

Independent News & Media
(UK) Limited

Directors' report and
financial statements

Year ended 26 December 2014

Registered number: 00983376

10 AUG 2015

MONDAY



J4DHN8Z5

JNI

10/08/2015

#23

COMPANIES HOUSE

Independent News & Media (UK) Limited

Directors' report and financial statements

Year ended 26 December 2014

Directors and other information	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Independent auditor's report	5 - 6
Profit and loss account	7
Balance sheet	8
Notes forming part of the financial statements	9 - 18

Independent News & Media (UK) Limited

Directors' and other information

Directors

V. Crowley (retired 2 June 2014)
R. J. McClean
E. O'Kennedy (retired 31 December 2014)
R. Preston (appointed 31 December 2014)

Secretary

S.G. Snoddy

Bankers

Lloyds TSB Bank Plc
25 Gresham Street
London
EC2V 7HN

Independent auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Registered office

11 Welbeck
London
W1G 9XZ
United Kingdom

Registered number

00983376

Independent News & Media (UK) Limited

Directors' report

The directors present their report and the audited financial statements of Independent News & Media (UK) Limited ("the Company") for the year ended 26 December 2014.

Principal activities

The principal activity during the year was that of investment holding.

Business review

The directors do not foresee any significant changes to the business in the forthcoming year.

Results and dividends

The loss for the period, after taxation, amounted to £731,236 (2013 2.3 million).

The directors do not recommend the payment of a dividend (2013:£nil).

Going concern

This financial information has been prepared on the going concern basis, which assumes that the Company will continue to be able to meet its liabilities as they fall due for the foreseeable future. The Company's ultimate parent undertaking, Independent News & Media PLC, has agreed to provide financial support to the Company to ensure that it can continue to trade for a period of at least twelve months from the date these financial statements are approved.

Directors and secretary

The directors and secretary who served during the year are set out on page 1.

Vincent Crowley retired as director on 2 June 2014.

Eamonn O'Kennedy retired as director on 31 December 2014.

Ryan Preston was appointed as director on 31 December 2014.

Small companies exemption

The directors have availed of the small companies exemption provided by section 414B of the Companies Act 2006 and has not presented a separate strategic report.

Disclosure of information to auditors

Each of the persons who are directors at the time of approval of this report has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Independent News & Media (UK) Limited

Directors' report *(continued)*

Political contributions

The Company made no political donations or incurred any political expenditure during the current or prior year.

Post balance sheet events

Information in relation to post balance sheet events is contained in note 19.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.



R. J. McClean
Director

25 June 2015

Independent News & Media (UK) Limited

Statement of directors' responsibilities in relation to the directors' report and financial statements

The directors are responsible for preparing the directors' 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



R. J. McClean
Director

25 June 2015



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Independent News and Media (UK) Limited

We have audited the financial statements of Independent News and Media (UK) Limited for the year ended 26 December 2014, set out on pages 7 to 18, which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 26 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

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

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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.

We have nothing to report in respect of the above responsibilities.

Independent auditor's report to the members of Independent News and Media (UK) Limited (*continued*)

Basis of our report, responsibilities and restrictions on use

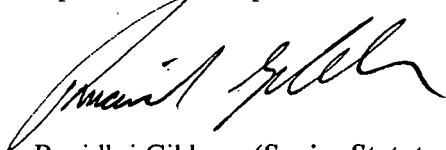
As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.



Ruaidhri Gibbons (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place, St. Stephen's Green, Dublin 2

25 June 2015

Independent News & Media (UK) Limited

Profit and loss account

for the year ended 26 December 2014

	Notes	2014 £'000	2013 £'000
Administrative expenses		(101)	(123)
Exceptional administrative expenses	6	-	(1,459)
		<hr/>	<hr/>
Operating loss	2	(101)	(1,582)
Interest payable and similar charges	7	(630)	(705)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(731)	(2,287)
Taxation on loss on ordinary activities	8	-	-
		<hr/>	<hr/>
Loss for the financial period	15	(731)	(2,287)
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical cost equivalents.

The notes on pages 9 to 18 form part of these financial statements.

On behalf of the Board



R. J. McClean
Director

25 June 2015

Independent News & Media (UK) Limited

Balance sheet

as at 26 December 2014

	Note	26 December 2014 £'000	28 December 2013 £'000
Fixed assets			
Investments	9	1,759	1,759
Current assets			
Debtors: <i>amounts falling due after more than one year</i>	10	89,027	91,583
Debtors: <i>amounts falling due within one year</i>	10	976	1,463
Cash at bank and in hand		495	499
		90,498	93,545
Creditors: amounts falling due within one year	11	(1,648)	(1,257)
Net current assets		88,850	92,288
Total assets less current liabilities		90,609	94,047
Creditors: amounts falling due after more than one year	12	(274,383)	(274,349)
Provision for liabilities	13	-	(2,741)
Net liabilities		(183,774)	(183,043)
Capital and reserves			
Called up share capital	14	328,900	328,900
Share premium account	15	8	8
Profit and loss account	15	(512,682)	(511,951)
Shareholders' deficit	16	(183,774)	(183,043)

The notes on pages 9 to 18 form an integral part of these financial statements.

On behalf of the Board

R J McClean
Director

25 June 2015



Independent News & Media (UK) Limited

Notes

forming part of the financial statement

1. Accounting policies

1.1 Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

The Company is itself a subsidiary company and has availed of the exemption from the requirement to prepare group financial statements. These financial statements therefore present information about the Company as an individual undertaking and not about its Group.

1.2 Going concern

The financial statements have been prepared on the going concern basis despite the Company being in a net liability position of €183 million as at 26 December 2014. The Company's parent undertaking, Independent News and Media plc, has agreed to provide financial support to the Company to ensure it can continue to trade for a period of at least twelve months for the date these financial statements are approved.

1.3 Cash flow statement

The Company, as a wholly owned subsidiary of a group which publishes consolidated financial statements, which incorporate the cash flows of the Company, has taken advantage of the exemption provided in Financial Reporting Standard 1 (revised 1996) not to produce a cash flow statement.

1.4 Fixed asset investments

Investments held as fixed assets are shown as cost less provision for impairment.

1.5 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

A deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Independent News & Media (UK) Limited

Notes (continued)

1 Accounting policies (continued)

1.6 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.7 Financial Year

The financial year ends on the Friday nearest 31 December. Periodically, this will result in a fifty-three week year. There were 52 weeks in the 2014 financial year and 52 weeks in the 2013 financial year.

2 Operating loss

The operating loss is stated after charging:

	2014 £'000	2013 £'000
Auditors' remuneration – audit fees	4	4
Auditors' remuneration – other services	10	2
	<hr/>	<hr/>

3 Staff costs

	2014 £'000	2013 £'000
Wages and salaries	20	10
Social security costs and pension costs	-	-
	<hr/>	<hr/>
	-	10
	<hr/>	<hr/>

4 Directors' emoluments

The directors did not receive any remuneration from the Company during the year (2013: £nil).

5 Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2014 £'000	2013 £'000
	1	2
	<hr/>	<hr/>

Independent News & Media (UK) Limited

Notes *(continued)*

6 Exceptional items

	2014 £'000	2013 £'000
Impairment investments	-	1,459

Impairment of investments in 2013 related to the Company's investments in subsidiaries, Independent Newspapers (Publishing) Ltd and Independent News & Media Ltd respectively.

7 Interest payable and similar charges

	2014 £'000	2013 £'000
On bank loans and overdrafts	-	75
On loans from Group undertakings	630	630
	630	705

8 Tax on loss on ordinary activities

	2014 £'000	2013 £'000
UK corporation tax charge on loss for the year	-	-

Independent News & Media (UK) Limited

Notes (continued)

8 Tax on loss on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013: lower than) the standard rate of corporation tax in the UK of 21% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	(731)	(2,287)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	(157)	(532)
Effects of:		
Expenses not deductible for tax purposes	(2)	337
Capital allowances in excess of depreciation	(28)	(37)
Group relief	187	232
Current tax charge for the year	-	-

No deferred tax was recognised at 26 December 2014 (27 December 2013: £nil) on the basis that there is insufficient evidence of suitable taxable profits against which the tax losses can be offset against. The Company has a total potential deferred tax asset of £8.9m (2013: £8.9m).

The potential deferred tax asset is measured on a non-discounted basis at the current corporation tax rate of 20% (2013: 20%).

Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at the balance sheet date has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Independent News & Media (UK) Limited

Notes *(continued)*

9 Investments

	Investments in subsidiary companies £'000
Carrying value at beginning of the year	1,759
Impairment during the year	-
	<hr/>
Carrying value at the end of the year	1,759
	<hr/>

Independent News & Media (UK) Limited

Notes (continued)

9 Investments (continued)

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Independent News and Media Ltd	Ordinary	100%
LAM Enterprises Ltd	Ordinary	100%
Independent Regionals (K) Ltd	Ordinary	100%
Independent Regionals (KT) Ltd	Ordinary	100%
Independent Regionals LRN Ltd	Ordinary	100%
Independent Regionals CN Ltd	Ordinary	100%
Independent Regionals NLN Ltd	Ordinary	100%
Independent Regionals HG Ltd	Ordinary	100%
Independent Regionals WHN Ltd	Ordinary	100%
Independent Regionals HD Ltd	Ordinary	100%
Independent Regionals CRN Ltd	Ordinary	100%
Independent Regionals GLEN Ltd	Ordinary	100%
North West London Press Ltd	Ordinary	100%
Touch Tone Training Ltd	Ordinary	100%
Independent Magazines (UK) Ltd*	Ordinary	100%
Independent Newspapers (Regionals) Ltd	Ordinary	100%
Independent Newspapers (Publishing) Ltd*	Ordinary	100%
The Perfect Poster Company Ltd*	Ordinary	100%
Stantonmill Limited*	Ordinary	100%
Independent Newspapers (Finance) Plc*	Ordinary	100%
Independent News & Media (Northern Ireland) Ltd*	Ordinary	100%
Belfast Telegraph Newspapers Ltd*	Ordinary	100%
Belfast Telegraph Pension Trustees Ltd*	Ordinary	100%
TIH (Belfast)	Ordinary	100%
Miss London Ltd	Ordinary	100%
Independent Educational Publishing Ltd*	Ordinary	100%
Newsread (United Kingdom) Ltd*	Ordinary	100%
Nine to Five Magazine Ltd	Ordinary	100%
Independent Newspapers (UK) Ltd	Ordinary	100%
Independent Digital (UK) Ltd*	Ordinary	100%

*Direct holdings

The directors are of the opinion that the values of the investments in subsidiaries and in other investments are not less than their book values.

Consolidated accounts are not submitted in accordance with section 400 of the Companies Act 2006 as the Company is a wholly-owned subsidiary of Independent News & Media Plc, a company incorporated in the Republic of Ireland.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Independent News & Media (UK) Limited

Notes (continued)

10 Debtors

	2014 £'000	2013 £'000
<i>Due after more than one year</i>		
Amounts owed by Group undertakings	89,027	91,583
	<hr/>	<hr/>
	2014 £'000	2013 £'000
<i>Due within one year</i>		
Amounts owed by Group undertakings	630	630
Prepayments and accrued income	346	833
	<hr/>	<hr/>
	976	1,463
	<hr/>	<hr/>

Amounts owed by Group undertakings are non-interest bearing and unsecured.

11 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Accruals and deferred income	448	1,257
Provisions for liabilities (note 13)	1,200	-
	<hr/>	<hr/>
	1,648	1,257
	<hr/>	<hr/>

12 Creditors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	274,383	274,349
	<hr/>	<hr/>

Included in amounts owing to Group undertakings in 2014 is an unsecured loan of £10,500,000 at 6% owed to Independent News and Media Limited, a fellow subsidiary. All other amounts owing to Group undertakings are interest free.

Independent News & Media (UK) Limited

Notes (continued)

13 Provisions for liabilities

	£'000
At beginning of year	2,741
Amounts used in year	(1,541)
	<hr/>
At end of year	1,200
	<hr/>

Provision for onerous lease

A provision was set up in 2008 relating to an onerous contract on office space at Independent House, 191 Marsh Wall, London following the Company's relocation to Royal Avenue, Belfast. The onerous lease provision is expected to be fully utilised by 2015.

14 Share capital

	2014 £'000	2013 £'000
Allotted, called up and fully paid		
328,900,000 ordinary shares of £1 each	328,900	328,900
	<hr/>	<hr/>

15 Reserves

	Share premium account £'000	Profit and loss account £'000
At beginning of year	8	(511,951)
Loss for the financial year	-	(731)
	<hr/>	<hr/>
At end of year	8	(512,682)
	<hr/>	<hr/>

Independent News & Media (UK) Limited

Notes (continued)

16 Reconciliation of movements in shareholders' deficit

	2014 £'000	2013 £'000
Opening shareholders' deficit	(183,043)	(180,756)
Loss for the financial period	(731)	(2,287)
	<hr/>	<hr/>
Closing shareholders' deficit	(183,774)	(183,043)
	<hr/>	<hr/>

17 Contingent liabilities

Guarantor to facilities

The company has guaranteed the banking facilities ('the facilities') of Independent News and Media PLC and certain subsidiary undertakings to a maximum of €161.0m (2013: €166.7m), in conjunction with other group companies. The amount outstanding under this guarantee at the year end was €124.9m (2013: €129.5m). This outstanding amount was repaid in full in 2015.

18 Ultimate holding company and related party transactions

The immediate parent company is Independent Communications (International) Limited, a company incorporated in the Republic of Ireland.

The ultimate holding company and controlling party is Independent News & Media PLC, a company incorporated in the Republic of Ireland.

As permitted by paragraph 3(c) of FRS8- Related Party Disclosures, transactions with other entities in the Group are not disclosed. There are no other related party transactions.

Independent News & Media PLC is the parent undertaking of the smallest and largest group to consolidate these financial statements. A copy of those financial statements can be obtained from Independent House, Talbot Street, Dublin 1, Ireland.

Independent News & Media (UK) Limited

Notes *(continued)*

19 Post balance sheet events

The outstanding amount under the guarantee referred to in note 17 of €124.9m has been repaid in full in 2015.

As part of the disposal of South African operations in August 2013, Independent News and Media PLC and its subsidiaries ('the Group') gave standard warranties with a total potential exposure of R200m (€14.3m as at 31 December 2014). €10.0m of the proceeds were retained in an escrow account (with this amount classified as restricted cash in the Group Balance Sheet) pending any potential warranty claims for a period of 12 to 24 months post completion (24 months if certain pre-existing industry wide competition commission enquiries were still open after 12 months). In early 2015, the Group signed a Settlement Agreement with the purchasers of the South African business to pay the euro equivalent of R85m (€6.6m) in full and final settlement of all warranties and industry wide competition commission enquiries. The residual balance of €3.4m in the Escrow account was paid to the banking syndicate with a consequential reduction of €10.0m in Escrow debt in line with the Escrow Agreement.

20 Approval of financial statements

The financial statements were approved by the directors on 25 June 2015.