

**NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED**

**Annual Report and Financial Statements  
for the 53 weeks ended 31 December 2017**

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# NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

CONTENTS	Page
Strategic report	1
Directors' report	2
Independent auditor's report	4
Income statement	6
Statement of changes in equity	7
Balance sheet	8
Notes to the financial statements	9

### 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

# **NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED**

## **STRATEGIC REPORT**

The directors present their strategic report for the 53 weeks ended 31 December 2017.

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

Newsquest (Oxfordshire & Wiltshire) Limited ("the company") is a wholly owned subsidiary undertaking of Newsquest Media Group Limited (collectively with other subsidiaries "the group").

In the prior year, the company's principal activity for the year was that of publishing local news and information.

On 26 December 2016 the company transferred its businesses' assets and liabilities to Newsquest Media Group Limited. Following the transfer of the business, the reserves of the company were distributed to Newsquest Media Group Limited and the company became dormant. The net assets of the company after the transfer and distribution amounted to £1. The directors intend for the company to be struck off in due course.

### **Key Performance indicators**

There are no key performance indicators following the company becoming dormant on the 26 December 2016.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

Until the company is struck off, the directors have received assurance from Newsquest Media Group Limited that arrangements would be made for the settlement of any liabilities that arise.

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 June 2018 by:



N Carpenter  
Joint Company Secretary

# **NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the 53 weeks ended 31 December 2017.

### **RESULT, DIVIDENDS AND FUTURE PROSPECTS**

The result after taxation for the period amounted to £nil (2016 - £3,299,000 profit).

An interim dividend of £4,105,868 was paid in the period (2016 - £nil). The directors do not recommend a final dividend (2016 - £nil).

In the prior year, the company's principal activity for the year was that of publishing and printing local news and information. On 26 December 2016 the company transferred its businesses assets and liabilities to Newsquest Media Group Limited. Following the transfer of the business, the reserves of the company were distributed to Newsquest Media Group Limited and the company became dormant. The net assets of the company after the transfer and distribution amounted to £1.

### **DIRECTORS**

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

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.

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

Details of political and charitable contributions are contained in the directors' report and financial statements of Newsquest Media Group Limited.

### **EMPLOYEE PARTICIPATION AND THE ENVIRONMENT**

The company places value on the involvement of its employees and continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group and the company. Such communications are undertaken on a regional basis, and include consultation with staff via elected representatives on a Staff Council, the publication of regular newsletters and the regular meetings of directors and senior managers with staff throughout the period.

The company is conscious of the importance of good environmental practices and aims for an on-going improvement in the company's environmental performance and to comply with all relevant regulations.

### **DISABLED PERSONS**

It is the policy of the company to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

### **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 year. 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;

**DIRECTORS' REPORT (CONTINUED)**

**DIRECTORS' RESPONSIBILITIES (CONTINUED)**

- 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.

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.

On 26 December 2016 the company ceased to trade and distributed its business and reserves to its parent company Newsquest Media Group Limited. Until the company is struck off, the directors have received assurance from Newsquest Media Group Limited that arrangements would be made for the settlement of any liabilities that arise.

On the basis of their assessment of the company's financial position and the confirmations received from group companies, 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 June 2018 by:



N Carpenter  
Joint Company Secretary

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED**

## **Opinion**

We have audited the financial statements of Newsquest (Oxfordshire & Wiltshire) Limited for the year ended 31 December 2017 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED (CONTINUED)**

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

## **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors 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 further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Use of our report**

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.

*Ernst & Young LLP*

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

29 June 2018

**INCOME STATEMENT**

**53 weeks ended 31 December 2017 (note 1)**

	Note	2017 £'000	2016 £'000
<b>TURNOVER</b>		-	24,031
Cost of sales		-	(5,544)
<b>GROSS PROFIT</b>		-	18,487
Selling and distribution costs		-	(3,355)
Administrative expenses		-	(11,881)
Exceptional restructuring costs	2	-	(205)
<b>OPERATING PROFIT</b>	2	-	3,046
Interest payable and similar charges	4	-	(3)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	3,043
Income tax credit	5	-	256
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	13	-	3,299

All the above transactions relate to discontinued 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 Other Comprehensive Income has been presented.

The notes on pages 9 to 20 form part of the financial statements.



**STATEMENT OF CHANGES IN EQUITY**  
**53 weeks ended 31 December 2017**

	Share capital £'000	Retained earnings £'000	Total £'000
As at 27 December 2015	-	800	800
Profit for the period	-	3,299	3,299
Share-based payment transactions (note 3)	-	34	34
Recharges from ultimate parent in respect of shares exercised (note 3)	-	(27)	(27)
	<hr/>	<hr/>	<hr/>
At 25 December 2016	-	4,106	4,106
Result for the year	-	-	-
Dividends (note 12)	-	(4,106)	(4,106)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	<hr/>	<hr/>	<hr/>

There is no Other Comprehensive Income in either period.

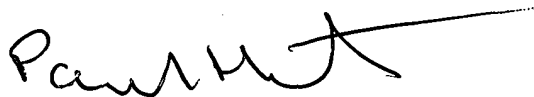
**NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED**  
Company Registration No. 3223511

**BALANCE SHEET**  
**31 December 2017**

	Note	£'000	2017 £'000	£'000	2016 £'000
<b>FIXED ASSETS</b>					
Intangible assets	6		-		15,354
Tangible fixed assets	7		-		13,304
					<u>28,658</u>
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	8	-		(19,619)	
<b>NET CURRENT LIABILITIES</b>			-		(19,619)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			-		9,039
<b>NON-CURRENT LIABILITIES</b>					
Amounts owed to group undertakings		-		-	
Deferred tax liabilities	9	-		(4,776)	
<b>TOTAL NON-CURRENT LIABILITIES</b>			-		(4,776)
<b>PROVISIONS FOR LIABILITIES</b>	10		-		(157)
<b>NET ASSETS</b>			-		4,106
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		-		-
Retained earnings	13		-		4,106
<b>TOTAL EQUITY</b>			-		4,106

The notes on pages 9 to 20 form part of the financial statements.

The financial statements on pages 6 to 20 were approved by the Board and signed on its behalf on 27 June 2018 by:



P Hunter  
Director

**NOTES TO THE ACCOUNTS**  
**53 weeks ended 31 December 2017**

**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 was included in the consolidated financial statements of Gannett Co., Inc., that are available to the public (note 18). Where relevant, equivalent disclosures are made in the consolidated accounts including the presentation of a cash flow statement, the company has taken advantage of the exemption granted by Financial Reporting Standard 101 – 'Reduced Disclosure Framework' not to present a cash flow statement. The principal accounting policies adopted are set out under the notes below.

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

**Accounting period**

The income statements cover the 53 weeks from 26 December 2016 to 31 December 2017 and the 52 weeks from 28 December 2015 to 25 December 2016. The balance sheets for 2017 and 2016 have been drawn up at 31 December 2017 and 25 December 2016 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 year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Publishing and other rights**

The company's intangible assets were publishing rights which were stated at fair value on acquisition with no subsequent revaluation. These publishing rights had no finite life and consequently were not amortised. The company did not capitalise internally generated publishing rights.

The carrying value of the publishing rights was reviewed for impairment at least annually with testing undertaken to determine any diminution in the recoverable amount below carrying value. The recoverable amount was the higher of the fair value less costs to sell and the publishing rights value in use. The latter was based on the net present value of estimated future cash flows discounted at the company's pre-tax weighted average cost of capital. Any impairment loss was recognised as an expense immediately. When an impairment loss subsequently reversed, the carrying amount of the asset was increased to the revised estimate of its recoverable amount, but only to the extent so that the increased carrying amount did not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss was recognised immediately in the income statement.

For the purpose of impairment testing, publishing rights were allocated to each of the company's cash generating units. The directors considered the publishing rights to be one homogenous cash generating unit. The cash generating unit was tested for impairment annually, or more frequently when there was an indication that the unit may be impaired. If the recoverable amount of the cash generating unit was less than the carrying amount of the unit, the impairment loss was allocated first to reduce the carrying amount of the value of publishing rights and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Gains or losses arising from de-recognition of an intangible asset were measured as the difference between the net disposal proceeds and the carrying amount of the asset and were recognised in the income statement when the asset was derecognised.

**NOTES TO THE ACCOUNTS**

**53 weeks ended 31 December 2017**

**1. ACCOUNTING POLICIES (CONTINUED)**

***Provisions for onerous leases and dilapidations***

Where the company ceased to occupy a rented property for its trade, an estimate of the anticipated total future cost payable under the terms of the operating lease, including rentals, rates and other related expenses, was charged to the income statement at the point where the unavoidable costs of meeting the obligations under the lease exceeded the economic benefits expected to have been received under it. Where there was a break clause in the lease, rentals were provided for up to that point. In addition, an estimate was made of the likelihood of sub-letting the premises and any rentals that would have been receivable from a sub-tenant. Where receipt of sub-lease rentals was considered likely, these amounts were deducted from the rentals payable by the group under the lease and provision charged for the net amount.

Under the terms of a number of property leases, the company was required to return the property to its original condition at the lease expiry date. The company estimated the expected costs of these dilapidations and charged these costs to the income statement.

***Taxation***

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. Further details are contained in note 9.

***Valuation of share-based payments***

The company estimated the expected value of equity-settled share-based payments and this was charged through the income statement over the vesting periods of the relevant awards. The cost was estimated using a Black-Scholes valuation model. The Black-Scholes calculations were based on a number of assumptions and were amended to take account of estimated levels of share vesting and exercise.

**Significant accounting policies**

***Revenue recognition***

Revenue was measured at the fair value of the consideration received or receivable and represented amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue was derived from advertising and publishing local news and information, and arose mainly in the United Kingdom.

Print advertising revenues and circulation revenues for paid-for newspapers were recognised upon publication of the relevant newspaper.

Digital revenues were recognised on publication for advertising or delivery of the service for other digital revenues. The company recognises digital revenue from the display of graphical advertisements based on the actual impressions delivered in the period. An impression was delivered when an advertisement appeared in pages viewed by users.

Revenues from barter transactions are recognised when the advertisements were published and were recorded at the fair value of goods or services received, in accordance with SIC 31, 'Barter Transactions involving Advertising Services.'

***Royalties***

Royalty income was recognised on an accruals basis in accordance with the relevant agreements and was included in other income.

***Operating profit***

Operating profit was stated after charging restructuring or other exceptional costs but before investment income, other finance income and finance costs.

***Exceptional items***

The company presented 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, merited separate presentation to explain the elements of financial performance in the year and to facilitate comparison with prior periods.

**NOTES TO THE ACCOUNTS**  
**53 weeks ended 31 December 2017**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Significant accounting policies (continued)**

***Tangible fixed assets and depreciation***

Property, plant and equipment were stated at cost, net of accumulated depreciation and any accumulated impairment losses. The company elected, where appropriate, to use book values at the date of transition as the "deemed" cost of plant, property and equipment. Consequently any historic asset revaluations was not updated. In all other cases cost comprised the aggregate amount paid and the fair value of any other consideration given and included costs directly attributable to making the asset capable of operating as intended. No depreciation was provided on assets in the course of construction.

Depreciation was calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Freehold buildings (excluding land)	50 years
Long leasehold properties	See note below*
Pre-press systems	5 - 7 years
Computer equipment	3 years
Other plant and machinery	3- 15 years
Motor vehicles	4 years

\*Long leases were written off over the shorter of the duration of the lease or 2% straight line basis if the lease is longer than 50 years.

Short leases were written off over the duration of the lease. Land was not depreciated.

The carrying values of tangible fixed assets were reviewed for impairment, if events or changes in circumstances indicated the carrying value may not have been recoverable, and were written down immediately to their recoverable amount. Useful lives and residual values were reviewed annually and where adjustments were required these were made prospectively.

Assets held under finance leases, which were leases where substantially all the risks and rewards of ownership of the asset had passed to the company, and hire purchase contracts were capitalised in the balance sheet and were depreciated over the shorter of the lease term and the asset's useful lives.

An item of property, plant and equipment was derecognised upon disposal or when no future economic benefits were expected from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) was included in the income statement when the asset was derecognised.

***Provisions for liabilities***

A provision was recognised when the company had a legal or constructive obligation as a result of a past event; was probable that an outflow of economic benefits was required to settle the obligation; and a reliable estimate would have been made of the amount of the obligation. If the effect was material, expected future cash flows were discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the company expected some or all of a provision to be reimbursed, the reimbursement was recognised as a separate asset but only when recovery was certain. The expense relating to any provision was presented in the income statement net of any reimbursement. When discounting was used, the increase in the provision due to unwinding the discount was recognised as a finance cost.

***Operating leases***

Operating lease rentals were charged to the income statement on a straight line basis over the periods of the leases. Where lease incentives were provided with the operating lease contract, such incentives were recognised as a liability. The aggregate benefit of incentives was recognised as a reduction of rental expense on a straight-line basis over the term of the lease.

Where the company was a lessor, rental income from operating leases was recognised on a straight-line basis over the term of the relevant lease.

**NOTES TO THE ACCOUNTS**

**53 weeks ended 31 December 2017**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Significant accounting policies (continued)**

***Taxation***

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

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

Deferred tax was the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax-based values used in the computation of taxable profit, and was accounted for using the balance sheet liability method. Deferred tax liabilities were generally recognised for all taxable temporary differences and deferred tax assets were recognised only to the extent that it was probable that taxable profits would have been available against which deductible temporary differences could have been utilised. Such assets and liabilities were not recognised if the temporary difference arose from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affected neither the taxable profit nor the accounting profit.

Deferred tax was calculated at the tax rates that were expected to apply in the period when the liability was settled or the asset was realised. Deferred tax was charged or credited in the income statement except when it related to items charged or credited directly to other comprehensive income, in which case the deferred tax was also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflected the tax outcomes that followed from the manner in which the company expected, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities were offset when the relevant requirements of IAS 12 are satisfied.

***Pensions***

The company participated in both a defined benefit pension scheme and a defined contribution pension scheme.

The Newsquest Pension Scheme ("the scheme") is a final salary defined pension scheme. The scheme pension costs were assessed in accordance with the advice of qualified independent actuaries. Charges to the income statements for group subsidiaries that participated in the scheme were allocated to each company by the principal employer of the Scheme, Newsquest Media Group Limited, based upon contributions by the principal employer and the current cost of servicing pensions for the scheme members relating to the company.

In accordance with IAS 19, the company accounted for its contributions to the defined benefit scheme as if it were a defined benefit contribution scheme as was not possible to separately identify the company's share of the assets and liabilities in the defined benefit scheme. Refer to note 15 for further details.

In respect of the defined contribution pension scheme, contributions were charged to the income statement for the year in which they were payable to the scheme. Differences between contributions payable and contributions actually paid in the year were shown as either accruals or prepayments at the year end.

***Share-based payments***

The cost of equity-settled transactions with employees was measured by reference to the fair value at the date at which they were granted and was recognised as an expense over the vesting period, which ended on the date on which the relevant employees became fully entitled to the award. Fair value was determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions share price volatility was considered, no account was taken of any vesting conditions. No expense was recognised for awards that do not ultimately vest.

At each balance sheet date before vesting, the cumulative expense was calculated with reference to the vesting period expired. The movement in cumulative expense since the previous balance sheet date was recognised in the income statement, with a corresponding entry to reserves.

# NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED

## NOTES TO THE ACCOUNTS 53 weeks ended 31 December 2017

### 1. ACCOUNTING POLICIES (CONTINUED)

#### *Share-based payments (continued)*

Recharges from the company's ultimate parent undertaking for the intrinsic value of the option on exercise, that was the difference between the market value on exercise and the option price was taken directly to retained earnings.

### 2. OPERATING PROFIT

	2017 £'000	2016 £'000
Operating profit was stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
- owned by the company	-	1,082
- held under finance leases	-	135
Profit on disposal of fixed assets	-	(35)
Operating lease rentals:		
- hire of plant and machinery	-	6
- land and buildings	-	20
Management charge (excluding pensions recharge)	-	973
Exceptional restructuring costs	-	205

Fees for audit services for the entire Gannett U.K. Limited group totalling £425,000 (2016 - £392,000) were borne by Newsquest Media Group Limited in the current and prior period. In the prior year, the company paid its allocation of the audit fees through the management charge.

Exceptional restructuring costs primarily related to redundancy.

### 3. STAFF COSTS

	2017 £'000	2016 £'000
Staff costs were as follows:		
Wages and salaries	-	6,189
Social security costs	-	533
Other pension costs – defined contribution scheme (note 15)	-	214
Other pension costs – closed defined benefit scheme recharge (note 15)	-	2,168
	-	9,104

Included in wages and salaries in 2016 is a total credit for share-based payments of £34,000 (2017 - £nil), all of which arose from transactions accounted for as equity-settled share-based payment transactions. Recharges for the intrinsic value of options exercised in 2016 of £27,000 (2017 - £nil) have been taken directly to reserves. There were no share based transactions in 2017 because the company was dormant and had no employees.

The average monthly number of employees, excluding directors, during the period was as follows:

	2017 No.	2016 No.
Pre-press	-	2
Printing	-	49
Editorial	-	69
Marketing and sales	-	72
Distribution	-	24
Finance and management	-	6
	-	222

There were no people (2016 – 532) involved in distribution who work limited hours to deliver the group's products. The costs of these people were included in staff costs above.

The directors received no remuneration for their qualifying services to the company (2016 - £nil). All emoluments and pension payments made by related companies to directors are dealt with in the accounts of Newsquest Media Group Limited.

# NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED

## NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2017

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £'000	2016 £'000
Unwind of discount on provisions (note 10)	-	3

### 5. TAXATION

#### (a) Tax credited in the income statement

	2017 £'000	2016 £'000
<b>Current income tax (charge)/credit:</b>		
UK corporation tax at 19.25% (2016 – 20.00%)	-	-
Adjustment in respect of prior periods	-	58
	-	58
<b>Deferred tax credit/(charge):</b>		
Origination and reversal of temporary differences	-	57
Adjustments in respect of prior periods	-	(44)
Effect of change in tax rates	-	185
	-	198
<b>Total income tax credit reported in the income statement all relating to discontinuing operations</b>	-	256

#### (b) Reconciliation of the total tax credit:

	2017 £'000	2016 £'000
Profit from continuing activities before taxation	-	3,043
Tax on the profits on ordinary activities at the standard UK rate of corporation tax of 19.25% (2016 – 20.00%)	-	(609)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Current income tax over provided in prior years	-	58
Deferred tax under provided in prior years	-	(44)
Effect of change in tax rates	-	185
Tax effect of items that are not deductible or not taxable in determining taxable profit	-	(1)
Difference between current tax rate and deferred tax rate in current year	-	(3)
Group relief claimed for nil payment	-	364
Deferred tax movement on share based payments	-	2
Deferred tax movement on indexation on rolled over gains	-	6
Transfer pricing adjustment	-	298
<b>Total income tax credit reported in the income statement</b>	-	256

Tax losses arising within the Gannett U.K. Limited group of companies were relieved amongst group companies. The principal factor that may affect tax charges in future periods is the basis on which tax losses are allocated within the group and the rate (if any) at which the company pays for those losses.



**NOTES TO THE ACCOUNTS**  
**53 weeks ended 31 December 2017**

**5. TAXATION (CONTINUED)**

**(c) Deferred tax in the income statement**

The deferred tax included in the company income statement was as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated depreciation for tax purposes	-	(33)
Other timing differences	-	(1)
Rolled over gains		6
Properties not eligible for capital allowances	-	83
Share based payments	-	2
Effect of change in tax rates	-	185
Deferred tax under provided in prior years	-	(44)
	<u>-</u>	<u>198</u>

**(d) 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. For the purpose of these accounts deferred tax was provided at the rate of corporation tax applying when the deferred tax is expected to reverse.

**6. INTANGIBLE ASSETS**

	<b>Licences to publishing rights £'000</b>	<b>Publishing and other rights £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 26 December 2016	69,200	31,262	100,462
Transfer to group company on 26 December 2016	<u>(69,200)</u>	<u>(31,262)</u>	<u>(100,462)</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>
<b>Amortisation and impairment</b>			
At 26 December 2016	69,200	15,908	85,108
Transfer to group company on 26 December 2016	<u>(69,200)</u>	<u>(15,908)</u>	<u>(85,108)</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>
<b>Carrying amount</b>			
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>
At 25 December 2016	<u>-</u>	<u>15,354</u>	<u>15,354</u>

On 31 March 2003 the company purchased a licence to publish the titles owned by Newsquest (Wiltshire) Limited for 25 years for cash consideration of £69,200,000. On 12 April 2016 these titles, granted under licence, were transferred to the company by way of a deed of assignment, and subsequently ceased to be amortised.

Publishing rights and trademarks acquired through business combinations were considered by the directors to be a homogenous cash generating unit (CGU) due to customers acquiring advertising solutions in packages across titles, geographical areas and products.

The company tested the carrying value of the publishing rights for impairment annually or more frequently if there were indications that they might be impaired. The recoverable amount of the CGU was determined from value in use calculations.

# NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED

## NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2017

### 7. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and equipment £'000	Total £'000
<b>Cost</b>			
At 26 December 2016	12,423	16,832	29,255
Transfer to group company on 26 December 2016	(12,423)	(16,832)	(29,255)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 26 December 2016	6,265	9,686	15,951
Transfer to group company on 26 December 2016	(6,265)	(9,686)	(15,951)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 31 December 2017	-	-	-
	<hr/>	<hr/>	<hr/>
At 25 December 2016	6,158	7,146	13,304
	<hr/>	<hr/>	<hr/>

Land and buildings at net book value included freeholds of £nil (2016 - £6,158,000), within which is freehold land of £nil (2016 - £162,000). Also, included within plant and equipment were leased assets with a net book value of £nil (2016 - £306,000).

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Other taxation and security	-	4
Other creditors	-	36
Accruals and deferred income	-	101
Amounts owed to group undertakings	-	19,478
	<hr/>	<hr/>
	-	19,619
	<hr/>	<hr/>

### 9. DEFERRED TAX

#### Reconciliation of net deferred tax liabilities

	2017 £'000	2016 £'000
<b>As at 26 December 2016</b>	(4,776)	(4,974)
Tax movement during the period recognised in the income statement	-	198
Transfer to group company on 26 December 2016	4,776	-
	<hr/>	<hr/>
<b>As at 31 December 2017</b>	-	(4,776)
	<hr/>	<hr/>

# NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED

## NOTES TO THE ACCOUNTS 53 weeks ended 31 December 2017

### 9. DEFERRED TAX (CONTINUED)

The deferred tax included in the company balance sheet was as follows:

	2017 £'000	2016 £'000
<b>Deferred tax liability</b>		
Trade intangibles	-	(2,610)
Rolled over gains	-	(522)
Properties not eligible for capital allowances	-	(866)
Accelerated depreciation for tax purposes	-	(795)
	-	(4,793)
<b>Deferred tax asset</b>		
Other timing differences	-	10
Share based payments	-	7
	-	17
<b>Net deferred tax liabilities</b>	-	(4,776)

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (before offset) for financial reporting purpose:

	2017 £'000	2016 £'000
Deferred tax assets:	-	17
Deferred tax liabilities:	-	(4,793)
	-	(4,776)

#### (a) Unrecognised capital losses

The company has UK capital losses carried forward which are available indefinitely for offset against future capital gains. Deferred tax assets of £nil (2016 - £1,800) have not been recognised in respect of these losses as there is uncertainty over their recoverability.

#### (b) Unrecognised deferred tax asset estimated on future capital losses on assets in use

The company has potential UK capital tax losses on assets in use. Should these losses crystallise they will be available indefinitely for offset against future capital gains. Deferred tax assets of £nil (2016 - £930,608) have not been recognised in respect of these capital losses as there is uncertainty over their recoverability.

### 10. PROVISIONS FOR LIABILITIES

	Post retirement medical costs £'000	Leasehold property provision £'000	Total £'000
At 25 December 2016			
- Current	11	-	11
- Non-current	131	15	146
	142	15	157
Transfer to group company on 26 December 2016	(142)	(15)	(157)
At 31 December 2017	-	-	-

The post retirement medical provision was utilised over the period that the benefits accrued.

The leasehold property provision was utilised over the terms of the relevant leases.

# NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED

## NOTES TO THE ACCOUNTS 53 weeks ended 31 December 2017

### 11. CALLED UP SHARE CAPITAL

	2017 £	2016 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid:</b>		
1 ordinary shares of £1	1	1

### 12. DIVIDENDS

	2017 £'000	2016 £'000
<b>Dividends made on 26 December 2016:</b>		
Interim for 2017: £4,105,868 per share (2016 – £nil)	4,106	-

### 13. RESERVES

	Share capital £'000	Retained earnings £'000	Total £'000
As at 27 December 2015	-	800	800
Profit for the period	-	3,299	3,299
Share-based payment transactions (note 3)	-	34	34
Recharges from ultimate parent in respect of shares exercised (note 3)	-	(27)	(27)
At 25 December 2016	-	4,106	4,106
Result for the period	-	-	-
Dividends (note 12)	-	(4,106)	(4,106)
At 31 December 2017	-	-	-

### 14. OTHER COMMITMENTS

At 31 December 2017 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fell due as follows:

	Land and buildings 2017 £'000	2016 £'000	Plant and machinery 2017 £'000	2016 £'000
<b>Expiry date</b>				
Within one year	-	20	-	3
After one year but not more than five years	-	35	-	-
	-	55	-	3

At 31 December 2017 the company had no capital commitments (2016 - £46,000).

### 15. PENSIONS

The company was a member of the Newsquest Pension Scheme ("the Scheme"), which is a funded defined benefit scheme. Details of the scheme, including particulars of the latest actuarial valuation, the existence of a surplus or deficit in the group and its effect on future contribution rates by the group, can be found in the financial statements of Newsquest Media Group Limited. Following consultation the Scheme ceased the future accrual of pension benefits with effect from 31 March 2011. Newsquest Media Group Limited paid contributions to the Scheme in 2017 of £15m (2016 - £36.6m).

# NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED

## NOTES TO THE ACCOUNTS 53 weeks ended 31 December 2017

### 15. PENSIONS (CONTINUED)

The contributions made by the group into the Scheme were assessed in accordance with the advice of a qualified independent actuary. In 2016 the pension costs in these accounts for that scheme of £2,168,000 were paid to the principal employer of the Newsquest Pension Scheme, Newsquest Media Group Limited, to fund its contributions to the Scheme. The allocation of this cost via a management recharge to the company in the prior year was based on the current cost of servicing pensions for the scheme members relating to the company. For 2017 the company did not trade and there was no such management charge.

The company also participated in a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The costs for the year under this scheme in 2016 were £214,000 (2017 - £nil).

### 16. SHARE-BASED PAYMENTS

#### Employee Share Option Plan

The company participated in the Gannett Co., Inc. 2001 Omnibus Incentive Compensation Plan. Under the plan discretionary share options in the Group's ultimate parent undertaking, Gannett Co., Inc. are granted to employees. Gannett Co., Inc.'s shares are publicly traded on the New York Stock Exchange and the exercise price of the options was equal to the actual closing market price of the shares on the date of grant. The options vest evenly over four years from the date of grant provided that the employee remains in service. The contractual life of the options is 8 years and there are no cash settlement alternatives.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	2017 No.	2017 WAEP	2016 No.	2016 WAEP
Outstanding at 26 December 2016 and 28 December 2015	-	-	1,465	\$5.52
Exercised <sup>1</sup>	-	-	(1,465)	\$5.52
Outstanding at 31 December 2017 and 25 December 2016	-	-	-	-
Exercisable at 31 December 2017 and 25 December 2016	-	-	-	-

<sup>1</sup> The weighted average share price at the date of exercise for the options exercised in the year was \$nil (2016 - \$13.65).

The fair value of equity-settled share options granted is estimated as at the date of grant using the Black Scholes model, taking into account the terms and conditions upon which the options were granted.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other features of options granted were incorporated into the measurement of fair value.

#### Restricted stock

Restricted stock are discretionary shares awarded to certain individuals out of the 2001 Omnibus Incentive Compensation Plan of Gannett Co., Inc. Each share awarded entitles the employee to receive one share of Gannett Co., Inc.'s common stock on the expiration of the incentive period which vest 4 years after the date of grant. On 26 December the accounting for these awards transferred with the employees to Newsquest Media Group Limited.

# NEWSQUEST (OXFORDSHIRE & WILTSHIRE) LIMITED

## NOTES TO THE ACCOUNTS

53 weeks ended 31 December 2017

### 16. SHARE-BASED PAYMENTS (CONTINUED)

#### Restricted stock (continued)

	2017 No.	2017 WASP*	2016 No.	2016 WASP*
Outstanding at 26 December 2016 and 28 December 2015	10,518	\$12.70	7,407	\$10.21
Granted during the year <sup>2</sup>	-	-	4,474	\$16.29
Forfeited during the year	-	-	(726)	\$13.57
Settled <sup>1</sup>	-	-	(637)	\$8.07
Transfer to group company on 26 December 2016	(10,518)	\$12.70	-	-
Outstanding at 31 December 2017 and 25 December 2016	-	-	10,518	\$12.70

\*The weighted average share price (WASP) is the share price at the time the restricted stock was granted, averaged over the number of shares outstanding at the balance sheet date.

<sup>1</sup> The weighted average share price at the date of settlement was \$nil (2016 - \$16.29).

<sup>2</sup> The weighted average fair value of restricted stock granted in 2017 was \$nil (2016 - \$14.75).

#### Performance Shares

Performance shares are discretionary shares awarded to certain individuals out of the 2001 Omnibus Incentive Compensation Plan. The number of Performance Shares the employee will ultimately be entitled to receive will be calculated based on multiplying the employee's target number of performance shares by the applicable percentage determined on how Gannett Co., Inc.'s total shareholder return compares to the total shareholder return of the comparator companies during the incentive period. Each share awarded entitles the employee to receive one share of Gannett Co., Inc.'s common stock on the expiration of the incentive period which vest 3 years after the grant date. On 26 December the accounting for these awards transferred with the employees to Newsquest Media Group Limited.

	2017 No.	2017 WASP*	2016 No.	2016 WASP*
Outstanding at 26 December 2016 and 28 December 2015	141	\$24.89	771	\$15.50
Settled <sup>1</sup>	-	-	(630)	\$13.41
Transfer to group company on 26 December 2016	(141)	\$24.89	-	-
Outstanding at 31 December 2017 and 25 December 2016	-	-	141	\$24.89

\*The weighted average share price (WASP) is the share price at the time the restricted stock was granted, averaged over the number of shares outstanding at the balance sheet date.

<sup>1</sup> The weighted average share price at the date of settlement was \$nil (2016 - \$14.84).

### 17. 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 to group companies at the balance sheet date are shown in notes 8.

### 18. 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 entity in the United Kingdom is Gannett International Holdings LLP, a limited liability partnership incorporated in Great Britain and registered in England and Wales. The immediate parent is Newsquest Media Group Limited. The consolidated financial statements of Gannett Co., Inc. comprise the smallest and 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](http://www.gannett.com) investor relations.