

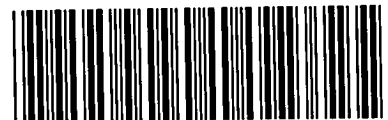
**Company Registration No. 00002899**

**Yorkshire Post Newspapers Limited**

**Annual Report and Financial Statements**

**For the 52 weeks ended 28 December 2013**

**TUESDAY**



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# **Yorkshire Post Newspapers Limited**

## **Annual report and financial statements for the 52 weeks ended 28 December 2013**

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# **Yorkshire Post Newspapers Limited**

## **Annual report and financial statements for the 52 weeks ended 28 December 2013**

### **Officers and professional advisers**

#### **Directors**

A M Highfield

D King (appointed 1 June 2013)

G Murray (resigned 15 May 2013)

#### **Company Secretary**

P M McCall

#### **Registered Office**

26 Whitehall Road

Leeds

England

LS12 1BE

#### **Bankers**

Lloyds TSB Bank Plc

City Office

PO Box 72

Bailey Drive

Gillingham Business Park

Gillingham

Kent

ME8 0LS

#### **Solicitors**

MacRoberts

Capella

60 York Street

Glasgow

G2 8JX

#### **Independent Auditor**

Deloitte LLP

Chartered Accountants and Statutory Auditor

London

United Kingdom

# **Yorkshire Post Newspapers Limited**

## **Strategic report For the 52 weeks ended 28 December 2013**

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 do not expect any change in the activities of the business in the foreseeable future.

The financial position of the Company is set out in the balance sheet on page 9.

Johnston Press plc 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 7 to the financial statements.

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



D King  
Director

26 September 2014

# **Yorkshire Post Newspapers Limited**

## **Directors' report For the 52 weeks ended 28 December 2013**

The Directors present their annual report and the audited financial statements for the 52 weeks ended 28 December 2013.

### **Future development and events after the balance sheet date**

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 2 and form part of this report by cross reference.

### **Going concern**

The Directors believe that the Company is well placed to manage its business risks successfully despite the current economic environment, which remains challenging. The Johnston Press plc Group has recently extended its financing facilities, of which the Company is a guarantor. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current committed facilities.

After making enquiries, the Directors 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 annual report and financial statements.

### **Dividends**

No dividends have been paid or proposed by the Directors (2012: £nil).

### **Directors**

The Directors who served during the period and to the date of this report, unless otherwise stated, are shown on page 1.

### **Directors' liability**

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

### **Financial risk management**

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 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.

The Company does not enter into derivative financial instruments for hedging, speculative or any other purposes.

## **Yorkshire Post Newspapers Limited**

### **Directors' report (continued)**

**For the 52 weeks ended 28 December 2013**

#### **Independent 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 ought to have taken as a Director in order to make himself 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 section 418 of the Companies Act 2006.

Deloitte LLP have indicated their 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.

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



D King  
Director

26 September 2014

## **Yorkshire Post Newspapers Limited**

### **Directors' responsibilities statement For the 52 weeks ended 28 December 2013**

The Directors are responsible for preparing the annual report including the Strategic 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). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 52 week period ended 28 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 8. 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 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 28 December 2013 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' 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 (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:

- 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

26 September 2014

## Yorkshire Post Newspapers Limited

### Profit and loss account

For the 52 weeks ended 28 December 2013

		52 weeks ended 28 December 2013 £'000	52 weeks ended 29 December 2012 £'000
	Notes		
Turnover	1	10,169	10,483
Cost of sales	3	(10,169)	(10,483)
Result for the financial period	2	-	-

The current and prior period results have been derived wholly from continuing operations. The comparative period is for the 52 weeks ended 29 December 2012.

There have been no recognised gains or losses other than the result for the current and preceding financial periods and, accordingly, no statement of total recognised gains and losses or reconciliation of movements in shareholder's funds are shown.

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

# Yorkshire Post Newspapers Limited

## Balance sheet As at 28 December 2013

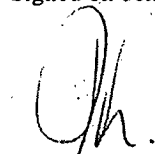
	Notes	28 December 2013 £'000	29 December 2012 £'000
<b>Current assets</b>			
Debtors	4	88,532	88,532
<b>Net assets</b>		<u>88,532</u>	<u>88,532</u>
<b>Capital and reserves</b>			
Called-up share capital	5	690	690
Share premium account		425	425
Profit and loss account		87,417	87,417
<b>Shareholder's funds</b>		<u>88,532</u>	<u>88,532</u>

The comparative numbers are as at 29 December 2012.

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 and authorised for issue on 26 September 2014.

Signed on behalf of the Board of Directors



D King  
Director

# **Yorkshire Post Newspapers Limited**

## **Notes to the financial statements For the 52 weeks ended 28 December 2013**

### **1. Accounting policies**

The particular accounting policies adopted are described below. They have all been applied consistently throughout the current and preceding period.

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial statements are prepared on the going concern basis, as disclosed in the Directors' Report.

The financial statements have been prepared for the 52 week period ended 28 December 2013. The 2012 information relates to the 52 week period ended 29 December 2012.

#### **Related parties**

As the Company is a wholly owned subsidiary of Johnston Press plc, the Company has taken advantage of the exemption contained in FRS 8 and therefore not disclosed transactions and balances with entities which form part of the Group.

#### **Cash flow statement**

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Johnston Press plc whose consolidated financial statements include a cash flow statement and are publicly available.

#### **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. The Company's entire turnover was generated in the United Kingdom. Turnover is recognised when services are rendered.

#### **Pension costs**

During 29 December 2012 to 31 August 2013, the Company participated in the Johnston Press Pension Plan (JPPP), a multi-employer scheme with defined benefit and defined contribution sections.

The cost of contributions is charged to the profit and loss account when incurred. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Effective 1 September 2013, employees who were active members of the Money Purchase section of the Johnston Press Pension Plan transferred to the Johnston Press Retirement Savings Plan.

#### **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. The preference shares of the Company qualify as equity.

#### **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 3).

# Yorkshire Post Newspapers Limited

## Notes to the financial statements (continued) For the 52 weeks ended 28 December 2013

### 2. Result for the financial period

The result for the period is stated after charging:

	52 weeks ended 28 December 2013 £'000	52 weeks ended 29 December 2012 £'000
Staff costs (note 3)	10,169	10,483

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 (2012: £2,900).

### 3. Information regarding directors and employees

	52 weeks ended 28 December 2013 Number	52 weeks ended 29 December 2012 Number
Average number of employees by activity:		
Editorial and production	114	129
Advertising and sales	134	150
Management and administration	63	12
	311	291
	2013 £'000	2012 £'000
Staff costs during the period comprised:		
Wages and salaries	7,296	7,121
Termination payments	1,712	2,296
Social security costs	726	624
Other pension costs	435	442
	10,169	10,483

## **Yorkshire Post Newspapers Limited**

### **Notes to the financial statements (continued)**

#### **For the 52 weeks ended 28 December 2013**

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

##### **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 £435,000 (2012: £442,000)

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

The Johnston Press Pension Plan is a 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.

An updated valuation of the scheme at 28 December 2013 indicated that the scheme was 84% funded under FRS17 (2012: 76%).

Full details of the JPPP scheme and associated FRS 17 disclosures are provided in note 20 of the Johnston Publishing Limited accounts for the period to 28 December 2013. Based on the outcome of the triennial valuation at 31 December 2010, the fixed annual contribution amount is £5,700,000 from 1 June 2012 under the schedule of contributions agreed between the Company and the JPPP Trustees. Subsequent to the balance sheet, the amount of contributions for 2014 has been increased to £6,300,000 plus a share of any asset disposal proceeds, following an updated valuation performed as at 31 December 2012.

##### **Directors' emoluments**

None of the Directors received or accrued any remuneration in respect of their services to the Company in either period.

The interests of the Directors who are also Directors of the ultimate parent company, Johnston Press plc., in the shares of the ultimate parent company are disclosed in that company's financial statements.

##### **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.

# Yorkshire Post Newspapers Limited

## Notes to the financial statements (continued) For the 52 weeks ended 28 December 2013

### 4. Debtors: amounts falling due within one year

	28 December 2013 £'000	29 December 2012 £'000
Amounts owed by group undertakings	88,532	88,532

### 5. Called-up share capital

	28 December 2013 £'000	29 December 2012 £'000
Allotted, called-up and fully paid shares:		
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 previous periods.

### 6. Guarantees and other financial commitments

#### 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 28 December 2013 the total liability of the group amounted to £3,519,000 (2012: £4,375,000). 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 Rights 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) which is currently undrawn.

With effect from 23 June 2014 the Company 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 Interim Statement of Johnston Press plc to 28 June 2014.

At 28 June 2014 Johnston Press plc and its subsidiaries had total net debt of £181,612,000 (December 2013: £293,237,000, December 2012: £307,097,000)

### 7. Post balance sheet events

Other than described elsewhere relating to refinancing, there have been no other post balance sheet events.

## **Yorkshire Post Newspapers Limited**

### **Notes to the financial statements (continued)**

#### **For the 52 weeks ended 28 December 2013**

**8. Immediate and ultimate parent undertakings**

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.