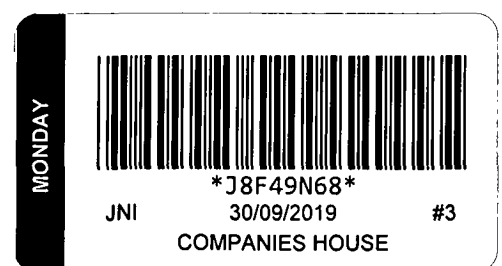


Independent News & Media (UK) Ltd

Directors' report and
financial statements

Year ended 28 December 2018

Registered number: 00983376



Independent News & Media (UK) Ltd

Directors' report and financial statements

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Independent News & Media (UK) Ltd

Directors and other information

Directors

R. J. McClean
M. R. Preston (resigned 31 January 2019)
R. Gray (appointed and resigned 31 January 2019)
S. Harton (appointed 31 January 2019)

Secretary

R. Gray

Registered office

39 Welbeck Street
London
W1G 8DR
United Kingdom

Independent auditor

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

Bankers

First Trust Bank Ltd
35 University Road
Belfast

Registered number

00983376

Independent News & Media (UK) Ltd

Directors' report

The directors present their directors' report and the audited financial statements of Independent News & Media (UK) Ltd ("the Company") for the year ended 28 December 2018.

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 year, after taxation, amounted to £630,000 (2017: profit of £243,499).

The directors do not recommend the payment of a dividend (2017: £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 confirmed that it will not request repayment of the intercompany balances for a period of at least twelve months from the date these financial statements are approved to ensure the Company can continue to trade.

Directors and secretary

The names of the persons who were directors during the year are set out below. Except where indicated, they served as directors for the entire year:

R. J. McClean
M. R. Preston (resigned 31 January 2019)
R. Gray (appointed and resigned 31 January 2019)
S. Harton (appointed 31 January 2019)

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 auditor

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 auditor is 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 auditor is aware of that information.

Political contributions

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

Independent News & Media (UK) Ltd

Directors' report *(continued)*

Subsequent events

There were no events since the year end that would require the adjustment of, or disclosure in the financial statements.

Independent auditor

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

On behalf of the board



R. J. McClean
Director

39 Welbeck Street
London
W1G 8DR

26 September 2019

Independent News & Media (UK) Ltd

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



R McClean
Director

26 September 2019



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Independent News & Media (UK) Limited ('the Company') for the year ended 28 December 2018 set out on pages 5 to 19, which comprise the statement of profit or loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 Reduced Disclosure Framework.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. We have nothing to report in these respects.



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

Report on the audit of the financial statements *(continued)*

We have nothing to report on going concern (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Other Information

The directors are responsible for the other information presented in the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



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

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Eamon Dillon

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

26 September 2019

Independent News & Media (UK) Ltd

Statement of profit or loss account and other comprehensive income for the year ended 28 December 2018

	<i>Note</i>	2018 £'000	2017 £'000
Administrative expenses		-	(10)
Exceptional administrative expenses	4	-	884
		<hr/>	<hr/>
Operating profit	2	-	874
Interest payable and similar charges	5	(630)	(630)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(630)	244
Taxation on (loss)/profit on ordinary activities	6	-	-
		<hr/>	<hr/>
(Loss)/profit for the financial period		(630)	244
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		(630)	244
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 19 form an integral part of the financial statements.

All activates relate to continuing operations.

Independent News & Media (UK) Ltd

Balance sheet

as at 28 December 2018

	Note	28 December 2018 £'000	29 December 2017 £'000
Non-current assets			
Financial assets	7	50	50
Current assets			
Debtors: amounts falling due within one year	8	68,299	68,929
Cash at bank and in hand		-	-
		68,299	68,929
Creditors: amounts falling due within one year	9	(251,169)	(983)
Net current assets		(182,870)	67,946
Total assets less current liabilities		(182,820)	67,996
Creditors: amounts falling due after more than one year	10	-	(250,186)
Net liabilities		(182,820)	(182,190)
Capital and reserves			
Called up share capital	11	328,900	328,900
Share premium account		8	8
Retained deficit		(511,728)	(511,098)
Shareholders' deficit		(182,820)	(182,190)

The notes on pages 11 to 19 form an integral part of these financial statements.

These financial statements were approved by the board of directors on and were signed on its behalf by:

R J McClean
Director



2019

Company registered number : 00983376

Independent News & Media (UK) Ltd

Statement of changes in equity for the year ended 28 December 2018

	Called up share capital £'000	Share premium £'000	Retained deficit £'000	Total £'000
Balance at 30 December 2016	328,900	8	(511,342)	(182,434)
Total Comprehensive Income for the Year				
Profit for the year	-	-	244	244
Other comprehensive income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Comprehensive Income for the Year	-	-	244	244
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 29 December 2017	328,900	8	(511,098)	(182,190)
Total Comprehensive Income for the Year				
Loss for the year	-	-	(630)	(630)
Other comprehensive income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Comprehensive Income for the Year	-	-	(630)	(630)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 28 December 2018	328,900	8	(511,728)	(182,820)
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 11 to 19 form an integral part of these financial statements.

Independent News & Media (UK) Ltd

Notes (continued)

Notes

forming part of the financial statements

1 Accounting policies

Independent News & Media (UK) Ltd ("the Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 00983376 and registered address is

39 Welbeck Street
London
W1G 8DR
United Kingdom

1.1 Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Independent News & Media plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Independent News & Media plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Independent News & Media plc, Independent House, 27 - 32 Talbot Street, Dublin 1.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy, the correction of error, or the reclassification of items in the financial statements;
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Independent News & Media plc include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

Change in accounting policy / prior period adjustment

- The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.
- IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* were adopted during the year. These did not have a material effect on the financial statements

Independent News & Media (UK) Ltd

Notes (continued)

1 Accounting policies (continued)

- The company has not changed any of its accounting recognition and measurement policies to disclose:
 - IAS 7 (effective in 2017)
 - IAS 12 (effective in 2017)

1.2 Basis of preparation of the financial statements

Functional currency

The Company's financial statements are denominated in pound sterling which is its functional currency.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Judgements, estimates and assumptions

The preparation of financial statements in accordance with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidation financial statements, relate primarily to accounting for exceptional items.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.3 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 confirmed that it will not request repayment of the intercompany balances for a period of at least twelve months from the date these financial statements are approved to ensure the Company can continue to trade.

1.4 Financial assets

Non-derivative financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;

Independent News & Media (UK) Ltd

Notes (continued)

1 Accounting policies (continued)

- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

The Company consider evidence of impairment for these assets at both an individual asset and at a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company use historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company consider that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

1.5 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.

1.6 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 2018 financial year and 52 weeks in the 2017 financial year.

1.7 Taxation

Income tax comprises the sum of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or item recognised directly in equity or in other comprehensive income.

Current tax is based on taxable profit for the year and any adjustments in respect of previous years. It is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary differences that exist at the reporting date. A temporary difference is a difference arising between the tax base of all assets (except goodwill) and liabilities and their carrying amounts in the financial statements. However, if the temporary difference

Independent News & Media (UK) Ltd

Notes (continued)

1 Accounting policies (continued)

arises from the initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not recognised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint arrangements and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Group Relief

Payments receivable in respect of tax losses surrendered as group relief are recognised in the year the losses are surrendered.

Unrealised tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities and other future taxable profits.

1.8 Basic financial instruments

The Company classify non-derivative financial assets as loans and receivables and non-derivative financial liabilities as trade creditors.

Non-derivative financial assets and financial liabilities - recognition and derecognition

The Company initially recognise loans and receivables on the date when they are originated. All loans and receivables and other financial liabilities are initially recognised on the trade date when the Company becomes a party to the contractual provisions of the instruments.

The Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Company continue to recognise the financial asset. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in profit or loss. The Group and the Company derecognise a financial liability when their contractual obligations are discharged or cancelled or expired.

Financial assets and financial liabilities are offset, and the net amount presented in these separate statements of financial position when, and only when, the Company have a currently enforceable legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets - measurement

Loans and receivables

Independent News & Media (UK) Ltd

Notes (continued)

1 Accounting policies (continued)

These assets are initially recognised at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables comprise of cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

1.9 Expenses

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expense on shares classified as liabilities and net foreign exchange losses that are recognised in the profit and loss account. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.10 Exceptional Items

Exceptional items are those items of income and expenses that the Company considers are material and/ or of such a nature that their separate disclosure is relevant to a better understanding of the Company's financial performance, judgement is used by the Company in assessing the particular items which, by virtue of their materiality and/or nature, are disclosed in the profit or loss account and related notes as exceptional items.

1.11 Foreign Currencies

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Independent News & Media (UK) Ltd

Notes (continued)

2 Operating (loss)/profit

The operating loss is stated after charging:

	2018 £'000	2017 £'000
Auditor's remuneration:		
- audit fees	-	2
- other services	-	2
	<u> </u>	<u> </u>

3 Directors' emoluments

The directors did not receive any remuneration from the Company during the year (2017: £Nil).

4 Exceptional Items

	2018 £'000	2017 £'000
Release of onerous lease provision	-	844
	<u> </u>	<u> </u>
	-	844
	<u> </u>	<u> </u>

5 Interest payable and similar charges

	2018 £'000	2017 £'000
On loans from Group undertakings	630	630
	<u> </u>	<u> </u>
	630	630
	<u> </u>	<u> </u>

6 Tax on (loss)/profit on ordinary activities

	2018 £'000	2017 £'000
UK corporation tax charge on profit for the year	-	-
	<u> </u>	<u> </u>

Independent News & Media (UK) Ltd

Notes (continued)

6 Tax on (loss)/profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £'000	2017 £'000
(Loss)/profit on ordinary activities before tax	(630)	244
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(120)	47
Effects of:		
Expenses not deductible for tax purposes	-	-
Deferred tax not recognised	-	-
Group relief	120	(47)
Tax charge for the year	-	-

No deferred tax was recognised at 28 December 2018 (29 December 2017: £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 £7.9m (2017: £7.9m).

Factors that may affect future tax charges

The corporation tax rate in the UK is 19%. This rate will be reduced to 17% on 1 April 2020. The 17% statutory rate of corporation tax was enacted in full on 6 September 2016. Deferred tax has been provided at the rate at which it is expected to reverse. No further rate changes have been announced.

7 Financial assets

	Investments in subsidiary companies £'000
Carrying amount at beginning of the year	50
Impairment during the year	-
Carrying amount at the end of the year	50

Independent News & Media (UK) Ltd

Notes (continued)

7 Financial assets (continued)

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Independent News and Media Ltd	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%
Newsprint (United Kingdom) Ltd*	Ordinary	100%
Wholesale Newspaper Services 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 amount of the investments is supported by their underlying net assets.

8 Debtors	2018 £'000	2017 £'000
<i>Due within one year</i>		
Amounts owed by Group undertakings	68,299	68,929
	<hr/>	<hr/>
	68,299	68,929
	<hr/>	<hr/>

Amounts due from group undertakings are interest free, unsecured and repayable on demand.

9 Creditors: amounts falling due within one year	2018 £'000	2017 £'000
Amounts owed to group undertakings	251,169	983
	<hr/>	<hr/>
	251,169	983
	<hr/>	<hr/>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

Independent News & Media (UK) Ltd

Notes (continued)

10 Creditors: amounts falling due after more than one year	2018	2017
	£'000	£'000
Amounts owed to group undertakings	-	250,186

Amount due to group undertakings are interest free and unsecured.

11 Share capital	2018	2017
	£'000	£'000
<i>Allotted, called up and fully paid</i>		
328,900,000 ordinary shares of £1 each	328,900	328,900

12 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 Company's ultimate parent undertaking is MediaHuis NV as of 31 July 2019, incorporated in Belgium.

13 Related party transactions

The Company has availed of the exemptions available in FRS 101 from disclosing transactions entered into between two or more members of a group and also key management personnel compensation disclosures. There were no other related party transactions.

14 Subsequent events

On 31 July 2019, Independent News and Media PLC was acquired and the ultimate parent of the Company is now MediaHuis NV.

There were no further events since the year end that would require the adjustment of, or disclosure in the financial statements.