010

	Share capital	Consolidation reserve	Profit and loss reserve	Total reserves
	£m	£m	£m	£m
At 30 March 2008	-	-	-	-
Issued during period	0.2	-	-	0.2
Excess nominal value of share capital exchanged	-	0.7	-	0.7
Transfer from retained earnings	-	835.4	-	835.4
Loss for the year	-	-	(74.1)	(74.1)
Loss recognised directly in equity	-	-	(8.3)	(8.3)
At 29 March 2009	0.2	836.1	(82.4)	753.9
Loss for the year	-	-	(204.6)	(204.6)
Profit recognised directly in equity	-	-	36.6	36.6
At 28 March 2010	0.2	836.1	(250.4)	585.9

THE SCOTT TRUST LIMITED

Notes relating to the financial statements

For the year ended 28 March 2010

1. Accounting policies

The accounting policies of The Scott Trust Limited are the same as those adopted by Guardian Media Group plc and are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 1.

2. Financial risk management

Details of financial risk management are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 2.

3. Segmental information

Details of segmental information are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 3.

4. Operating loss

	2010	2009
	£m	£m
Raw materials and consumables	34.4	45.5
Other external charges	17.5	23.6
Staff costs (see note 5)	140.3	135.1
Depreciation of tangible fixed assets:		
- Owned assets	4.2	6.7
- Under finance leases	2.5	1.2
Other expenses	216.6	195.4
	415.5	407.5

Exceptional items totalling £81.4 million charge (2009 £31.3 million) relate to the impairment of goodwill and intangibles £63.9 million, Guardian News & Media restructuring costs £12.9 million and onerous lease provision £4.6 million. In the prior year, exceptional items related to impairment of goodwill and intangibles of £23.1 million, costs associated with Guardian News & Media's move to Kings Place £8.0 million and restructuring costs of £3.1 million, less a £2.9 million credit in respect of negative goodwill on acquisitions.

	2010	2009
	£m	£m
The following items have been included in arriving at operating loss:		
Amortisation of intangibles	16.0	16.8
Impairment of intangibles	21.8	6.2
Impairment of goodwill	42.1	16.9
Impairment of property, plant and equipment	20.2	0.5
Loss/(profit) on sale of property, plant and equipment	0.5	(0.3)
Other operating lease rentals payable:		
- Plant and machinery	5.5	6.1
- Property	11.6	12.0
Repairs and maintenance expenditure on property, plant and equipment	1.9	2.3
Trade receivables impairment	3.7	0.7

Services provided by the Group's auditors

Details of services provided by the Group's auditors are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 4.

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Notes relating to the financial statements (continued)

5. Employees and executive directors

Details of employees and executive directors are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 5.

Non-executive directors' remuneration information is shown on page 5.

6. Income from other financial assets

Details of income from other financial assets are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 6.

7. Finance income and expenses

Details of finance income and costs are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 7.

8. Taxation

Details of taxation are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 8.

9. Discontinued activities

Details of discontinued activities are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 9.

10. Other financial assets – available for sale

Details of non-current other financial assets – available for sale are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 10.

11. Goodwill

Details of goodwill are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 11.

12. Intangible assets

Details of intangible assets are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 12.

13. Property, plant and equipment

Details of property, plant and equipment is set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 13.

14. Investments

Details of investments are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 14.

15. Inventories

Details of inventories are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 15.

16. Trade and other receivables

Details of trade and other receivables are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 16.

17. Current tax

Details of current tax are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 17.

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Notes relating to the financial statements (continued)

18. Cash and cash equivalents

Details of cash and cash equivalents are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 18.

19. Financial liabilities – borrowings

Details of financial liabilities - borrowings are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 19.

20. Trade and other payables – current

Details of trade and other payables are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 20.

21. Other non-current liabilities

Details of other non-current liabilities are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 21.

22. Provisions

Details of provisions are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 22.

23. Deferred taxation

Details of deferred taxation are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 23.

24. Share capital

	2010	2009
	£m	£m
Authorised, issued, called up and fully paid: 1,000 ordinary shares of £250 each	0.2	0.2

25. Dividends paid

Details of dividends paid are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 25.

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Notes relating to the financial statements (continued)

26. Cash flow from operating activities

Reconciliation of loss before tax to net cash outflow from operating activities:

		2010	2009
		£m	£m
Cash used in operations			
Net loss attributable to equity shareholders		(204.6)	(74.1)
Adjustments for:			
Tax		(10.5)	(15.8)
Depreciation	13	10.9	12.5
Impairment of property, plant and equipment	13	20.2	0.5
Loss on sale of trade and assets	9	47.0	-
Profit on disposal of property, plant and equipment		(0.5)	(0.3)
Negative goodwill	4	-	(2.9)
Impairment of goodwill	11	42.1	16.9
Amortisation of intangibles	12	16.0	16.8
Impairment of intangibles	12	21.8	6.2
Impairment of associates	14	-	3.3
Income from non-current financial assets		(1.5)	(4.2)
Interest receivable and similar income	7	(89.1)	(95.3)
Interest payable and similar charges	7	2.6	5.6
Other financing (income)/expenses	7	(5.4)	24.4
Pensions	28	(1.9)	(1.6)
Share of results of joint ventures after taxation		129.1	67.3
Share of results of associates after taxation		-	(0.1)
Changes in working capital (excluding effects acquisitions and disposals of subsidiaries):			
Decrease/(increase) in inventories		0.2	(0.1)
(Increase)/decrease in trade and other receivables		(42.1)	12.5
Increase/(decrease) in trade and other payables		7.8	(8.9)
Increase/(decrease) in provisions		21.0	(7.8)
Cash used in operations		(36.9)	(45.1)

27. Post balance sheet events

Details of post balance sheet events are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 27.

28. Pension commitments

Details of pension commitments are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 28.

29. Operating lease commitments

Details of operating lease commitments are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 29.

THE SCOTT TRUST LIMITED

Notes relating to the financial statements (continued)

30. Capital commitments authorised

Details of capital commitments authorised is set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 30.

31. Related party transactions

Transactions between subsidiary members of The Scott Trust Limited are not required to be disclosed as these transactions are fully eliminated on consolidation.

Details of related party transactions are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 31.

32. Ultimate controlling party

The Scott Trust Limited is the ultimate controlling party of Guardian Media Group plc.

33. Principal subsidiaries, joint ventures and associates

Principal subsidiaries, joint ventures and associates of the Guardian Media Group plc are set out in the consolidated financial statements of Guardian Media Group plc in Appendix 1 note 33.

THE SCOTT TRUST LIMITED
2010 Company financial statements

THE SCOTT TRUST LIMITED

Report of the directors

The directors present their report and audited financial statements for the Company for the year ended 28 March 2010.

Activities and business review

The Company is the holding company for the Group.

The retained profit for the year was £57,116. The directors do not recommend the payment of a dividend.

Creditor payment policy

The Group's policy on creditor payments is set out in the report of the directors of the consolidated accounts of Guardian Media Group plc in Appendix 1.

Directors

This information is shown on page 2 of The Scott Trust Limited Annual Report and Accounts.

Tax status

The Company is a close company for tax purposes.

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 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 that applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements respectively; 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 confirm they have complied with the above requirements in preparing these financial statements.

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.

Auditors and disclosure of information to auditors

The directors confirm that so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern

The Group's statement on going concern is set out in the report of the directors of the consolidated accounts of Guardian Media Group plc in Appendix 1.


THE SCOTT TRUST LIMITED

Report of the directors (continued)

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'P. Boardman', written over a faint, stylized logo or set of initials.

Phil Boardman
Company secretary
9 June 2010

THE SCOTT TRUST LIMITED

Independent auditors' report

Independent auditors' report to the members of The Scott Trust Limited

We have audited the parent company financial statements of The Scott Trust Limited for the year ended 28 March 2010 which comprise the balance sheet, the reconciliation of movements in shareholders' funds and the notes relating to the financial statements. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 20, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent company 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 parent 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 parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2010;
- 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 parent company financial statements are prepared is consistent with the parent company 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

THE SCOTT TRUST LIMITED

Independent auditors' report (continued)

Other matters

We have reported separately on the group financial statements of The Scott Trust Limited for the year ended 28 March 2010.

A handwritten signature in black ink, appearing to read "John Baker", is written over a solid horizontal line.

John Baker (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

9 June 2010


THE SCOTT TRUST LIMITED

Company balance sheet

As at 28 March 2010

	Note	2010 £m	2009 £m
Investments			
Subsidiary undertakings	4	0.2	0.2
Current assets			
Amounts owed by subsidiary		0.1	-
Net assets		0.3	0.2
Capital and reserves			
Share capital	6	0.2	0.2
Retained earnings	7	0.1	-
Total shareholders' equity		0.3	0.2

These financial statements were approved by the Board of directors on 9 June 2010 and signed on its behalf by:



Dame Liz Forgan DBE
Chair



Carolyn McCall OBE
Director

The notes on page 25 to 26 form a part of these financial statements.

THE SCOTT TRUST LIMITED

Notes relating to the financial statements

1. Accounting policies

Accounting basis

The financial statements on pages 24 to 26 have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Set out below is a summary of the more important accounting policies, which have been applied consistently. The financial statements have been prepared on the historical cost basis.

Cash flow statement

As the Group prepares consolidated accounts under IFRS and prepares its own separate financial statements in accordance with UK accounting standards, the Company is exempt from publishing a cash flow statement.

Investments

Fixed asset investments are stated in the financial statements at cost less any provision required to reflect a diminution in value.

Taxation

The Company provides for corporate taxation on the results of the period at the normal rate applicable to that period and recognises group relief when made available.

2. Directors emoluments

This information is shown on page 5 of The Scott Trust Limited Annual Report and Accounts.

3. Auditors' remuneration

The Company has incurred fees of £6,000 (2009 £5,000) during the year in respect of audit services.

4. Subsidiary undertakings

	£m
Cost and net book value	
At 28 March 2010 and 29 March 2009	0.2
The company owns 100% of the share capital of Guardian Media Group plc.	

5. Deferred taxation

The company has an unprovided deferred tax asset of £39,826 (2009 £nil) relating to current year tax losses. No deferred tax is recognised on these trading losses as it is not regarded as more likely than not that there will be suitable taxable profits/gains against which they can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

6. Share capital

	2010 £m	2009 £m
Authorised, issued, called up and fully paid:		
1,000 ordinary shares of £250 each	0.2	0.2
	0.2	0.2

THE SCOTT TRUST LIMITED

Notes relating to the financial statements (continued)

7. Retained earnings

The movement on retained earnings is analysed below:

	2010	2009
	£m	£m
At 30 March 2009	-	-
Retained profit for period	0.1	-
At 28 March 2010	0.1	-

A separate profit and loss account dealing with the results of the Company has not been presented as permitted by Section 408 of the Companies Act 2006.

8. Related party transactions

Transactions between subsidiary members of The Scott Trust Limited are not required to be disclosed as these transactions are fully eliminated on consolidation.