

**Company Registration No. 00002899**

**Yorkshire Post Newspapers Limited**

**Annual Report and Financial Statements**

**For the 52 week period ended 2 January 2016**



# **Yorkshire Post Newspapers Limited**

## **Annual report and financial statements for the 52 week period ended 2 January 2016**

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# **Yorkshire Post Newspapers Limited**

## **Officers and professional advisers**

**For the 52 week period ended 2 January 2016**

### **Directors**

A G M Highfield  
D J King  
H C Oldham

### **Secretary**

P M McCall

### **Registered Office**

Unex House, Suite B,  
Bourges Boulevard,  
Peterborough,  
Cambridgeshire,  
England,  
PE1 1NG

### **Solicitors**

MacRoberts  
152 Bath Street  
Glasgow  
G2 4TB

### **Independent Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

# **Yorkshire Post Newspapers Limited**

## **Strategic report**

**For the 52 week period ended 2 January 2016**

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### **Activities, results and future prospects**

The Company acts as an agent for Johnston Publishing Limited, publishing and distributing newspapers in the Yorkshire area of England.

The result for the period is shown in the Profit and loss account on page 8.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities during the forthcoming financial period.

The financial position of the Company is set out in the Balance sheet on page 10.

Johnston Press plc, the ultimate parent company of the Group, provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the Directors believe that performance indicators and principal risks or uncertainties specific to the Company are not necessary or appropriate for an understanding of the development, performance, position or future developments of the business. The publicly available annual report of Johnston Press plc reviews these matters on a group basis.

### **Post balance sheet events**

Details of significant events since the balance sheet date are contained in note 10 to the financial statements.

Approved by the Board of Directors and signed on behalf of the Board

D King  
Director



30 June 2016

# **Yorkshire Post Newspapers Limited**

## **Directors' report**

### **For the 52 week period ended 2 January 2016**

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the 52 week period ended 2 January 2016.

#### **Financial risk management and credit risk**

The Company's principal assets subject to risk are intercompany receivables.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term intercompany debt finance. The Company is also a guarantor to external Group finance (refer to Note 8 for further details) and where necessary, has access to these facilities via internal transfers from the parent company. The Directors do not consider there to be any risk associated with intercompany balances as these are managed for the Group as a whole by Johnston Press plc.

#### **Liquidity risk and going concern**

The Directors believe that the Group, of which the Company is a part, is well placed to manage its business risks successfully despite the current economic environment, which remains challenging. Based on its review, and after considering reasonable possible downside sensitivities, they are of the opinion that the Group has adequate financial resources to meet operational needs for the foreseeable future, and have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The Company is a guarantor under the Group financing arrangements dated 23 June 2014.

Further details of the Group liquidity and going concern position are detailed in the Johnston Press plc 2015 annual report included within the viability statement on page 40.

#### **Dividends**

No dividends have been paid or proposed by the Directors (2014: £nil).

#### **Directors**

The directors who have served during the period and to the date of this report are as follows;

A G M Highfield

D King

H C Oldham (appointed 1 August 2015)

#### **Directors' liability**

As permitted by the Companies Act 2006, the Company has insurance cover for the Directors against liabilities in relation to the Company.

#### **Charitable and political contributions**

No contributions were made for political or charitable purposes in either period.

# Yorkshire Post Newspapers Limited

## Directors' report (continued)

For the 52 week period ended 2 January 2016

### Employee involvement

It is the policy of the Company to encourage and develop all members of staff to realise their maximum potential. Wherever possible, vacancies are filled from within the Company and adequate opportunities for internal promotion are created. The Company is committed to a systematic training policy.

The Company supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, nationality, ethnic or national origin, sexual orientation, gender or gender reassignment, marital status or disability.

It is also the policy of the Company, where possible, to give sympathetic consideration to disabled persons in their application for employment within the Company, and to protect the interests of existing members of staff who are disabled.

### Auditor

Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

### Statement of disclosure of information to the Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's sole shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in subsequent period. Objections to this basis of preparation may be served on the Company by Johnston Publishing Limited, as the immediate parent and sole shareholder of the entity.

Approved by the Board of Directors and signed by order of the Board.



D J King  
Director

30 June 2016

# **Yorkshire Post Newspapers Limited**

## **Directors' responsibilities statement For the 52 week period ended 2 January 2016**

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 period. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; 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.

## **Independent auditor's report to the members of Yorkshire Post Newspapers Limited**

We have audited the financial statements of Yorkshire Post Newspapers Limited for the period ended 2 January 2016 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 11. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Directors' Responsibilities Statement, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2 January 2016 and of its result 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 matters prescribed by the Companies Act 2006**

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

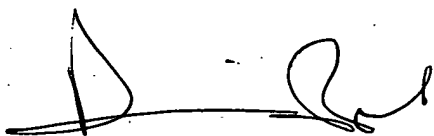


## **Independent auditor's report to the members of Yorkshire Post Newspapers Limited**

### **Matters on which we are required to report by exception**

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

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



David Bell CA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

30 June 2016

# Yorkshire Post Newspapers Limited

## Profit and loss account

For the 52 week period ended 2 January 2016

	Notes	52 weeks ended 2 January 2016 £'000	53 weeks ended 3 January 2015 £'000
Turnover	1	6,594	8,820
Cost of sales	4	<u>(6,594)</u>	<u>(8,820)</u>
Result for the financial period		<u>-</u>	<u>-</u>

The current and prior periods' results have been derived wholly from continuing operations.

The comparative period is for the 53 weeks ended 3 January 2015.

The accompanying notes are an integral part of these financial statements.

# Yorkshire Post Newspapers Limited

## Statement of comprehensive income For the 52 week period ended 2 January 2016

	52 weeks ended 2 January 2016 £'000	53 weeks ended 3 January 2015 £'000
Result for the period	-	-
Total comprehensive income	-	-
Result for the period attributable to: Equity shareholders of the company	-	-
Total comprehensive income for the period attributable to: Equity shareholders of the company	-	-

The accompanying notes are an integral part of these financial statements.

# Yorkshire Post Newspapers Limited

## Balance sheet

As at 2 January 2016

		2 January 2016 £'000	3 January 2015 £'000
	Notes		
<b>Current assets</b>			
Debtors	5	88,531	88,531
<b>Net assets</b>		<u>88,531</u>	<u>88,531</u>
<b>Capital and reserves</b>			
Called-up share capital	6	690	690
Share premium account	7	425	425
Profit and loss account	7	<u>87,416</u>	<u>87,416</u>
<b>Shareholder's funds</b>		<u>88,531</u>	<u>88,531</u>

The comparative numbers are as at 3 January 2015.

The accompanying notes are an integral part of these financial statements.

The financial statements of Yorkshire Post Newspapers Limited registered number 00002899 were approved by the Board of Directors on 30 June 2016 and signed on their behalf:

Director   
D J King

# Yorkshire Post Newspapers Limited

## Statement of changes in equity 2 January 2016

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
4 January 2015	690	425	87,416	88,531
Result for the financial period	-	-	-	-
Recognised directly in equity:				
Dividends paid on equity shares	-	-	-	-
Total movements	-	-	-	-
Equity at the end of the period	690	425	87,416	88,531

# Yorkshire Post Newspapers Limited

## Notes to the financial statements (continued) For the 52 week period ended 2 January 2016

### 1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding periods, is set out below:

#### General information and basis of accounting

Yorkshire Post Newspapers Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is Unex House, Suite B, Bourges Boulevard, Peterborough, Cambridgeshire, England, PE1 1NG. The Company acts as an agent for Johnston Publishing Limited, publishing and distributing newspapers in the Yorkshire area of England.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash-flow statement, intra-group transactions and remuneration of key personnel. The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information, see note 11.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

#### Liquidity risk and going concern

The company is part of the Johnston Press plc group ('the Group') which has published its audited financial statements to 2 January 2016.

The Directors believe that the Group is well placed to manage its business risks successfully despite the current economic environment, which remains challenging. Based on its review, and after considering reasonable possible downside sensitivities, they are of the opinion that the Group has adequate financial resources to meet operational needs for the foreseeable future, and have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The Company is a guarantor under the Group financing arrangements dated 23 June 2014.

Further details of the Group liquidity and going concern position are detailed in the Johnston Press plc 2015 annual report included within the viability statement on page 40.

#### Turnover and revenue recognition

Turnover represents charges to Johnston Publishing Limited in respect of the Company's services as an agent and is net of value added tax. All of the Company's turnover was generated in the United Kingdom. Turnover is recognised when services are rendered.

#### Pension costs

The Company participates in a Group operated defined contribution and a defined benefit pension scheme.

The costs of the Company's contributions to the defined contribution scheme are charged to the profit and loss account as they become due under the rules of the scheme. Further details regarding pension costs are provided in note 4.

# Yorkshire Post Newspapers Limited

## Notes to the financial statements (continued) For the 52 week period ended 2 January 2016

### 1. Accounting policies (continued)

The defined benefit pension plan is closed to new members and closed to future accrual. Full details of the scheme and associated FRS102 disclosures are provided in the Johnston Publishing Limited financial statements for the period to 2 January 2016.

#### Share-based payments

The Company does not reflect costs associated with equity-settled share-based payments on the grounds that the benefits from services provided by its employees in respect of these payments are received by other group companies as a result of the agency agreements in place (note 4).

#### Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each period end date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance for estimated irrecoverable amounts. Changes in the carrying value of this allowance are recognised in the profit and loss account.

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, which are described in note 1, management have made no critical accounting judgements or significant estimates, which would have a significant effect on the amounts recognised in the financial statements.

### 3. Result on ordinary activities before taxation

Result on ordinary activities before taxation is stated after crediting:

		52 weeks ended 2 January 2016	53 weeks ended 3 January 2015
	Note	£'000	£'000
Staff costs	4	6,594	8,820

The auditor's remuneration in the current and prior period was borne by another group undertaking. The Directors estimate that the amount relating to the Company's statutory audit was £2,900 (2014: £2,900).

# Yorkshire Post Newspapers Limited

## Notes to the financial statements (continued) For the 52 week period ended 2 January 2016

### 4. Information regarding directors and employees

	52 weeks ended 2 January 2016 number	53 weeks ended 3 January 2015 number
<b>Average number of employees by activity:</b>		
Editorial and photographic	81	86
Sales and distribution	76	96
Production	1	3
Administration	44	48
	<u>202</u>	<u>233</u>
	52 weeks ended 2 January 2016 £'000	53 weeks ended 3 January 2015 £'000
<b>Staff costs during the period comprised:</b>		
Wages and salaries	5,395	7,185
Termination payments	288	590
Social security costs	569	659
Other pension costs	342	386
	<u>6,594</u>	<u>8,820</u>

#### Pension contributions

##### Defined contribution - The Johnston Press Retirement Savings Plan

The Johnston Press Retirement Savings Plan is a defined contribution Master Trust arrangement for current employees, operated by Zurich. Contributions by the Group are a percentage of basic salary. Employer contributions range from 1 per cent of basic salary, for employees statutorily enrolled, through to 12 per cent of basic salary for Senior Executives. Employees who were active members of the Money Purchase section of the Johnston Press Pension Plan on 31 August 2013 transferred from the Johnston Press Pension Plan to the Johnston Press Retirement Savings Plan from 1 September 2013.

Contributions to the defined contribution scheme for the period were £342,000 (2014: £386,000).

##### Defined benefit - The Johnston Press Pension Plan

The Johnston Press Pension Plan is a Group defined benefit pension plan closed to new members and closed to future accrual. There was formerly a defined contribution section of the Johnston Press Pension Plan which was closed in August 2013 and members' benefits were transferred to the Johnston Press Retirement Savings Plan. Further details of the scheme are included in the Johnston Press plc 2015 annual report.

#### Directors' emoluments

The Directors who held office during 2015 were also Directors of the ultimate parent company, Johnston Press plc, or other fellow subsidiaries, and did not receive or accrue emoluments in respect of their services to the Company in either period. All remuneration was settled by other Group companies.



# Yorkshire Post Newspapers Limited

## Notes to the financial statements (continued) For the 52 week period ended 2 January 2016

### 4. Information regarding directors and employees (continued)

#### Share-based payments

Any gains made on the exercise of share options or the value of any shares or share options received under the long-term incentive schemes are not shown. Full details of share option schemes are provided in the financial statements of the ultimate parent company, Johnston Press plc. The costs of associated share-based payments under FRS 20 are not accounted for by the Company on the basis that the benefits from services provided by its employees in respect of these payments are received by other group companies as a result of the agency agreements in place. All such costs are accounted for in Johnston Publishing Limited and Johnston Press plc.

### 5. Debtors

	2 January 2016 £'000	3 January 2015 £'000
Amounts owed by group undertakings	88,531	88,531

### 6. Called-up share capital

	2 January 2016 £'000	3 January 2015 £'000
<b>Allotted, called-up and fully paid:</b>		
60,000 5.25% cumulative preference shares of £1 each	60	60
630,000 ordinary shares of £1 each	630	630
	690	690

The preference shareholders have waived their rights to receive dividends in both current and preceeding periods.

### 7. Reserves

	2 January 2016 £'000	3 January 2015 £'000
Share premium account	425	425
Profit and loss account	87,416	87,416
	87,841	87,841

Share premium relates to consideration paid for shares in excess of face value of shares.

Profit and loss account relates to accumulated gains and losses and is distributable.

# Yorkshire Post Newspapers Limited

## Notes to the financial statements (continued) For the 52 week period ended 2 January 2016

### 8. Financial commitments and guarantees

#### Value added tax

The Company is registered for VAT purposes in a group of undertakings, which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group, and failure by other members of the group to meet their VAT liabilities would give rise to additional liabilities for the Company. At 2 January 2016 the total liability of the group amounted to £2,088,000 (2014: £2,236,000). The Directors are of the opinion that no liability is likely to arise from the failure of these companies.

#### Security

On 23 June 2014 Johnston Press plc completed its 'Capital Refinancing Plan' using the proceeds of an issue of new Placing Shares and Right Issue Shares (£140m) and a New Bond Issue (£220.5m) to repay all amounts outstanding to its previous Lenders. The Capital Refinancing Plan also involved Johnston Press plc entering into a New Revolving Credit Facility (£25m).

With effect from 23 June 2014, various subsidiary entities within the Group entered into new security arrangements in connection with the New Bonds and the New Revolving Credit Facility granting first ranking fixed and floating charges over its assets.

On repayment of all amounts due to Johnston Press plc's previous lenders on 23 June 2014, the related security arrangements which the Company had become party to in August 2009 were cancelled.

Further details of the financing arrangements of Johnston Press plc and its subsidiaries are contained in the Consolidated Financial Statements of Johnston Press plc to 2 January 2016.

At 2 January 2016 Johnston Press plc and its subsidiaries had total net debt of £146,055,000 (3 January 2015: £184,620,000).

### 9. Immediate and ultimate parent company

The immediate parent company is Johnston Publishing Limited, a Company registered in England and Wales. The ultimate parent company is Johnston Press plc, a company incorporated in the United Kingdom and registered in Scotland.

The only group in which the results of the Company are consolidated is that headed by Johnston Press plc. The financial statements of Johnston Press plc are available to the public and may be obtained from Johnston Press plc, Orchard Brae House, 30 Queensferry Road, Edinburgh EH4 2HS.

### 10. Post balance sheet events

There were no material post balance sheet events requiring disclosure.

### 11. Explanation of transition to FRS 102

This is the first period that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the 53 week period ended 3 January 2015 and the date of transition to FRS 102 was therefore 29 December 2013.

No changes were required to either equity at 29 December 2013 or profit for the year ended 3 January 2015, nor were any changes required to the Company's accounting policies as a consequence of adopting FRS 102.

A number of presentational and disclosure changes have been reflected in these financial statements as a result of the adoption.