

RIVER MEDIA NEWSPAPERS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2015



FLANNIGAN EDMONDS BANNON
Chartered accountant & statutory auditor
Pearl Assurance House
2 Donegall Square East
Belfast
BT1 5HB

RIVER MEDIA NEWSPAPERS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

Contents	Page
Officers and professional advisers	1
Independent auditor's report to the shareholders	2
Statement of financial position	4
Notes to the financial statements	5

RIVER MEDIA NEWSPAPERS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Dominic Joseph Fitzpatrick James Joseph Fitzpatrick
Company secretary	Dominic Joseph Fitzpatrick
Registered office	Pearl Assurance House 2 Donegall Square East Belfast BT1 5HB
Auditor	Flannigan Edmonds Bannon Chartered Accountant & Statutory Auditor Pearl Assurance House 2 Donegall Square East Belfast BT1 5HB
Bankers	Allied Irish Bank 26 Stephen Street Sligo First Trust Bank Meadowbank Strand Road Londonderry BT48 7TN
Solicitors	Tughan & Co. Marlborough House 30 Victoria Street Belfast BT1 3GS

RIVER MEDIA NEWSPAPERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RIVER MEDIA NEWSPAPERS LIMITED

YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of River Media Newspapers Limited for the year ended 31 December 2015 which comprise the statement of financial position and the related notes. 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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, 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 directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2015 and of its loss 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.

Emphasis of matter - Going concern

In forming our opinion we have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the continuing financial support of the company's shareholder. In view of the significance of this uncertainty, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

RIVER MEDIA NEWSPAPERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RIVER MEDIA NEWSPAPERS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2015

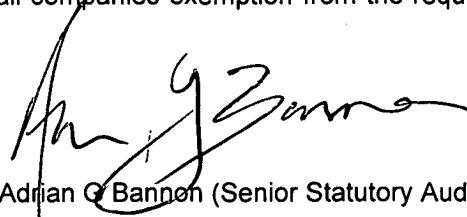
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Adrian G. Bannon (Senior Statutory Auditor)

For and on behalf of
Flannigan Edmonds Bannon
Chartered Accountant & Statutory Auditor

Pearl Assurance House
2 Donegall Square East
Belfast
BT1 5HB

17 October 2016

RIVER MEDIA NEWSPAPERS LIMITED

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2015

		2015	2014
	Note	£	(restated) £
FIXED ASSETS			
Intangible assets	6	121,416	183,383
Tangible assets	7	11,295	11,247
		<u>132,711</u>	<u>194,630</u>
CURRENT ASSETS			
Debtors	8	302,605	263,168
Cash at bank and in hand	9	65,536	65,903
		<u>368,141</u>	<u>329,071</u>
CREDITORS: amounts falling due within one year	10	<u>1,113,832</u>	<u>1,047,991</u>
NET CURRENT LIABILITIES		<u>745,691</u>	<u>718,920</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(612,980)</u>	<u>(524,290)</u>
NET LIABILITIES		<u>(612,980)</u>	<u>(524,290)</u>
CAPITAL AND RESERVES			
Called up share capital	12	200	200
Profit and loss account	13	(613,180)	(524,490)
SHAREHOLDERS DEFICIT		<u>(612,980)</u>	<u>(524,290)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 17 October 2016, and are signed on behalf of the board by:



Dominic Joseph Fitzpatrick
Director

Company registration number: NI607996

The notes on pages 5 to 10 form part of these financial statements.

RIVER MEDIA NEWSPAPERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future, having adequate funds to meet their obligations as they fall due. The validity of this assumption depends on the continued support of the company's shareholder.

The current economic climate remains difficult and the company is operating in a sector which is experiencing significant structural change. The company has reported operating losses in the current year. The balance sheet reflects a substantial net asset deficiency arising from the write down, in previous years, of purchased goodwill following an impairment review. The directors consider that the outlook for the company presents significant challenges in terms of sales volumes and profit margins. Whilst the directors have instituted fundamental measures to preserve cash and secure the necessary finance, these circumstances create material uncertainties over future trading results and cash flows.

The directors conclude that the combination of these factors represent a material uncertainty that casts doubt upon the company's ability to continue as a going concern. Nevertheless, after making enquiries, receiving confirmation from the shareholder of its intention to provide continuing financial support and considering the uncertainties described above, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Consequently, they are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis at this time.

The financial statements do not contain any adjustments that would result from a withdrawal of shareholder support.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 16.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

RIVER MEDIA NEWSPAPERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2015

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Goodwill

Purchased goodwill is classified as an asset on the balance sheet. Goodwill is tested at least annually for impairment by assessing its recoverable amount. When its recoverable amount is less than its carrying amount an impairment loss is recognised through the profit and loss account.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	20% straight line
Development costs	-	33.33% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess is recognised in profit or loss.

RIVER MEDIA NEWSPAPERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2015

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 25% reducing balance and 33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

3. Turnover

The whole of the turnover is attributable to the principal activity of the company, undertaken in the United Kingdom and the Republic of Ireland.

4. Directors and staff

The average number of persons employed by the company during the year, including executive directors amounted to:

	2015	2014
	No	No
Total employees	<u>43</u>	<u>41</u>

RIVER MEDIA NEWSPAPERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2015

5. Prior period errors

In the prior year, it was reported that bank debt of £1,900,436 had been waived under a debt settlement agreement. It was subsequently determined that the actual amount waived was £1,978,644 which has resulted in a restatement of the prior's financial statements for the difference £78,208.

6. Intangible assets

	Goodwill £	Development costs £	Total £
Cost			
At 1 Jan 2015 (as restated) and 31 Dec 2015	<u>2,474,989</u>	<u>8,993</u>	<u>2,483,982</u>
Amortisation			
At 1 January 2015	2,294,989	5,610	2,300,599
Charge for the year	<u>60,000</u>	<u>1,967</u>	<u>61,967</u>
At 31 December 2015	<u>2,354,989</u>	<u>7,577</u>	<u>2,362,566</u>
Carrying amount			
At 31 December 2015	<u>120,000</u>	<u>1,416</u>	<u>121,416</u>
At 31 December 2014	<u>180,000</u>	<u>3,383</u>	<u>183,383</u>

7. Tangible assets

	Total £
Cost	
At 1 January 2015 (as restated)	61,922
Additions	<u>7,340</u>
At 31 December 2015	<u>69,262</u>
Depreciation	
At 1 January 2015	50,675
Charge for the year	<u>7,292</u>
At 31 December 2015	<u>57,967</u>
Carrying amount	
At 31 December 2015	<u>11,295</u>
At 31 December 2014	<u>11,247</u>

8. Debtors

	2015 £	2014 <i>(restated)</i> £
Trade debtors	280,251	242,735
Other debtors	<u>22,354</u>	<u>20,433</u>
	<u>302,605</u>	<u>263,168</u>

RIVER MEDIA NEWSPAPERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

9. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2015	2014 <i>(restated)</i>
	£	£
Cash at bank and in hand	65,536	65,903
Bank overdrafts	—	(11)
	<u>65,536</u>	<u>65,892</u>

10. Creditors: amounts falling due within one year

	2015	2014 <i>(restated)</i>
	£	£
Bank loans and overdrafts	—	11
Trade creditors	863,134	843,471
Amounts owed to group undertakings	101,022	99,564
Social security and other taxes	123,545	81,642
Other creditors	26,131	23,303
	<u>1,113,832</u>	<u>1,047,991</u>

11. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £657 (2014: £226).

12. Called up share capital

Issued, called up and fully paid

	2015		2014 <i>(restated)</i>	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>20,000</u>	<u>200</u>	<u>20,000</u>	<u>200</u>

13. Reserves

The profit and loss account reserve records retained earnings and accumulated losses.

RIVER MEDIA NEWSPAPERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2015

14. Related party transactions

During the year, the company entered into the following related party transactions:

	Purchases	Loan advances
	£	£
Interpress (NI) Limited	21,383	-
Belfast City Beat Limited	1,458	-
	<u>22,841</u>	<u>-</u>

At the balance sheet date, the following balances remained outstanding:

	31 Dec 2015	31 Dec 2014
	£	£
Interpress (NI) Limited	(642,787)	(621,404)
Q Local Media Limited	(99,564)	(99,564)
Belfast City Beat Limited	(1,458)	-
	<u>(743,809)</u>	<u>(720,968)</u>

15. Controlling party

The company is a private company, limited by shares. It is registered in Northern Ireland (NI607996) with its registered office at 2 Donegall Square East, Belfast, BT1 5HB.

The company is a wholly owned subsidiary of Q Local Media Limited, 113/117 Donegall Street, Belfast, BT1 2GE, which is incorporated in Northern Ireland.

The company was under the control of Mr D Fitzpatrick throughout the current and previous year by virtue of his shareholding in Q Local Media Limited, the sole shareholder of the company.

16. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.