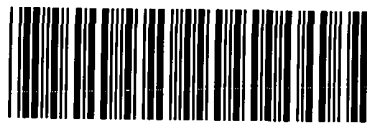


GANNETT U.K. LIMITED

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

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ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

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

Country of incorporation:

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

Registered address:

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

STRATEGIC REPORT

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

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Gannett U.K. Limited (“the company”) is indirectly a wholly owned subsidiary undertaking of Gannett Co. Inc., which indirectly owns the UK regional newspaper company Newsquest Media Group Limited, (collectively with its subsidiaries “the group”).

On 29 February 2016 108,765,280 ordinary shares of 25p each were issued in settlement of £27,191,320 accrued interest.

On 14 April 2016 the company’s immediate parent company changed from Gannett International Communications Inc. to Gannett International Holdings LLP.

Subsequently on 25 May 2016 the £120m balance of the term loan owed to Gannett International Holdings LLP was capitalised by the issue of 480,000,000 ordinary shares of 25p each. The company also benefitted from a higher level of dividend income from its subsidiaries in 2016 of £320m (2015 - £34.5m) including a loan note of £270m received in specie. The dividend received reduced the value of the Company’s subsidiaries, and therefore an impairment charge of £269m was made in the period. The Company’s debt of £390m has been repaid during the period.

KEY PERFORMANCE INDICATORS

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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



Paul Hunter
Director

DIRECTORS' REPORT

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

RESULTS, DIVIDENDS AND FUTURE PROSPECTS

The company's profit for the period after taxation was £44,810,000 (2015 - £178,933,000 loss).

No interim dividends were paid in the current period or prior period. The directors do not recommend a final dividend (2015 – £nil).

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

DIRECTORS

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

R Dickey
A Engel
B Wall
H Faure Walker
P Hunter

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

The Gannett Foundation is the charitable arm of Gannett Co., Inc., the ultimate parent undertaking of Gannett U.K. Limited. The Gannett Foundation provides funding to support local organisations. During the period the Gannett Foundation made charitable donations of £282,950 (2015 - £229,924) to projects in the United Kingdom.

EMPLOYEE PARTICIPATION, DISABLED PERSONS AND THE ENVIRONMENT

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

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES (CONTINUED)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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

AUDITORS

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

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



P Hunter
Joint Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GANNETT U.K. LIMITED

We have audited the financial statements of Gannett U.K. Limited for the year ended 25 December 2016 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

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

28 July 2017

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

	Notes	2016 £'000	2015 £'000
Administrative expenses		(2)	(2)
OPERATING LOSS		(2)	(2)
Impairment of investment in subsidiary undertakings	2	(268,985)	(173,000)
Income from fixed asset investments	4	320,000	34,500
Interest payable and similar charges	5	(6,260)	(40,431)
Interest receivable and similar income	6	57	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		44,810	(178,933)
Income tax (charge)/credit	7	-	-
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	12	44,810	(178,933)

All the above transactions relate to continuing operations.

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

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

STATEMENT OF CHANGES IN EQUITY
52 weeks ended 25 December 2016

	Share capital £'000	Retained earnings £'000	Total £'000
As at 28 December 2014	-	(17,996)	(17,996)
Loss for the period	-	(178,933)	(178,933)
Capital contribution ¹	-	5,000	5,000
	<hr/>	<hr/>	<hr/>
At 27 December 2015	-	(191,929)	(191,929)
Issued share capital ²	147,191	-	147,191
Profit for the period	-	44,810	44,810
	<hr/>	<hr/>	<hr/>
At 25 December 2016	<u>147,191</u>	<u>(147,119)</u>	<u>72</u>

There is no Other Comprehensive Income in either period.

¹ In the prior year the company received a capital contribution from its parent undertaking of £5,000,000 (2016 - £nil).

² On 29 February 2016 108,765,280 ordinary shares of 25p each were issued in settlement of £27,191,320 accrued interest. Subsequently on 25 May 2016 the £120m balance of the term loan owed to Gannett International Holdings LLP was capitalised by the issue of 480,000,000 ordinary shares of 25p each

BALANCE SHEET
25 December 2016

	Notes	£'000	2016 £'000	£'000	2015 £'000
FIXED ASSETS					
Investments	8		15		269,000
CURRENT ASSETS					
Amounts owed by group undertakings		57		-	
Cash at bank and in hand		10		11	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	9	(10)		(70,940)	
NET CURRENT ASSETS/(LIABILITIES)			57		(70,929)
TOTAL ASSETS LESS CURRENT LIABILITIES			72		198,071
NON-CURRENT LIABILITIES					
Amounts owed to intermediate parent undertaking	10	-		(390,000)	
TOTAL NON-CURRENT LIABILITIES			-		(390,000)
NET ASSETS/(LIABILITIES)			72		(191,929)
CAPITAL AND RESERVES					
Called up share capital	11		147,191		-
Retained earnings	12		(147,119)		(191,929)
TOTAL EQUITY/(DEFICIT)			72		(191,929)

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

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



P Hunter
Director

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

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

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

Accounting period

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

Judgements and key sources of estimation uncertainty

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

The following judgement (apart from any involving estimates) has had the most significant effect on amounts recognised in the financial statements. This is the directors' estimate of the carrying amount of investments. The reassessment of the carrying amount resulted in an impairment charge of £268,985,000 during the year.

Significant accounting policies

Dividend income/Income from fixed asset investments

Dividend income and income from fixed asset investments comprising dividends from group undertakings is recognised when the company's right to receive payment is established.

Operating loss

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

Investments

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

Taxation

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

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

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

2. OPERATING LOSS

	2016	2015
	£'000	£'000
Impairment of investment in subsidiaries	268,985	173,000

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

3. EMPLOYEES AND DIRECTORS

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

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

4. INCOME FROM FIXED ASSET INVESTMENTS

	2016	2015
	£'000	£'000
Dividends from group undertakings	320,000	34,500

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£'000	£'000
Interest payable to group undertakings	6,260	40,431

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£'000	£'000
Interest receivable from group undertakings	57	-

7. TAXATION

(a) Tax (charged)/credited in the income statement

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

(b) Reconciliation of the total tax (charge)/credit:

	2016	2015
	£'000	£'000
Profit/(loss) from continuing activities before taxation	44,810	(178,933)
Tax on the profit/(loss) on ordinary activities at the standard UK rate of corporation tax of 20.00% (2015 – 20.25%)	(8,962)	36,234
Tax effect of amounts which are not (taxable)/deductible in calculating taxable income:		
Tax effect of items that are not deductible or not taxable in determining taxable loss	8,951	(32,454)
UK-UK transfer pricing adjustments	-	1,033
Utilisation of brought forward losses	11	-
Group relief claimed for nil payment	-	(4,813)
Total income tax (charge)/credit reported in the income statement	-	-

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

7. TAXATION (CONTINUED)

Tax losses arising within the Gannett U.K. Limited group of companies are 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.

The entity does not have any deferred tax.

(c) Change in corporation tax rate

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

8. INVESTMENTS

	Investments in subsidiaries £'000
Cost	
At 25 December 2016 and 28 December 2015	442,000
Provisions	
At 28 December 2015	173,000
Impairment of investment in subsidiary undertakings	268,985
At 25 December 2016	441,985
Carrying amount	
At 25 December 2016	15
At 27 December 2015	269,000

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

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

¹ Owned directly by the company.

The dormant subsidiary companies (all of which are wholly owned indirectly and incorporated in Great Britain and registered in England and Wales except those marked with an asterisk which are registered in Scotland at 25 December 2016 are listed on the following pages:

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

8. INVESTMENTS (CONTINUED)

Name of Company	Name of Company
Advertiser Series Limited	Csonco Limited
Advertising Distribution Services Limited	Daily News Group Limited
Asherclose Limited	Devobrook Limited ³
Bailey Newspaper Group Limited	Essex County Newspapers Limited ¹
Bailey Print Limited	Evesham Admag Limited ¹
Bailey Web Limited	Exchange Enterprises Limited
Barry Printing and Publishing Co. Limited	Extonbase Limited
Beck & Partridge Limited	Firth FM Holdings Limited*
Berrows West Midlands Limited ¹	Forest Machine Journal Limited*
Billington & Wright Limited ¹	Fossilcove Limited
Bird Brothers Limited	Gloucestershire Independent Limited
Brighton & District Property News Limited	H. Dawson & Co. (Printers) Limited
Bromsgrove Observer Limited ¹	Hampshire Newspapers Limited
Bury Times Limited	Helston Printers Limited
C.H. Peacock Limited	Henry Pease & Company Limited
Campaign Free Newspapers Limited	Independent Media Limited ³
Cleadon Press Limited	J.H.Lake & Co.Limited
Kinsman Reeds Limited	Jaxman Limited
Lettercatch Limited	John. H. Burrows & Sons Limited
London & Kent Newspapers Limited ¹	Richmond & Twickenham Times Limited ¹
Mega Suburban Printing Limited ¹	Rusholmes Printers Limited
Morgan Truman Publications Limited ¹	Salisbury Journal Newspapers Limited
Msomn Limited	Sawp Limited
New Forest Post Limited	Sellix Limited
News Shopper Limited ¹	Slough Newspaper Printers Limited
Newsquest (Basildon) Limited ¹	South London Guardian Limited ¹
Newsquest (Blackburn) Limited ¹	South Wales Argus Limited
Newsquest (Bolton) Limited ¹	South West Counties Newspapers Limited
Newsquest (Buckinghamshire & West London) Limited	South West Wales Newspapers Limited
Newsquest (Cheshire) Limited ¹	Southern Newspapers Limited
Newsquest (Cheshire/Merseyside) Limited ¹	Spiceford Limited
Newsquest (East London & West Essex) Limited ¹	Stelert Limited
Newsquest (Hereford) Limited ¹	Stone Square Newsagency Limited
Newsquest (Hertfordshire & Middlesex) Limited ¹	Stour Valley News Limited
Newsquest (Herts & Bucks) Limited	Surfield Limited ³
Newsquest (Kendal) ¹	Swallowdove Limited
Newsquest (Investments) Limited	T.A.S. Publishing Limited ^{1*}
Newsquest (Lancs Free) Limited ¹	Teddington & Hampton Times Limited
Newsquest (Leeds) Limited	The Avon Advertiser Limited
Newsquest (Merseyside) Limited ¹	The Bedfordshire Times Publishing Company Limited
Newsquest (North West London) Limited ¹	The Bradford & District Newspaper Company Limited
Newsquest (Stourbridge) Limited ¹	The Craven Herald Limited
Newsquest (Wiltshire) Limited ¹	The Croydon Property News Limited ¹
Newsquest (Worcester) Limited ¹	The Ludlow Advertiser Limited ¹
Newsquest Direct Limited ¹	The National Press Agency Limited
Newsquest Financial Media Limited ¹	The Oxford Mail & Times Limited
Newsquest Media (Berrows) Limited ¹	The Redditch & Bromsgrove Observer Limited ¹

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

8. INVESTMENTS (CONTINUED)

Name of company	Name of company
Newsquest Media (Midland) Limited	The Tenbury Advertiser Company Limited ¹
Newsquest Media (North East) Limited ¹	The Yorkshire Herald Newspaper Company Limited
Newsquest Media (Northern) Limited ¹	Two's Company (Dating) Limited
Newsquest Media (South) Limited ¹	Warden & Company Limited
Newsquest Printing (Colchester) Limited	West Country Magazines Limited
Newsquest Printing (Glasgow) Limited*	West of England Newspapers Limited
Newsquest Printing (Lancashire) Limited	Westminster Press Limited
North of England Newspaper Company Limited	Westmorland Gazette Limited
Northern Counties Newspapers (Tyneside) Limited ¹	Wiltshire Newspapers Limited
Nursing Spectrum UK Limited	WP Publishing
Orpheus Publications Limited ^{1*}	Wroughton Press Limited
Packet Newspapers (Cornwall) Limited ²	Wxan Limited
Partridge Printers Limited	Yeoman Developments (Winton) Limited
Property Weekly Limited	Newsquest Printing (Glasgow) Limited*
Regional Letterbox Services Limited ¹	Newsquest Magazines Limited ^{1,2*}
Pythondeck Limited	Newsquest (Sunday Herald) Limited ^{2*}
Rawlings & Walsh Limited	S1Now Limited ^{2*}
Redditch Observer Limited ¹	

¹ Struck off the Register at Companies House in 2016.

² Direct subsidiary.

³ Struck off the Register at Companies House in 2017.

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

[^]Struck off in 2016

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

Both the joint ventures and associate are held indirectly.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£'000	£'000
Amounts owed to group undertakings	10	50,008
Amounts owed to intermediate parent undertaking	-	20,932
	<u>10</u>	<u>70,940</u>

10. CREDITORS: FALLING DUE AFTER ONE YEAR

Amounts due to the company's immediate and ultimate parent undertaking comprise:

	2016	2015
	£'000	£'000
Fixed term note	-	390,000
	<u>-</u>	<u>390,000</u>

On 14 April 2016 Gannett International Communications Inc., contributed the term loan of £390m plus accrued interest up to that date to its subsidiary Gannett International Holdings UK LLP which in turn contributed the term loan plus accrued interest to its subsidiary Gannett International Finance LLC. The accrued interest up to the date of 14 April 2016 is not continuing to attract interest.

NOTES TO THE ACCOUNTS
52 weeks ended 25 December 2016

11. SHARE CAPITAL

	2016 £'000	2015 £'000
Authorised:		
588,765,281 ordinary shares of 25p each (2015 - 400)	147,191	-
Allotted, called up and fully paid:		
588,765,281 ordinary shares of 25p each (2015 - 1)	147,191	-

On 29 February 2016 108,765,280 ordinary shares of 25p each were issued in settlement of £27,191,320 accrued interest. Subsequently on 25 May 2016 the £120m balance of the term loan owed to Gannett International Holdings LLP was capitalised by the issue of 480,000,000 ordinary shares of 25p each.

12. RESERVES

	Share capital £'000	Retained earnings £'000	Total £'000
As at 28 December 2014	-	(17,996)	(17,996)
Loss for the period	-	(178,933)	(178,933)
Capital contribution ¹	-	5,000	5,000
At 27 December 2015	-	(191,929)	(191,929)
Issued share capital ²	147,191	-	147,191
Profit for the period	-	44,810	44,810
At 25 December 2016	147,191	(147,119)	72

¹ In 2015 the company received a capital contribution from its parent undertaking of £5,000,000 (2016 - £nil).

² On 29 February 2016 108,765,280 ordinary shares of 25p each were issued in settlement of £27,191,320 accrued interest. Subsequently on 25 May 2016 the £120m balance of the term loan owed to Gannett International Holdings LLP was capitalised by the issue of 480,000,000 ordinary shares of 25p each.

13. 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 note 9.

14. 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 company's immediate parent undertaking is Gannett International Holdings LLP. The consolidated financial statements of Gannett Co., Inc. comprise the largest group of which the company is a member that prepares consolidated financial statements. The annual report and consolidated financial statements of Gannett Co., Inc. can be obtained from the Secretary, Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107 or online at www.gannett.com investor relations. The annual report and financial statements of Newsquest Media Group Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ or online at www.beta.companieshouse.gov.uk.