

NEWSQUEST LIMITED

**Annual Report and Financial Statements
for the 52 weeks ended 25 December 2016**

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ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

CONTENTS

	Page
Strategic report	1
Directors' report	2
Independent auditor's report	4
Income statement	5
Statement of changes in equity	6
Balance sheet	7
Notes to the financial statements	8

Country of incorporation:

A company incorporated in Great Britain and registered in England and Wales.

Registered address:

Loudwater Mill, Station Road, High Wycombe, Buckinghamshire, HP10 9TY

STRATEGIC REPORT

The directors present their strategic report for the 52 weeks ended 25 December 2016.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

Newsquest Limited ("the company") is a wholly owned subsidiary undertaking of Gannett U.K. Limited (collectively with other subsidiaries "the group").

On 14 March 2016, it was resolved to undertake a capital reduction and cancel £250,224,854 from the share premium account and £831,350 from the capital redemption reserve and to transfer these amounts to the profit and loss reserve.

Subsequently, on 18 March 2016, a special resolution was passed to increase the share capital by £187,372,000 through a bonus issue of 18,737,200,000 1p ordinary shares.

Following the completion of the above transactions, it was subsequently resolved on 22 March 2016 to reduce the share capital of the company by the cancellation of £189,337,382.05 from the 1p ordinary shares and to transfer this amount to the profit and loss reserve.

On 1 April 2016 it was resolved that a dividend of £50 million be paid by Newsquest Limited to Gannett U.K. Limited, to be satisfied by Newsquest Limited entering into a deed of set-off with Gannett U.K. Limited under which Newsquest Limited's obligation to pay the dividend be set-off against Gannett U.K. Limited's obligation to pay to Newsquest Limited a capital contribution of £50 million.

On 28 April 2016 a dividend of £270m was recommended and satisfied as a non-cash distribution by the transfer to Gannett U.K. Limited the benefit of a promissory note receivable for the principal sum of £270,000,000.

The company's investment in its subsidiary undertaking Newsquest Media Group Ltd was impaired by £173,000,000 to the directors' estimate of its recoverable amount. This impairment charge was reflected in the statutory accounts to 27 December 2015 which was finalised on 24 January 2017.

The directors are satisfied with the results and prospects of the company.

Key performance indicators

The company is a holding company and the directors do not believe there are any key performance indicators.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates as an intermediate holding company within the Gannett Co., Inc. group of companies. All of its material transactions are with fellow group undertakings and as such its activities are dependent on the activities of the Gannett Co., Inc. group of companies as a whole.

The risks and uncertainties facing the company are linked to those of the group. A discussion of the group risks and uncertainties is contained in the annual report of Gannett Co., Inc..

This report was approved by the Board and signed on its behalf on 27 July 2017 by:



P Hunter
Secretary

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 52 weeks ended 25 December 2016.

RESULTS, DIVIDENDS AND FUTURE PROSPECTS

The result on ordinary activities after taxation amounted to a profit of £51,000,000 (2015 - £173,000,000 loss). In the prior period the loss of £173,000,000 was due to an impairment against the carrying value of the company's investment in Newsquest Capital Ltd.

During the period there were dividends of £320m (2015 - £nil). The directors do not recommend that a final dividend is paid (2015 - £nil).

The company's principal activity continues to be that of a holding company and the directors expect this to continue for the foreseeable future.

DIRECTORS

The following directors held office during the period and up to the date of signing the financial statements:

R Dickey
A Engel
B Wall
H Faure Walker
P Hunter

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The group maintains Director's and Officer's liability insurance for the directors during the course of their employment. The insurance will cover the directors' legal costs incurred in defending any proceedings brought by third parties. Such qualifying third party indemnity provision remains in place as at the date of approving the Strategic Report and Directors' Report.

EMPLOYEE PARTICIPATION, DISABLED PERSONS AND THE ENVIRONMENT

The company is a holding company and has no employees. The policies of Newsquest Media Group Limited, the company's subsidiary, are set out in its accounts.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Details of charitable contributions are contained in the accounts of Gannett U.K. Limited. The company made no political donations during the period.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, 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.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES (CONTINUED)

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.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development and position, are set out above in the Strategic Report under the sections principal activities and review of the business, and principal risks and uncertainties, and in the Directors' Report under future prospects.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with Newsquest Media Group Limited and fellow subsidiaries. The Newsquest group continues to generate significant free cash flow. The company also relies on the ongoing support of its US based parent company.

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the Board at the time of approving the Strategic Report and Directors' Report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that:

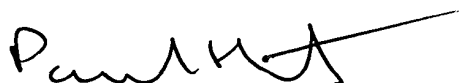
- to the best of each directors' knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

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

AUDITORS

Ernst & Young LLP are deemed to be reappointed in accordance with an elective resolution made under Section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

This report was approved by the Board and signed on its behalf on 27 July 2017 by:



P Hunter
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWSQUEST LIMITED

We have audited the financial statements of Newsquest Limited for the year ended 25 December 2016 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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 set out on page 2 to 3, 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 and Financial Statements 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 25 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

Ernst & Young LLP

Naresh Alimchandani (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

28 July 2017

INCOME STATEMENT

For the 52 weeks ended 25 December 2016 (note 1)

	Notes	2016 £'000	2015 £'000
Income from fixed asset investments	4	270,000	-
Impairment of investment in subsidiary undertakings		(219,000)	(173,000)
OPERATING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		51,000	(173,000)
Income tax (charge)/credit	5	-	-
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		51,000	(173,000)

All the above transactions relate to continuing operations.

There were no recognised gains or losses for the period or the preceding period other than those included in the income statement above and therefore no separate Statement of Comprehensive Income has been presented.

The notes on pages 8 to 13 form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
52 weeks ended 25 December 2016

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
As at 28 December 2014	1,965	250,225	831	188,994	442,015
Loss for the period	-	-	-	(173,000)	(173,000)
At 27 December 2015	1,965	250,225	831	15,994	269,015
Capital reduction – see note (a)	-	(250,225)	(831)	251,056	-
Bonus share issue – see note (b)	187,372	-	-	(187,372)	-
Capital reduction – see note (c)	(189,337)	-	-	189,337	-
Dividends – see note (d)	-	-	-	(320,000)	(320,000)
Profit for the period	-	-	-	51,000	51,000
At 25 December 2016	-	-	-	15	15

There is no Other Comprehensive Income in either period.

Note (a): On 14 March 2016, it was resolved to undertake a capital reduction and cancel £250,224,854 from the share premium account and £831,350 from the capital redemption reserve and to transfer these amounts to the profit and loss reserve.

Note (b): Subsequently, on 18 March 2016, a special resolution was passed to increase the share capital by £187,372,000 through a bonus issue of 18,737,200,000 1p ordinary shares.

Note (c): Following the completion of the above transactions, it was subsequently resolved on 22 March 2016 to reduce the share capital of the company by the cancellation of £189,337,382.05 from the 1p ordinary shares and to transfer this amount to the profit and loss reserve.

Note (d): On 1 April 2016 it was resolved that a dividend of £50 million be paid by Newsquest Limited to Gannett UK Limited, to be satisfied by Newsquest Limited entering into a deed of set-off with Gannett UK Limited under which Newsquest Limited's obligation to pay the dividend be set-off against Gannett UK Limited's obligation to pay to Newsquest Limited a capital contribution of £50 million.

On 28 April 2016 a dividend of £270,000,000 was recommended and satisfied as a non-cash distribution by the transfer to Gannett U.K. Limited the benefit of a promissory note receivable for the principal sum of £270,000,000.

BALANCE SHEET
25 December 2016

	Note	£'000	2016 £'000	2015 £'000
FIXED ASSETS				
Investments	6		-	219,000
CURRENT ASSETS				
Debtors	7	15	50,015	
NET CURRENT ASSETS			15	50,015
NET ASSETS			15	269,015
CAPITAL AND RESERVES				
Share capital	8		-	1,965
Share premium	9		-	250,225
Capital redemption reserve	9		-	831
Retained earnings	9		15	15,994
TOTAL EQUITY			15	269,015

The notes on pages 8 to 13 form part of the financial statements.

The financial statements on pages 5 to 13 were approved by the Board of Directors and signed on its behalf on 27 July 2017 by:



P Hunter
Director

NOTES TO THE ACCOUNTS

52 weeks ended 25 December 2016

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The company meets the definition of a qualifying entity for the purpose of FRS 101 (Financial Reporting Standard 101). The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework'. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to: the requirements of paragraphs 10 (d), 39 (c) and 134-136 of IAS 1 *Presentation of Financial Statements*, the requirements of paragraphs 30 and 31 of IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*; the requirements of IFRS 7 *Financial Instruments*, the requirements of paragraphs 134 (d) – 134 (f) and 135 (c) – 135 (e) of IAS 36 *Impairment of Assets*, the requirements in IAS 24 *Related Party Disclosures* and the requirements of IAS 8.30 and 31 on new and not yet effective standards.

The company is exempt from preparing group financial statements under Section 401 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking. Accordingly, these financial statements present information about the company and not its Group. Gannett Co. Inc., the ultimate parent company publishes consolidated financial statements which includes the cash flows of the company. The company has therefore taken advantage of the exemption granted by Financial Reporting Standard 101 – 'Reduced Disclosure Framework', to not present a cash flow statement.

The principal accounting policies adopted are set out under the notes below.

Accounting period

The income statements cover the 52 weeks from 28 December 2015 to 25 December 2016 and 52 weeks from 29 December 2014 to 27 December 2015. The balance sheets for 2016 and 2015 have been drawn up at 25 December 2016 and 27 December 2015 respectively.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

There are no significant judgements or critical accounting estimates impacting these financial statements.

Significant accounting policies

Interest income

Interest income is recognised as the interest accrues using the effective interest method.

Operating profit/(loss)

Operating profit/(loss) is stated after charging restructuring or other exceptional costs but before investment income, other finance income and finance costs.

Exceptional items

The company presents as exceptional items those material items of income and expense which, because of the nature and expected frequency of the events giving rise to them, merit separate presentation to explain the elements of financial performance in the period and to facilitate comparison with prior periods.

Investments

Investments held as fixed assets are stated at cost, less provision, if appropriate, for any impairment in value other than a temporary impairment in value. The carrying value of investments is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

The tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the period end date.

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

2. OPERATING PROFIT/(LOSS)

	2016	2015
	£'000	£'000
Impairment of investment in subsidiary undertakings	219,000	173,000

Fees for audit services for the entire Gannett U.K. Limited group totalling £392,000 (2015 - £328,270) were borne by Newsquest Media Group Limited in the current and prior period. Additional audit fees also borne by Newsquest Media Group Limited relating to 2015, including one-off new UK GAAP conversion work amounted to £155,000.

3. EMPLOYEES, DIRECTORS AND AUDITORS

The company had no employees in the period (2015 – nil).

The directors receive no remuneration for their qualifying services to the company (2015 - £nil). All emoluments and pension payments made by related companies to directors are dealt with in the accounts of Newsquest Media Group Limited.

4. INCOME FROM FIXED ASSET INVESTMENTS

	2016	2015
	£'000	£'000
Dividends from group undertakings	270,000	-

During the prior period all dividends from the company's subsidiary were paid on the directors' approval direct to Gannett U.K. Limited.

5. TAXATION

(a) Tax (charged)/credited in the income statement	2016	2015
	£'000	£'000
Current income tax (charge)/credit:		
UK corporation tax at 20.00% (2015 – 20.25%)	-	-
Adjustment in respect of current income tax in prior period	-	-
Total Income tax (charge)/credit reported in the income statement all relating to continuing operations	-	-

(b) Reconciliation of the total tax (charge)/credit:	2016	2015
	£'000	£'000
Profit/(Loss) from continuing activities before taxation	51,000	(173,000)
Tax on the losses on ordinary activities at the standard UK rate of corporation tax of 20.00% (2015 – 20.25%)	(10,200)	35,033
Tax effect of amounts which are not (taxable)/deductible in calculating taxable income:		
Tax effect of items that are not deductible or not taxable in determining taxable loss	10,200	(35,033)
Transfer pricing adjustments	-	(1,033)
Group relief claimed for nil payment	-	1,033
Total income tax (charge)/credit reported in the income statement	-	-

The entity does not have any deferred tax.

(c) Change in corporation tax rate

A corporation tax rate of 19% applies for the period 1 April 2017 to 31 March 2020. A rate of 17% then applies for the years beginning 1 April 2020 and onwards.

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

6. INVESTMENTS

	Investments in subsidiary undertakings £'000
Cost	
At 25 December 2016 and 28 December 2015	644,377
Provisions	
At 28 December 2015	425,377
Impairment of investment in subsidiary undertakings	219,000
At 25 December 2016	644,377
Carrying amount	
At 25 December 2016	-
At 27 December 2015	219,000

During the period the investment in subsidiary undertaking was written down by £219,000,000 to the Directors' estimate of their recoverable amount.

The wholly owned trading subsidiary companies of Newsquest Limited (all of which are incorporated in Great Britain and registered in England and Wales except for those marked with an asterisk which are registered in Scotland) at 25 December 2016 are as follows:

Name of company	Nature of business
Newsquest Capital Limited ¹	Holding company
Newsquest Media Group Limited	Holding company
Newsquest (Yorkshire & North East) Limited	Publishing
Newsquest (Essex) Limited (dormant from August 2015)	Publishing
Newsquest Specialist Media Limited	Publishing
Newsquest (Herald & Times) Limited*	Printing and publishing
Newsquest (North West) Limited	Publishing
Newsquest (London & Essex) Limited	Publishing
Newsquest (Midlands South) Limited	Printing and publishing
Newsquest (North East) Limited	Publishing
Newsquest (Oxfordshire & Wiltshire) Limited	Printing and publishing
Newsquest (Sussex) Limited	Publishing
Newsquest (York) Limited	Publishing
Newsquest Media (Southern) Limited	Printing and publishing
Sopress Investments Limited	Investment holding company
Newsquest (Clyde & Forth Press) Limited*	Publishing
Newsquest (Berkshire) Limited*	Publishing
Your Radio FM Limited* (dormant from October 2015)	Dormant holding company
Romanes Media Limited*	Holding company
Romanes Media Group Limited*	Holding company
Romanes Media Group EBT Limited*	Trustee of employee benefit trust

¹ Owned directly by the company.

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

6. INVESTMENTS (CONTINUED)

The dormant subsidiary companies of Newsquest Limited (all of which are wholly owned indirectly and incorporated in Great Britain and registered in England and Wales except those marked with an asterisk which are registered in Scotland) at 25 December 2016 are as follows:

Name of Company	Name of Company
Advertiser Series Limited	Bury Times Limited
Advertising Distribution Services Limited	C.H. Peacock Limited
Asherclose Limited	Campaign Free Newspapers Limited
Bailey Newspaper Group Limited	Cleaddon Press Limited
Bailey Print Limited	Csonco Limited
Bailey Web Limited	Daily News Group Limited
Barry Printing and Publishing Co. Limited	Devonbrook Limited ²
Beck & Partridge Limited	Essex County Newspapers Limited ¹
Berrows West Midlands Limited ¹	Evesham Admag Limited ¹
Billington & Wright Limited ¹	Exchange Enterprises Limited
Bird Brothers Limited	Extonbase Limited
Brighton & District Property News Limited	Firth FM Holdings Limited*
Bromsgrove Observer Limited ¹	Forest Machine Journal Limited*
H. Dawson & Co. (Printers) Limited	Fossilcove Limited
Hampshire Newspapers Limited	Gloucestershire Independent Limited
Helston Printers Limited	Nursing Spectrum UK Limited
Henry Pease & Company Limited	Orpheus Publications Limited ^{1*}
Independent Media Limited ²	Packet Newspapers (Cornwall) Limited ²
J.H.Lake & Co.Limited	Partridge Printers Limited
Jaxman Limited	Property Weekly Limited
John. H. Burrows & Sons Limited	Pythondeck Limited
Kinsman Reeds Limited	Rawlings & Walsh Limited
Lettercatch Limited	Redditch Observer Limited ¹
London & Kent Newspapers Limited ¹	Regional Letterbox Services Limited ¹
Mega Suburban Printing Limited ¹	Richmond & Twickenham Times Limited ¹
Morgan Truman Publications Limited ¹	Rusholmes Printers Limited
Msomn Limited	Salisbury Journal Newspapers Limited
New Forest Post Limited	Sawp Limited
News Shopper Limited ¹	Sellix Limited
Newsquest (Basildon) Limited ¹	Slough Newspaper Printers Limited
Newsquest (Blackburn) Limited ¹	South London Guardian Limited ¹
Newsquest (Bolton) Limited ¹	South Wales Argus Limited
Newsquest (Buckinghamshire & West London) Limited	South West Counties Newspapers Limited
Newsquest (Cheshire) Limited ¹	South West Wales Newspapers Limited
Newsquest (Cheshire/Merseyside) Limited ¹	Southern Newspapers Limited
Newsquest Direct Limited ¹	Spiceford Limited
Newsquest (East London & West Essex) Limited ¹	Stelert Limited
Newsquest (Hereford) Limited ¹	Stone Square Newsagency Limited
Newsquest (Herefordshire & Middlesex) Limited ¹	Stour Valley News Limited
Newsquest (Herts & Bucks) Limited	Surfield Limited ²
Newsquest (Kendal) ¹	Swallowdove Limited
Newsquest (Investments) Limited	T.A.S. Publishing Limited ^{1*}
Newsquest (Lancs Free) Limited ¹	Teddington & Hampton Times Limited
Newsquest (Leeds) Limited	The Avon Advertiser Limited
Newsquest (Merseyside) Limited ¹	The Bedfordshire Times Publishing Company Limited
Newsquest (North West London) Limited ¹	The Bradford & District Newspaper Company Limited
Newsquest (Stourbridge) Limited ¹	The Craven Herald Limited
Newsquest (Wiltshire) Limited ¹	The Croydon Property News Limited ¹
Newsquest (Worcester) Limited ¹	The Ludlow Advertiser Limited ¹
Newsquest Financial Media Limited ¹	The National Press Agency Limited

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

6. INVESTMENTS (CONTINUED)

Name of company	Name of company
Newsquest Magazines Limited ^{1*}	The Oxford Mail & Times Limited
Newsquest Media (Berrows) Limited ¹	The Redditch & Bromsgrove Observer Limited ¹
Newsquest Media (Midland) Limited	The Tenbury Advertiser Company Limited ¹
Newsquest Media (North East) Limited ¹	The Yorkshire Herald Newspaper Company Limited
Newsquest Media (Northern) Limited ¹	Two's Company (Dating) Limited
Newsquest Media (South) Limited ¹	Warden & Company Limited
Newsquest Printing (Colchester) Limited	West Country Magazines Limited
Newsquest Printing (Glasgow) Limited*	West of England Newspapers Limited
Newsquest Printing (Lancashire) Limited	Westminster Press Limited
Newsquest Printing (Glasgow) Limited*	Westmorland Gazette Limited
Newsquest Pension Trustee Limited	Wiltshire Newspapers Limited
Newsquest (Sunday Herald) Limited*	WM Dresser & Sons Limited
North of England Newspaper Company Limited	WP Publishing
Northern Counties Newspapers (Tyneside) Limited ¹	Wroughton Press Limited
S1Now Limited*	Wxan Limited
	Yeoman Developments (Winton) Limited

¹ Struck off in 2016

² Struck off in 2017

Joint ventures:	Class of shares held	Proportion	Nature of Business	Year end
Classified Periodicals Limited [^]	Ordinary	50%	Non-trading	27 December
This is Essex Limited	Ordinary	50%	Non-trading	30 September

[^]Struck off in 2016

Associate:	Class of shares held	Proportion	Nature of Business	Year end
IHoldthefrontpage.co.uk Limited	Ordinary	25%	Media website	31 December

Shares in joint ventures and associate are indirectly held.

7. DEBTORS

	2016	2015
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	15	50,015

8. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
Authorised:		
18,933,738,206 ordinary shares of 1p each (2015: 270,000,000 ordinary shares of 1p each)	189,337,382	2,700,000
Allotted, called up and fully paid:		
1 ordinary share of 1p each (2015: 196,538,206 ordinary shares of 1p each)	-	1,965,382

On 18 March 2016, a resolution was passed to increase the share capital by £187,372,000 through a bonus issue of 18,737,200,000 1p ordinary shares.

Following the completion of the above transactions, it was subsequently resolved on 22 March 2016 to reduce the share capital of the company by the cancellation of £189,337,382.05 from the 1p ordinary shares and to transfer this amount to the profit and loss reserve.

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

9. RESERVES

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 29 December 2014	1,965	250,225	831	188,994	442,015
Loss for the period	-	-	-	(173,000)	(173,000)
At 27 December 2015	1,965	250,225	831	15,994	269,015
Capital reduction - see note (a)	-	(250,225)	(831)	251,056	-
Bonus share issue - see note (b)	187,372	-	-	(187,372)	-
Capital reduction - see note (c)	(189,337)	-	-	189,337	-
Dividend - see note (d)	-	-	-	(320,000)	(320,000)
Profit for the period	-	-	-	51,000	51,000
As at 25 December 2016	-	-	-	15	15

Note (a): On 14 March 2016, it was resolved to undertake a capital reduction and cancel £250,224,854 from the share premium account and £831,350 from the capital redemption reserve and to transfer these amounts to the profit and loss reserve.

Note (b): Subsequently, on 18 March 2016, a special resolution was passed to increase the share capital by £187,372,000 through a bonus issue of 18,737,200,000 1p ordinary shares.

Note (c): Following the completion of the above transactions, it was subsequently resolved on 22 March 2016 to reduce the share capital of the company by the cancellation of £189,337,382.05 from the 1p ordinary shares and to transfer this amount to the profit and loss reserve.

Note (d): On 1 April 2016 it was resolved that a dividend of £50,000,000 be paid by Newsquest Limited to Gannett UK Limited, to be satisfied by Newsquest Limited entering into a deed of set-off with Gannett UK Limited under which Newsquest Limited's obligation to pay the dividend be set-off against Gannett UK Limited's obligation to pay to Newsquest Limited a capital contribution of £50,000,000.

On 28 April 2016 a dividend of £270,000,000 was recommended and satisfied as a non-cash distribution by the transfer to Gannett U.K. Limited the benefit of a promissory note receivable for the principal sum of £270,000,000.

10. OTHER COMMITMENTS

At 25 December 2016 the company had no annual commitments under non-cancellable operating leases or capital commitments (2015 - fnil).

11. RELATED PARTIES

The company is a wholly owned subsidiary included in the consolidated financial statements of its ultimate parent company. These financial statements are publicly available, therefore, the company has taken advantage of the exemption under paragraph 8 (k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries. The amounts due from group companies at the balance sheet date are shown in note 7.

12. ULTIMATE PARENT COMPANY

The company's ultimate parent and controlling company is Gannett Co., Inc., a company incorporated in the United States of America. The intermediate parent and controlling company in the United Kingdom is Gannett U.K. Limited, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of Gannett Co., Inc. comprise the largest group of which the company is a member that prepares consolidated financial statements. The annual report and consolidated financial statements of Gannett Co., Inc. can be obtained from the Secretary, Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107 or online at www.gannett.com investor relations.