

Registration number: 22796

# **The Western Gazette Company Limited**

Annual Report and Unaudited Financial Statements

for the Year Ended 30 September 2019



# **The Western Gazette Company Limited**

## **Contents**

|   |               |
|---|---------------|
| Company Information                         | page 1        |
| Director's Report                           | page 2        |
| Strategic Report                            | page 3        |
| Statement of Director's Responsibilities    | page 4        |
| Statement of Changes in Equity              | page 5        |
| Statement of Financial Position             | page 6        |
| Notes to the Unaudited Financial Statements | pages 7 to 11 |

# **The Western Gazette Company Limited**

## **Company Information**

**Directors** W R Flint

**Company secretary** F L Sallas

**Registered office** Northcliffe House  
2 Derry Street  
London  
W8 5TT

## **The Western Gazette Company Limited**

### **Director's Report for the Year Ended 30 September 2019**

The director presents his Annual Report on the affairs of the Company, together with the unaudited financial statements for the year ended 30 September 2019.

#### **Directors of the Company**

The directors who held office during the year were as follows:

A Perry (resigned 13 November 2018)

W R Flint (appointed 13 November 2018)

#### **Environmental matters**

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Company's activities. As a member of the Daily Mail and General Trust Plc ("DMGT") Group, the Company operates in accordance with DMGT Group policies, which are described in the DMGT Group Annual Report, which does not form part of this report.

#### **Future developments**

The director expects the general level of activity of the Company to remain consistent with prior years and the Company's principal activities are not expected to change substantially.

#### **Going concern**

The director has considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, he has considered the Company's business activities, together with the factors likely to affect its future development, performance and position, as set out in the Operating and Business Review which forms part of the Strategic Report. The Company has net current assets at 30 September 2019.

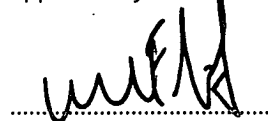
After making enquiries, the director therefore has a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and has therefore continued to adopt the going concern basis in preparing the financial statements.

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

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 10 February 2020 and signed on its behalf by:



W R Flint  
Director

## **The Western Gazette Company Limited**

### **Strategic Report for the Year Ended 30 September 2019**

The director presents his strategic report for the year ended 30 September 2019.

#### **Principal activity**

The Company did not trade in the current and prior year.

The Company is a wholly-owned subsidiary of DMGT.

#### **Operating and business review**

The Company did not trade in the current year or prior period. There are no plans to recommence trading in the near future.

#### **Principal risks and uncertainties**

Given its dormant status, the Company's principal risks and uncertainties are minimal. The DMGT group's risk policies are detailed in the DMGT Risk Register.

Approved by the Board on 10 February 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'W R Flint', is written over a dotted line.

W R Flint  
Director

## **The Western Gazette Company Limited**

### **Statement of Director's Responsibilities**

The director is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

## The Western Gazette Company Limited

### Statement of Changes in Equity for the Year Ended 30 September 2019

|                      | Share capital<br>£ | Retained<br>earnings<br>£ | Total<br>shareholders<br>funds<br>£ |
|----------------------|--------------------|---------------------------|-------------------------------------|
| At 1 October 2017    | 200,000            | 47,000                    | 247,000                             |
| At 30 September 2018 | 200,000            | 47,000                    | 247,000                             |

|                               | Share capital<br>£ | Retained<br>earnings<br>£ | Total<br>shareholders<br>funds<br>£ |
|-------------------------------|--------------------|---------------------------|-------------------------------------|
| At 1 October 2018             | 200,000            | 47,000                    | 247,000                             |
| Cancellation of share capital | (199,995)          | 199,995                   | -                                   |
| At 30 September 2019          | 5                  | 246,995                   | 247,000                             |

On 8 April 2019, the Company passed a special resolution cancelling 39,999 Ordinary shares of £5 each, with the total amount arising on cancellation of £199,995 being transferred to distributable reserves.

# The Western Gazette Company Limited

(Registration number: 22796)

## Statement of Financial Position as at 30 September 2019

|  | Note | 2019<br>£      | 2018<br>£      |
|--|------|----------------|----------------|
| <b>Current assets</b>                          |      |                |                |
| Trade and other receivables less than one year | 3    | <u>247,000</u> | <u>247,000</u> |
| <b>Capital and reserves</b>                    |      |                |                |
| Called up share capital                        | 5    | 5              | 200,000        |
| Retained earnings                              |      | <u>246,995</u> | <u>47,000</u>  |
| Shareholders' funds                            |      | <u>247,000</u> | <u>247,000</u> |

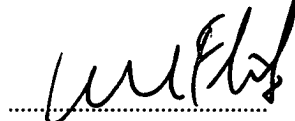
For the financial year ending 30 September 2019 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

### Director's responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 5 to 11 were authorised for issue by the Director on 10 February 2020



W R Flint  
Director

The notes on pages 7 to 11 form an integral part of these financial statements.



# **The Western Gazette Company Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019**

### **1 General information**

The Company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:

Northcliffe House  
2 Derry Street  
London  
W8 5TT  
United Kingdom

The Company did not trade in the current and prior year.

The Company is a wholly-owned subsidiary of DMGT.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

#### **Summary of disclosure exemptions**

Set out below are the applicable IFRS 1 exemptions applied by the Company under FRS 101.

##### **IFRS 1 exemption options**

##### **Standards issued but not effective**

The Company has applied the exemption available under FRS 101 in relation to paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued and is not yet effective).

##### **Cash Flow Statement**

The Company has utilised the exemptions provided under IAS 7 'Statement of Cash Flows' and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group's Annual Report.

## **The Western Gazette Company Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019**

#### **Related Party Transactions**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101: Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation) and the requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

#### **Going concern**

The director has considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, he has considered the Company's business activities, together with the factors likely to affect its future development, performance and position, as set out in the Operating and Business Review which forms part of the Director's Report. The financial position of the Company is showing a net current asset position. As a consequence, the director believes that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Changes resulting from adoption of IFRS 9**

IFRS 9 Financial Instruments became mandatorily effective on 1 January 2018. The Company has applied for the first time in this accounting period which has resulted in changes to the accounting policies. The nature and effect of these changes are described below.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets; and hedge accounting.

The adoption of IFRS 9 has resulted in changes to the accounting policies. The effect of IFRS 9 has been evaluated and has had no impact on the financial statements of the Company.

#### **Adoption of IFRS 9**

##### **Classification and measurement**

Under IFRS 9, there are three classification categories for financial assets: measured at amortised cost, at fair value through profit or loss, and at fair value through other comprehensive income.

IFRS 9 eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

## **The Western Gazette Company Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019**

#### **Impairment**

The adoption of IFRS 9 has fundamentally changed the accounting for impairment losses by replacing IAS 39's incurred loss model with an expected credit loss model.

The new model applies to all debt instruments not held at fair value through profit or loss and contract assets, and requires the company to account for expected credit losses and any changes at each reporting date to reflect changes in credit risk since initial recognition. Please see the Financial Instruments accounting policy for further details.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Financial instruments (post 1 October 2018)**

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously and where the Company intends to net settle.

#### **Financial assets**

##### *Trade receivables*

Trade receivables do not carry interest and are recognised initially at the value of the invoice sent to the customer i.e. amortised cost and subsequently reduced by allowances for estimated irrecoverable amounts.

Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. In the current period the Company applies the simplified approach permitted by IFRS 9, which requires the use of the lifetime expected loss provision for all receivables, including contract assets. These estimates are based on historic credit losses, macro-economic and specific country-risk considerations with higher default rates applied to older balances.

In addition if specific circumstances exist which would indicate that the receivable is irrecoverable a specific provision is made. A provision is made against trade receivables and contract assets until such time as the Company believes there to be no reasonable expectation of recovery, after which the trade receivable or contract asset balance is written off.

In the prior period, under IAS 39, impairment losses relating to trade receivables were recorded when a loss event occurred.

## The Western Gazette Company Limited

### Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019

#### **Derecognition**

##### *Financial assets*

The Company derecognises a financial asset, or a portion of a financial asset, from the Statement of Financial Position where the contractual rights to cash flows from the asset have expired, or have been transferred, usually by sale, and with them either substantially all the risks and rewards of the asset or significant risks and rewards, along with the unconditional ability to sell or pledge the asset.

#### **Accounting estimates and assumptions**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of certain financial assets, liabilities, income and expenses.

The use of estimates and assumptions is principally limited to the determination of provisions for impairment as explained in more detail below:-

#### **Provisions for impairment**

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

### **3 Trade and other receivables**

|   | <b>At 30<br/>September<br/>2019<br/>£</b> | <b>At 30<br/>September<br/>2018<br/>£</b> |
|---|---|---|
| Receivables from group undertakings       | <u>247,000</u>                            | <u>247,000</u>                            |
| Total current trade and other receivables | <u>247,000</u>                            | <u>247,000</u>                            |

Receivables from group undertakings are owed by A&N Media Finance Services Limited and bear no interest.

### **4 Commitments**

The Company is party to property related operating leases but the director does not believe that any of the obligations or liabilities will accrue to the Company under these agreements.

## **The Western Gazette Company Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019**

#### **5 Called up share capital**

##### **Allotted, called up and fully paid shares**

|                            | <b>At 30 September 2019</b> |          | <b>At 30 September 2018</b> |                |
|----------------------------|-----------------------------|----------|-----------------------------|----------------|
|                            | <b>Number</b>               | <b>£</b> | <b>Number</b>               | <b>£</b>       |
| Ordinary shares of £5 each | <u>1</u>                    | <u>5</u> | <u>40,000</u>               | <u>200,000</u> |

On 8 April 2019, the Company passed a special resolution cancelling 39,999 Ordinary shares of £5 each, with the amount arising on cancellation being transferred to distributable reserves.

#### **6 Ultimate parent company and controlling party**

The Company is controlled by Rothermere Continuation Limited (RCL), which is incorporated in Bermuda. The main asset of RCL is its 100% holding of DMGT's issued Ordinary shares. RCL has controlled DMGT for many years and as such is its immediate parent company. RCL is controlled by a discretionary trust ("the Trust") which is held for the benefit of Viscount Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey, in the Channel Islands. RCL and its directors, and the Trust are related parties of the Company. On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL was acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey. RIL then holds 100% of DMGT's issued Ordinary Shares. The underlying control of the Company, however, remains unchanged and continues to lie with the Trust. RIL is administered in Jersey, and RIL and its directors are also related parties of the Company. RIL has subsequently renamed itself RCL. The Company's immediate parent undertaking at the balance sheet date is Daily Mail and General Investments Limited.

##### **Relationship between entity and parents**

The largest and smallest group of which the Company is a member and from which group financial statements are drawn up is that of Daily Mail and General Trust Plc, incorporated in England and Wales.

Copies of the report and financial statements are available from the Company Secretary at:

Northcliffe House  
2 Derry Street  
London  
UK  
W8 5TT