

GANNETT INTERNATIONAL HOLDINGS LLP

**Annual Report and Financial Statements
for the year ended 31 December 2018**



ANNUAL REPORT AND FINANCIAL STATEMENTS 2018

CONTENTS

	Page
Members' report	1
Independent auditor's report	3
Statement of comprehensive income	5
Reconciliation of members' interests	6
Balance sheet	7
Notes to the financial statements	8

Country of incorporation:

An LLP incorporated in Great Britain and registered in England and Wales.

Registered address:

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

MEMBERS' REPORT

The members present their report and the audited financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES, RISKS AND UNCERTAINTIES

The LLP's principal activity is that of a holding LLP.

The LLP operates as an intermediate holding LLP 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 LLP 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.

RESULTS, DISTRIBUTIONS AND FUTURE PROSPECTS

The loss on ordinary activities amounted to £80,918,000 (2017 - £nil). The loss arose after an evaluation of the LLP's investments which resulted in impairment charges of £99m. The members expect transactions going forward to be limited to distributions from its investments and onward distributions or returns of capital to the members.

During the period, a distribution of £18,107,260 was paid (2017 - £nil). The loss arose after an evaluation of the partnerships investments resulting in impairment charges of £99m. The members do not recommend that a final distribution is paid.

MEMBERS

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

Gannett International Communications Inc.
Multimedia Inc.

EMPLOYEE PARTICIPATION, DISABLED PERSONS AND THE ENVIRONMENT

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

MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable UK law and regulations. Company law, as applied to LLPs, requires the members to prepare financial statements for each financial period. Under that law the members 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, as applied to LLPs, the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

The LLP's business activities, together with the factors likely to affect its future development and position, are set out above in the Members' Report.

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

GANNETT INTERNATIONAL HOLDINGS LLP

MEMBERS' REPORT (CONTINUED)

GOING CONCERN (CONTINUED)

On the basis of their assessment of the LLP's financial position, the LLP's members have a reasonable expectation that the LLP 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 members of the LLP at the time of approving the Members' Report are listed on page 1. Having made enquiries of fellow members and of the LLP's auditors, each of these members confirm that:

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

AUDITORS

Ernst & Young LLP were appointed auditors in the prior period and are deemed to be reappointed.

This report was approved by the members and signed on its behalf on 3 June 2019 by:



B. Wall

For and on behalf of the member Gannett International Communications Inc.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GANNETT INTERNATIONAL HOLDINGS LIMITED LIABILITY PARTNERSHIP ('LLP')

Opinion

We have audited the financial statements of Gannett International Holdings LLP for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Reconciliation of Members' Interests, the Balance Sheet and the related notes 1 to 11, 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 limited liability partnership's affairs as at 31 December 2018 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 as applied to limited liability partnerships.

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 limited liability partnership 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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 set out on pages 1 to 2, other than the financial statements and our auditor's report thereon. The members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GANNETT INTERNATIONAL HOLDINGS LIMITED LIABILITY PARTNERSHIP ('LLP') (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 1, the members 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 members 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 members are responsible for assessing the partnership'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 members either intend to liquidate the partnership 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership'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

6 June 2019

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

		Year ended 31 December 2018 £'000	53 weeks ended 31 December 2017 £'000
	Notes		
Impairment of investment in subsidiary undertakings	2	(99,025)	-
OPERATING LOSS	2	(99,025)	-
Income from fixed asset investment	3	18,107	-
LOSS FOR THE FINANCIAL YEAR		(80,918)	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	8	(80,918)	-

All the above transactions relate to continuing operations.

There were no recognised gains or losses for the 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 8 to 11 form part of the financial statements.

RECONCILIATION OF MEMBERS' INTERESTS
Year ended 31 December 2018

	Members' capital £'000	Retained earnings £'000	Total £'000
At 25 December 2016	675,667	(388,516)	287,151
Result for the period	-	-	-
At 31 December 2017	675,667	(388,516)	287,151
Loss for the period	-	(80,918)	(80,918)
Distributions (note 7)	(18,107)	-	(18,107)
At 31 December 2018	657,560	(469,434)	188,126

There is no Other Comprehensive Income in either period.

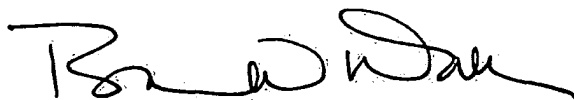
GANNETT INTERNATIONAL HOLDINGS LLP
Company Registration No. OC404263

BALANCE SHEET
At 31 December 2018

	Note	2018 £'000	2017 £'000
FIXED ASSETS			
Investments	5	188,126	287,151
NET ASSETS		<u>188,126</u>	<u>287,151</u>
MEMBERS' CAPITAL			
Members' capital	8	657,560	675,667
Retained earnings	8	(469,434)	(388,516)
TOTAL MEMBERS' CAPITAL		<u>188,126</u>	<u>287,151</u>

The notes on pages 8 to 11 form part of the financial statements.

The financial statements on pages 5 to 11 were approved by the Members and signed on its behalf on 3 June 2019 by:



B. Wall

For and on behalf of the member Gannett International Communications Inc.

NOTES TO THE ACCOUNTS

Year ended 31 December 2018

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The LLP 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 LLP 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 adoption of IFRS9 (Amended) 'Financial Instruments' and IFRS 15 (Issued) 'Revenue from Contracts with Customers' has had no material impact on the company.

The LLP is exempt from preparing group financial statements under Section 401 of the Companies Act 2006 (as applied to LLPs) as it is a wholly owned subsidiary undertaking. Accordingly, these financial statements present information about the LLP and not its Group. Gannett Co. Inc., the ultimate parent company publishes consolidated financial statements which includes the cash flows of the LLP. The LLP 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 statement of comprehensive income covers the year from 1 January 2018 to 31 December 2018 and the 53 weeks from 26 December 2016 to 31 December 2017. The balance sheet for 2018 and 2017 has been drawn up as at 31 December 2018 and 31 December 2017 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.

The significant judgements or critical accounting estimates impacting these financial statements is the members' estimate of the carrying amount of investments. The assessment of the carrying amount resulted in an impairment charge.

Significant accounting policies

Operating loss

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

Taxation

The taxation payable on the LLP's profits is the liability of the members. Consequently neither taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

Income from fixed asset investments

Income from fixed asset investments comprising dividends from group undertakings is recognised when the LLP's right to receive payment is established.

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.

2. OPERATING LOSS

	2018	2017
	£000	£000
Impairment of investment in subsidiary undertakings	99,025	-

NOTES TO THE ACCOUNTS
Year ended 31 December 2018

3. INCOME FROM FIXED ASSET INVESTMENTS

	2018	2017
	£000	£000
Income from fixed asset investments	18,107	-

4. EMPLOYEES, MEMBERS AND AUDITORS

The LLP had no employees in the period.

The members receive no remuneration for their qualifying services to the LLP. All emoluments and pension payments made by related companies to members are dealt with in the accounts of Newsquest Media Group Limited.

Fees for audit services for the entire Gannett International Holdings LLP group totalling £531,630 (2017 - £425,000) were borne by Newsquest Media Group Limited in the current and prior period.

5. INVESTMENTS

	Investments in subsidiary undertakings £'000
Cost	
At 31 December 2018 and 31 December 2017	795,667
Provision	
At 1 January 2018	508,516
Impairment of investment in subsidiary undertakings	99,025
At 31 December 2018	607,541
Carrying amount	
At 31 December 2018	188,126
At 31 December 2017	287,151

The wholly owned trading subsidiary companies of Gannett International Holdings LLP (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 and Gannett International Finance LLC which is registered in the USA) at 31 December 2018 are as follows:

Name of company	Nature of business
Gannett International Finance LLC ¹	Holding company
Gannett International Finance LLP	Holding company
Gannett U.K. Limited ¹	Holding company
Newsquest Limited	Holding company
Newsquest Capital Limited	Holding company
Newsquest Media Group Limited	Publishing
Newsquest Specialist Media Limited	Publishing
Newsquest (Clyde & Forth Press) Limited*	Publishing
Sopress Investments Limited	Investment holding company
Newsquest Printing (Glasgow) Limited*	Holding company
CN Group Limited	Dormant following restructuring
Cumbrian Newspapers Limited	Dormant following restructuring
Furness Newspapers Limited	Dormant following restructuring
J.Catherall & Co.(Printers), Limited	Dormant following restructuring
CN Group Property Limited	Dormant following restructuring

¹ Owned directly by the LLP.

NOTES TO THE ACCOUNTS

Year ended 31 December 2018

5. INVESTMENTS (CONTINUED)

The dormant subsidiary companies of Gannett International Holdings LLP (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* and Northern Ireland**) at 31 December 2018 are as follows:

Name of Company	Name of Company
Forest Machine Journal Limited*	Newsquest Media (Southern) Limited
Newsquest (Berkshire) Limited*	Newsquest (York) Limited
Newsquest (Essex) Limited	This is Essex Limited
Newsquest (Herts and Bucks) Limited	LocaliQ Limited (Formerly Westminster Press Limited)
Newsquest (London & Essex) Limited	William Trimble Limited**
Newsquest (Oxfordshire & Wiltshire) Limited	WP Publishing
Newsquest Pension Trustee Limited	

The below list of dormant subsidiary companies of Gannett International Holdings LLP (all of which were wholly owned indirectly and incorporated in Great Britain and registered in England and Wales except those marked with an asterisk which were registered in Scotland) were dissolved during 2018. For entities asterisked **, strike off paperwork was filed at Companies House prior to year end, with confirmation of dissolution received in January 2019:

Name of Company	Name of Company
Bailey Print Limited	Newsquest (Midlands South) Limited
Crossprint Limited	NWN Media Limited
Isle of Wight County Press Group Limited	Romanes Media Group Limited*
Isle of Wight County Press Limited	Romanes Media Limited*
Matrix e-Business Limited	Romanes Media Group EBT Limited*
Newsquest (Herald & Times) Limited*	West of England Newspapers Limited
Atkins the Stationers Limited**	Newsquest (Sussex) Limited**
Newsquest (North East) Limited**	Newsquest (Yorkshire & North East) Limited**
Newsquest (North West) Limited**	Weekly Ad Limited**
Newsquest Media (Midland) Limited **	

6. INFORMATION IN RELATION TO MEMBERS

The average number of members during the year was two (2017 – two).

7. DISTRIBUTIONS

	2018	2017
	£'000	£'000
Distributions in 2018: £18,107,260 (2017 - £nil)	18,107	-

8. MEMBERS' INTERESTS

	Members' capital £'000	Retained earnings £'000	Total £'000
At 25 December 2016	675,667	(388,516)	287,151
Result for the period	-	-	-
At 31 December 2017	675,667	(388,516)	287,151
Loss for the year	-	(80,918)	(80,918)
Distributions (note 7)	(18,107)	-	(18,107)
At 31 December 2018	657,560	(469,434)	188,126

9. OTHER COMMITMENTS

At 31 December 2018 the LLP had no commitments (2017 – none) under non-cancellable operating leases or capital commitments.

NOTES TO THE ACCOUNTS
Year ended 31 December 2018

10. RELATED PARTIES

The LLP is a wholly owned subsidiary included in the consolidated financial statements of its ultimate parent company. These financial statements are publicly available, therefore, the LLP has taken advantage of the exemption under paragraph 8 (k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

11. ULTIMATE PARENT COMPANY

The LLP's ultimate parent and controlling company is Gannett Co., Inc., a company incorporated in the United States of America. The consolidated financial statements of Gannett Co., Inc. comprise the smallest and largest group of which the LLP is a member that prepares consolidated financial statements. The members of the LLP are Gannett International Communications Inc., and Multimedia Inc., both registered in the USA. 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.