

Johnston Press plc

**Special purpose interim financial statements – relevant accounts
for the period 4 January 2015 to 30 May 2015**

Unaudited

Company registration number: SC015382

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Johnston Press plc

Special purpose interim financial statements

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Special purpose interim financial statements

Basis of preparation

The unaudited Special purpose financial statements of Johnston Press plc, comprising the Profit and loss account, Statement of total recognised gains and losses, Reconciliation of movements in shareholder's funds and Balance sheet have been prepared in order to comply with the requirements of the Companies Act 2006, in particular Sections 295 and 836(1) and requirements that relate to the preparation of "relevant accounts" required for the purpose of determining a company's profits available for distribution. They are considered properly prepared to fairly present the financial condition and operations of the Company as at 30 May 2015 and for the period from 4 January 2015 to 30 May 2015.



David King
Director

12 June 2015

Company registration number: SCO15382

Johnston Press plc

Special purpose interim financial statements

Profit and loss account for the period 4 January 2015 to 30 May 2015

		Unaudited	Audited
		30 May	3 January
		2015	2015
	Notes	£'000	£'000
Other income	2	5,000	-
Operating expenses before exceptional items	2	(4,437)	(6,966)
Operating exceptional items	2	(1,717)	(6,868)
Impairment provision	2	-	(7,916)
Total operating expenses	2	(6,154)	(21,750)
Operating profit/(loss)	2	(1,154)	(21,750)
Investment income	3	10,267	4,542
Finance exceptional expenses	4	-	(9,046)
Change in fair value of hedges and translation of foreign debt		-	1,661
Finance costs	4	(8,157)	(31,403)
Profit/(loss) on ordinary activities before taxation		956	(55,996)
Tax on profit/(loss) on ordinary activities	5	2,025	8,918
Profit/(loss) for the financial period		2,981	(47,078)

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Statement of total recognised gains and losses for the period 4 January 2015 to 30 May 2015

	Unaudited 30 May 2015	Audited 3 January 2015
Notes	£'000	£'000
Profit/(loss) for the financial period	2,981	(47,078)
Total recognised gains/(losses) for the financial period	2,981	(47,078)

Reconciliation of movements in shareholder's funds for the period 4 January 2015 to 30 May 2015

	Unaudited 30 May 2015	Audited 3 January 2015
Notes	£'000	£'000
Profit / (Loss) for the year after taxation	2,981	(47,078)
Dividends payable	-	(152)
Provision for share-based payments	675	907
Group savings related share option scheme	-	68
Placing shares	-	2,188
Rights issue	-	91,798
Refinancing costs	-	(9,181)
Options exercised	2	29
Proceeds of issue of ordinary shares	-	46,630
Net increase/(decrease) in shareholders' funds	3,658	85,209
Opening shareholders' funds	532,719	447,510
Closing shareholders' funds	536,377	532,719

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Balance sheet as at 30 May 2015

		Unaudited	Audited
		30 May	3 January
		2015	2015
	Notes	£'000	£'000
Fixed assets			
Tangible	6	205	209
Investments	7	376,434	376,434
		376,639	376,643
Current assets			
Debtors – due within one year	8	93,530	91,801
Debtors – due after more than one year	8	439,524	439,524
Cash at bank and in hand		13,990	12,472
		547,044	543,797
Creditors: amounts falling due within one year	9	(164,670)	(165,085)
Net current assets		382,374	378,712
Total assets less current liabilities		759,013	755,355
Creditors: amounts falling due after more than one year	10	(221,193)	(221,193)
Provisions for liabilities	11	(1,443)	(1,443)
Net assets		536,377	532,719
Capital and reserves			
Called-up share capital			
Ordinary		115,065	115,065
Preference		1,106	1,106
		116,171	116,171
Reserves	12	420,206	416,548
Shareholders' funds	13	536,377	532,719

The comparative numbers are as at 3 January 2015.

The unaudited financial statements of Johnston Press plc, registered in Scotland (number 15382), were approved by the Board of Directors on 2 June 2015 and were signed on its behalf by:


Ashley Highfield
 Chief Executive Officer


David King
 Chief Financial Officer

The accompanying notes are an integral part of these financial statements.

Johnston Press plc

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Notes to the financial statements for the period 4 January 2015 to 30 May 2015

2. Other income, operating expenses and operating profit/(loss)

An analysis of the Company's cost of sales, operating expenses and operating loss is as follows:

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Other income		
Management fee income	5,000	-
Operating expenses		
Administrative expenses (excluding exceptional items)	(4,437)	(7,856)
Operating Exceptional items	(1,717)	(5,978)
Impairment provision	-	(7,916)
Total operating expenses	(6,154)	(21,750)
Operating loss	(1,154)	(21,750)

An analysis of exceptional items is as follows:

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Pensions – Newspaper Society Pension scheme	-	873
Restructuring costs of existing business	1,038	2,832
One-off incentive plans	386	1,186
Other	293	1,977
Operating exceptional items	1,717	5,978

3. Investment income

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Dividends received from subsidiary undertakings	10,250	2,495
Interest received from subsidiary undertakings	-	2,000
Interest received from banks	17	47
Total investment income	10,267	4,542

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Notes to the financial statements for the period 4 January 2015 to 30 May 2015

4. Finance costs

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Finance exceptional costs		
Payment-in-kind interest accrual release	-	(9,181)
Term debt issue costs written off on previous repaid loan services	-	7,145
Gain on debt extinguishment	-	(2,036)
Refinancing fees on new capital raising	-	11,082
Total exceptional finance costs	-	(9,046)
Finance costs		
Interest paid to subsidiary undertaking	(7,924)	(12,475)
Interest on bank overdrafts and loans	-	(11,163)
PIK	-	(5,376)
Amortisation of term old debt issue costs	-	(2,291)
Interest paid on revolving credit facility	(151)	-
Amortisation of RCF fee	(82)	(98)
Total interest payable	(8,157)	(31,403)

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Notes to the financial statements for the period 4 January 2015 to 30 May 2015

5. Tax on profit on ordinary activities

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Current tax		
Group relief	2,025	8,464
Tax charge on profit on ordinary activities	-	-
	<u>2,025</u>	<u>8,464</u>
Deferred tax		
Current period	-	454
	<u>-</u>	<u>454</u>
Total tax credit for the period	<u>2,025</u>	<u>8,918</u>

Reconciliation of tax charge

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 20.25% (2014: 21.5%). The actual tax charge for the current period and prior year differs from the standard rate for the reasons set out in the following reconciliation:

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Profit / (loss) before tax	956	(55,996)
Tax on profit at 20.25% (2014: 21.5%)	(194)	12,039
Adjustment in respect of prior period	-	-
Income not taxable for tax purposes	2,076	536
Expenses not deductible for tax purposes	13	(1,472)
Investment write-down	-	(1,702)
Capital allowances lower/(higher) than depreciation	-	5
Other timing differences	130	(488)
Total tax credit for the period	<u>2,025</u>	<u>8,918</u>

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Unaudited interim financial statements

Notes to the financial statements for the period 4 January 2015 to 30 May 2015

6. Tangible Fixed Assets

	Plant and machinery £'000
Cost	
At 3 January 2015	240
Additions	9
At 30 May 2015	249
Depreciation	
At 3 January 2015	31
Charge for the period	13
At 30 May 2015	44
Carrying amount	
At 3 January 2015	209
At 30 May 2015	205

7. Investments

	Subsidiary undertakings £'000	Unlisted investments £'000	Total £'000
Cost			
At the start of the period	1,106,997	3,526	1,110,523
At the end of the period	1,106,997	3,526	1,110,523
Provisions for impairment			
At the start of the period	(730,563)	(3,526)	(734,089)
At the end of the period	(730,563)	(3,526)	(734,089)
Net book value			
At the start of the period	376,434	–	376,434
At the end of the period	376,434	–	376,434

Johnston Press plc

Unaudited interim financial statements

Notes to the financial statements for the period 4 January 2015 to 30 May 2015

7. Investments (continued)

The Company's principal subsidiary undertakings are as follows:

Name of company	Country of incorporation and operation	Proportion of ownership interest	Nature of business
Johnston Press Bond Plc	England	100%	Financing
Johnston Publishing Ltd	England	100%	Newspaper publishers
Johnston Press Ireland Ltd ¹	Republic of Ireland	100%	Newspaper publishers
Isle of Man Newspapers Ltd ¹	Isle of Man	100%	Newspaper publishers
Score Press Ltd	Scotland	100%	Holding company
Score Press Ireland ¹	Republic of Ireland	100%	Holding company
The Scotsman Publications Ltd	Scotland	100%	Newspaper publishers
Johnston (Falkirk) Ltd	Scotland	100%	Newspaper publishers
Strachan & Livingston Ltd	Scotland	100%	Newspaper publishers
The Tweeddale Press Ltd ¹	Scotland	100%	Newspaper publishers
Angus County Press Ltd ¹	Scotland	100%	Newspaper publishers
Galloway Gazette Ltd ¹	Scotland	100%	Newspaper publishers
Stornoway Gazette Ltd ¹	Scotland	100%	Newspaper publishers
Northeast Press Ltd ¹	England	100%	Newspaper publishers
Yorkshire Post Newspapers Ltd ¹	England	100%	Newspaper publishers
Ackrill Newspapers Ltd ¹	England	100%	Newspaper publishers
Yorkshire Weekly Newspaper Group Ltd	England	100%	Newspaper publishers
Halifax Courier Ltd ¹	England	100%	Newspaper publishers
Yorkshire Regional Newspapers Ltd	England	100%	Newspaper publishers
Lancashire Evening Post Ltd ¹	England	100%	Newspaper publishers
Lancashire Publications Ltd ¹	England	100%	Newspaper publishers
Lancaster & Morecambe Newspapers Ltd ¹	England	100%	Newspaper publishers
Blackpool Gazette & Herald Ltd ¹	England	100%	Newspaper publishers
East Lancashire Newspapers Ltd ¹	England	100%	Newspaper publishers
Johnston Letterbox Direct Ltd ¹	England	100%	Newspaper publishers
Wilfred Edmunds Ltd	England	100%	Newspaper publishers
South Yorkshire Newspapers Ltd	England	100%	Newspaper publishers
East Midlands Newspapers Ltd ¹	England	100%	Newspaper publishers
Lincolnshire Newspapers Ltd	England	100%	Newspaper publishers
Anglia Newspapers Ltd	England	100%	Newspaper publishers
Northamptonshire Newspapers Ltd	England	100%	Newspaper publishers
Central Counties Newspapers Ltd	England	100%	Newspaper publishers
Premier Newspapers Ltd	England	100%	Newspaper publishers
Sheffield Newspapers Ltd ¹	England	100%	Newspaper publishers and printers

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Notes to the financial statements for the period 4 January 2015 to 30 May 2015

7. Investments (continued)

Name of company	Country of incorporation and operation	Proportion of ownership interest	Nature of business
Peterboro' Web Ltd	England	100%	Contract printers
Northampton Web Ltd ¹	England	100%	Contract printers
Portsmouth Publishing & Printing Ltd ¹	England	100%	Newspaper publishers and printers
Sussex Newspapers Ltd	England	100%	Newspaper publishers
T R Beckett Ltd	England	100%	Newspaper publishers
Morton Newspapers Ltd ¹	Northern Ireland	100%	Newspaper publishers and printers
Derry Journal Ltd ¹	Northern Ireland	100%	Newspaper publishers
Donegal Democrat Ltd ^{1,2}	Republic of Ireland	100%	Newspaper publishers
Longford Leader Ltd ^{1,2}	Republic of Ireland	100%	Newspaper publishers
Leitrim Observer Ltd ^{1,2}	Republic of Ireland	100%	Newspaper publishers
Leinster Leader Ltd ^{1,2}	Republic of Ireland	100%	Newspaper publishers
Leinster Express Newspapers Ltd ^{1,2}	Republic of Ireland	100%	Newspaper publishers
Dundalk Democrat Ltd ^{1,2}	Republic of Ireland	100%	Newspaper publishers
Limerick Leader Ltd ^{1,2}	Republic of Ireland	100%	Newspaper publishers
Clonnad Ltd ^{1,2}	Republic of Ireland	100%	Newspaper publishers
Kilkenny People Publishing Ltd ^{1,2}	Republic of Ireland	100%	Newspaper publishers

¹ Held through a subsidiary.

² As part of the disposal of the Republic of Ireland business, the newspaper titles, trades and certain assets of the Company's subsidiaries were sold to Iconic Newspapers Limited. These Companies will become dormant in the 2015 year.

There is no difference in the proportions of ownership interest shown above and the voting power held. All investments in subsidiary undertakings are held at cost less, where appropriate, provisions for impairment.

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Notes to the financial statements for the period 4 January 2015 to 30 May 2015

8. Debtors

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Amounts falling due within one year		
Amounts owed by subsidiary undertakings	80,200	80,104
Group relief receivable	12,385	10,360
Trade and other debtors and prepayments	945	1,337
	93,530	91,801
Amounts falling due after more than one year		
Amounts owed by subsidiary undertakings	438,708	438,708
Deferred tax asset – see below	816	816
	439,524	439,524

The following are the major deferred tax assets recognised by the Company and movements thereon during the period:

	Accelerated tax depreciation £'000	Pension balances £'000	Other timing differences £'000	Total £'000
At the start of the period	2	289	525	816
Charge to profit and loss account	-	-	-	-
At the end of the period	2	289	525	816

9. Creditors: Amounts Falling Due Within One Year

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Amounts owed to subsidiary undertakings	158,932	159,337
Other taxes and social security costs	116	420
Trade creditors	1,210	783
Accruals and deferred income	4,413	4,545
	164,670	165,085

10. Creditors: Amounts Falling Due After More Than One Year

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Amounts owed to subsidiary undertakings	220,500	220,500
Accruals and deferred income	693	693
	221,193	221,193

11. Provisions for Liabilities

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
Unfunded pensions	1,443	1,443

The unfunded pension provision is assessed by a qualified actuary at each period end.

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Notes to the financial statements for the period 4 January 2015 to 30 May 2015

12. Reserves

	Share premium £'000	Share-based payments reserve £'000	Retained earnings £'000	Own shares £'000	Total £'000
Opening balance	587,702	13,785	(179,733)	(5,206)	416,548
Profit for the period	-	-	2,981	-	2,981
Provision for share-based payments	-	675	-	-	675
Capital reduction	(275,000)	-	275,000	-	-
Performance share plan exercised	-	(275)	-	275	-
Deferred bonus share plan exercised	-	(8)	-	8	-
Company share option plan exercised	-	-	-	2	2
At the end of the period	312,702	14,177	98,248	(4,921)	420,206

At the Company's Annual General Meeting on 27 June 2014, a special resolution was approved to initiate a process to reduce the Company's share premium account by £275 million. The capital reduction eliminates the opening accumulated deficit of £179.9 million on the Company's profit and loss account and creates positive distributable reserves of £98.2 million at 30 May 2015. This will enable the Company to pay out dividends and provide loans to the Johnston Press plc Employee Share Trust ("JP EST") to satisfy options under the Group's share ownership schemes. The completion of the capital reduction was confirmed by an Order of the Court of Sessions, Scotland on 29th April 2015 and registered at Companies House on 5th May 2015.

The own shares reserve represents the cost of shares in Johnston Press plc purchased in the market and held by the Johnston Press plc Employee Share Trust to satisfy options under the Group's share options schemes. The number of ordinary shares held by the JP EST as at 30 May 2015 was 39,755 (3 January 2015 was 473,944).

13. Shareholders' Funds

	Unaudited 30 May 2015 £'000	Audited 3 January 2015 £'000
(Loss)/Profit for the year after taxation	2,981	(47,078)
Preference Dividends	-	(152)
Provision for share-based payments	675	907
Group savings related share option scheme	-	68
Placing shares	-	2,188
Rights issue	-	91,798
Refinancing costs	-	(9,181)
Company share option plan exercised	2	29
Issue of share capital	-	-
Own shares purchased	-	-
Proceeds of issue of ordinary shares	-	46,630
Net increase/(decrease) in shareholders' funds	3,658	85,209
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