Company Registration No. 01038578

Anglia Newspapers Limited

Annual Report and Financial Statements

For the 52 week period ended 2 January 2016

Anglia Newspapers Limited

Annual report and financial statements for the 52 week period ended 2 January 2016

Contents

Anglia Newspapers Limited

Officers and professional advisers
For the 52 week period ended 2 January 2016

Directors
A G M Highfield
D J King

Secretary
P M McCall

Registered office
Unex House – Suite B
Bourges Boulevard
Peterborough
PE1 1NG

Solicitors
MacRoberts
152 Bath Street
Glasgow
G2 4TB

Independent Auditor
Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Anglia Newspapers Limited

Directors' report
For the 52 week period ended 2 January 2016

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the 52 week period ended 2 January 2016.

In accordance with the provisions of s414B Companies Act 2006 and s415A Companies Act 2006, the Company is entitled to the small companies exemption in relation to the Directors' report for the financial period.

Activities, results and future prospects

The Company acts as an agent for Johnston Publishing Limited, publishing and distributing newspapers in the Midlands area of England.

The loss for the period is shown in the Profit and loss account on page 8.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities during the forthcoming financial period.

The financial position of the Company is set out in the Balance sheet on page 10.

Johnston Press plc, the ultimate parent company of the Group, provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the Directors believe that performance indicators and principal risks or uncertainties specific to the Company are not necessary or appropriate for an understanding of the development, performance, position or future developments of the business. The publicly available annual report of Johnston Press plc reviews these matters on a group basis.

Financial risk management and credit risk
The Company's principal assets subject to risk are intercompany receivables.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term intercompany debt finance. The Company is also a guarantor to external Group finance (refer to Note 9 for further details) and where necessary, has access to these facilities via internal transfers from the parent company. The Directors do not consider there to be any risk associated with intercompany balances as these are managed for the Group as a whole by Johnston Press plc.

Liquidity risk and going concern
The Directors believe that the Group, of which the Company is a part, is well placed to manage its business risks successfully despite the current economic environment, which remains challenging. Based on its review, and after considering reasonable possible downside sensitivities, they are of the opinion that the Group has adequate financial resources to meet operational needs for the foreseeable future, and have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The Company is a guarantor under the Group financing arrangements dated 23 June 2014.

Further details of the Group liquidity and going concern position are detailed in the Johnston Press plc 2015 annual report included within the viability statement on page 40.

Dividends
No dividends have been paid or proposed by the Directors (2014: £nil).

Directors' report (continued)
For the 52 week period ended 2 January 2016

Directors
The Directors who have served during the period and to the date of this report are as follows;

A G M Highfield
D J King
R Parkinson (resigned 31 December 2015)

Directors' liability
As permitted by the Companies Act 2006, the Company has insurance cover for the Directors against liabilities in relation to the Company.

Future developments and events after the balance sheet date
Details of future developments and events after the balance sheet date can be found in note 10.

Charitable and political contributions
No contributions were made for political or charitable purposes in either period.

Employee involvement
It is the policy of the Company to encourage and develop all members of staff to realise their maximum potential. Wherever possible, vacancies are filled from within the Company and adequate opportunities for internal promotion are created. The Company is committed to a systematic training policy.

The Company supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, nationality, ethnic or national origin, sexual orientation, gender or gender reassignment, marital status or disability.

It is also the policy of the Company, where possible, to give sympathetic consideration to disabled persons in their application for employment within the Company, and to protect the interests of existing members of staff who are disabled.

Auditor
Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Statement of disclosure of information to the Auditor
Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Anglia Newspapers Limited

Directors' report (continued)
For the 52 week period ended 2 January 2016

Approval of reduced disclosures
The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's sole shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in subsequent period. Objections to this basis of preparation may be served on the Company by Johnston Press plc, as the immediate parent and sole shareholder of the entity.

Approved by the Board of Directors and signed by order of the Board.

D J King
Director
30 June 2016

Anglia Newspapers Limited

Directors' responsibilities statement
For the 52 week period ended 2 January 2016

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent auditor's report to the members of Anglia Newspapers Limited

We have audited the financial statements of Anglia Newspapers Limited for the 52 week period ended 2 January 2016 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 12. 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 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, 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 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 2 January 2016 and of its loss for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Anglia Newspapers Limited

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.
- 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..

David Bell CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30th June 2016

Anglia Newspapers Limited

Profit and loss account
For the 52 week period ended 2 January 2016

	Notes	52 weeks ended 2 January 2016 £'000	53 weeks ended 3 January 2015 £'000
Turnover	1	**1,987**	**2,584**
Cost of sales	4	(1,987)	(2,584)
Gross profit		-	-
Impairment of intangibles	6	(28)	-
Loss before tax		(28)	-
Tax	5	-	-
Loss for the financial period		(28)	-

The current and prior periods' results have been derived wholly from continuing operations.

The comparative period is for the 53 weeks ended 3 January 2015.

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

Anglia Newspapers Limited

Statement of comprehensive income
For the 52 week period ended 2 January 2016

	52 weeks ended 2 January 2016 £'000	53 weeks ended 3 January 2015 £'000
Loss for the period	(28)	-
Total comprehensive loss	(28)	-
Loss for the period attributable to:		
Equity shareholders of the company	(28)	-
	(28)	-
Total comprehensive loss for the period attributable to:		
Equity shareholders of the company	(28)	-
	(28)	-

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

Anglia Newspapers Limited

Balance sheet
As at 2 January 2016

	Notes	2 January 2016 £'000	3 January 2015 £'000
Fixed assets			
Intangible assets	6	283	311
Total assets less liabilities		283	311
Capital and reserves			
Called-up share capital	7	30	30
Profit and loss account	8	253	281
Shareholder's funds		283	311

The comparative numbers are as at 3 January 2015.

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

The financial statements of Anglia Newspapers Limited, registered number 01038578 were approved by the Board of Directors on 30 June 2016 and signed on their behalf:

Director

D J King

Anglia Newspapers Limited

Statement of changes in equity
2 January 2016

	Called up share capital £'000	Profit and loss account £'000	Total £'000
4 January 2015	30	281	311
Loss for the financial period	-	(28)	(28)
Recognised directly in equity:			
Dividends paid on equity shares	-	-	-
Total movements	-	(28)	(28)
Equity at the end of the period	30	253	311

Anglia Newspapers Limited

Notes to the financial statements
For the 52 week period ended 2 January 2016

1. **Accounting policies**

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding periods, is set out below:

General information and basis of accounting

Anglia Newspapers Limited ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is Unex House – Suite B, Bourges Boulevard Peterborough PE1 1NG. The Company acts as an agent for Johnston Publishing Limited, publishing and distributing newspapers in the Midlands area of England.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key personnel. The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information, see note 12.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Liquidity risk and going concern

The company is part of the Johnston Press plc group ('the Group') which has published its audited financial statements to 2 January 2016.

The Directors believe that the Group is well placed to manage it's business risks successfully despite the current economic environment, which remains challenging. Based on its review, and after considering reasonable possible downside sensitivities, they are of the opinion that the Group has adequate financial resources to meet operational needs for the foreseeable future, and have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The Company is a guarantor under the Group financing arrangements dated 23 June 2014.

Further details of the Group liquidity and going concern position are detailed in the Johnston Press plc 2015 annual report included within the viability statement on page 40.

Intangible assets – publishing titles

Publishing titles acquired after 1 January 1989 are recorded as intangible fixed assets and stated at cost. The publishing titles have no finite life and consequently are not amortised. An impairment review is carried out on an annual basis to determine any diminution in the recoverable amount below carrying value. The recoverable amount is the higher of the fair value less costs to sell and the value in use based on the net present value of estimated future cash flows discounted at the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the relevant underlying assets. Any impairment loss is recognised as an expense immediately.

1. **Accounting policies (continued)**

Turnover and revenue recognition

Turnover represents charges to Johnston Publishing Limited in respect of the Company's services as an agent and is net of value added tax. All of the Company's turnover was generated in the United Kingdom. Turnover is recognised when services are rendered.

Pension costs

The Company participates in a Group operated defined contribution and a defined benefit pension scheme.

The costs of the Company's contributions to the defined contribution scheme are charged to the profit and loss account as they become due under the rules of the scheme. Further details regarding pension costs are provided in note 4.

The defined benefit pension plan is closed to new members and closed to future accrual. Full details of the scheme and associated FRS102 disclosures are provided in the Johnston Publishing Limited financial statements for the period to 2 January 2016.

Share-based payments

The Company does not reflect costs associated with equity-settled share-based payments on the grounds that the benefits from services provided by its employees in respect of these payments are received by other group companies as a result of the agency agreements in place (note 4).

Taxation

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

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 years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the period end date.

2. **Critical accounting judgements and key sources of estimation uncertainty**

In the process of applying the Company's accounting policies, which are described in Note 1, management have made no critical accounting judgementsor significant estimates, which would have a significant effect on the amounts recognised in the financial statements.

3. Result on ordinary activities before taxation

Result on ordinary activities before taxation is stated after charging:

	Note	52 weeks ended 2 January 2016 £'000	53 weeks ended 3 January 2015 £'000
Impairment of intangible assets	6	28	-
Staff costs	4	1,987	2,584

The auditor's remuneration in the current and prior period was borne by another group undertaking. The Directors' estimate that the amount relating to the Company's statutory audit was £2,900 (2014: £2,900).

4. Information regarding directors and employees

	52 weeks ended 2 January 2016 No.	53 weeks ended 3 January 2015 No.
Average number of employees by activity:		
Editorial and photographic	30	39
Sales and Distribution	39	44
Administration	1	1
	70	84

	52 weeks ended 2 January 2016 £'000	53 weeks ended 3 January 2015 £'000
Staff costs during the period comprised:		
Wages and salaries	1,763	2,067
Termination payments	-	246
Social security costs	153	176
Other pension costs	71	95
	1,987	2,584

Pension contributions

Defined contribution - The Johnston Press Retirement Savings Plan

The Johnston Press Retirement Savings Plan is a defined contribution Master Trust arrangement for current employees, operated by Zurich. Contributions by the Group are a percentage of basic salary. Employer contributions range from 1 per cent of basic salary, for employees statutorily enrolled, through to 12 per cent of basic salary for Senior Executives. Employees who were active members of the Money Purchase section of the Johnston Press Pension Plan on 31 August 2013 transferred from the Johnston Press Pension Plan to the Johnston Press Retirement Savings Plan from 1 September 2013.

Contributions to the defined contribution scheme for the period were £71,000 (2014: £95,000).

4. Information regarding directors and employees (continued)

Defined benefit - The Johnston Press Pension Plan

The Johnston Press Pension Plan is a defined benefit pension plan closed to new members and closed to future accrual. There was formerly a defined contribution section of the Johnston Press Pension Plan which was closed in August 2013 and members' benefits were transferred to the Johnston Press Retirement Savings Plan.

Directors' emoluments

The Johnston Press Pension Plan is a Group defined benefit pension plan closed to new members and closed to future accrual. There was formerly a defined contribution section of the Johnston Press Pension Plan which was closed in August 2013 and members' benefits were transferred to the Johnston Press Retirement Savings Plan. Further details of the scheme are included in the Johnston Press plc 2015 annual report.

Share-based payments

Any gains made on the exercise of share options or the value of any shares or share options received under the long-term incentive schemes are not shown. Full details of share option schemes are provided in the financial statements of the ultimate parent company, Johnston Press plc. The costs of associated share-based payments under FRS 20 are not accounted for by the Company on the basis that the benefits from services provided by its employees in respect of these payments are received by other group companies as a result of the agency agreements in place. All such costs are accounted for in Johnston Publishing Limited and Johnston Press plc.

5. Tax

The tax (charge)/credit comprises:

	52 week period 2 January 2016 £'000	53 week period 3 January 2015 £'000
Current tax on loss on ordinary activities		
UK corporation tax - current period	-	-
Total tax on loss on ordinary activities	-	-

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax of 20.25% (2014: 21.5%) to the loss before tax is as follows:

	52 week period 2 January 2016 £'000	53 week period 3 January 2015 £'000
Loss on ordinary activities before tax	(28)	-
Tax on loss on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.5%)	6	-
Effects of:		
Expenses not taxable in determining taxable profits	(6)	-
Total tax charge for the period	-	-

6. Intangible assets

The following are included in the net book value of intangible assets:

	Publishing titles £'000
Cost	
At 3 January 2015 and 2 January 2016	458
Accumulated impairment losses	
At 3 January 2015	147
Impairment	28
At 2 January 2016	175
Carrying amounts	
At 3 January 2015	311
At 2 January 2016	283

The Group tests the carrying value of publishing titles held within the publishing operating segment for impairment annually or more frequently if there are indications that they might be impaired. The publishing titles are grouped by CGUs, being the lowest levels for which there are separately identifiable cash flows independent of the cash inflows from other groups of assets.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are:

- expected changes in underlying revenues and direct costs during the period;
- growth rates; and
- the discount rate.

The Group prepares discounted cash flow forecasts using:

- the Board approved budget for 2016 and the projections for 2017 and 2018, which reflect management's current experience and future expectations of the markets the CGUs operate in. Changes in underlying revenue and direct costs are based on past practices and expectations of future changes in the market. These include changes in demand for print and digital, circulation, cover prices, advertising rates as well as movement in newsprint and production costs and inflation;
- capital expenditure cash flows to reflect the cycle of capital investment required;
- net cash inflows for future years are extrapolated beyond 2018 based on the Board's view of the estimated annual long-term growth rate of 1.0%; and
- management estimate discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The post-tax discount rate applied to the future cash flows for the period ended 2 January 2016 was 10.0% (2015 pre-tax discount rate of 12.1%, 2014: 12.0%). The post-tax discount rate reflects management's view of the current risk profile of the underlying assets being valued with regard to the current economic environment and the risks that the regional media industry is facing. The present value of the cash flows is then compared to the carrying value of the asset to determine if there is any impairment loss.

The total impairment charge recognised for the period ended 2 January 2016 was £28,000 (2014: £nil).

7. Called-up share capital

	2 January 2016 £'000	3 January 2015 £'000
Allotted, called-up and fully paid:		
30,000 ordinary shares of £1 each	30	30
10 US $ preference shares of 0.1 cents each	-	-

The preference US $ Shares have priority on a winding up or a return of capital to receive repayment in full of the capital paid up and a further sum equal to 99.9% of the assets available for distribution to members. The holders of the Ordinary Shares are not entitled to any participation in the profits of the Company and on a winding up or other return of capital will receive the balance of assets remaining after distribution to the US $ Shareholders.

8. Reserves

	2 January 2016 £'000	3 January 2015 £'000
Profit and loss account	253	281

Profit and loss account relates to accumulated gains and losses and is distributable.

9. Financial commitments and guarantees

Value added tax
The Company is registered for VAT purposes in a group of undertakings, which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group, and failure by other members of the group to meet their VAT liabilities would give rise to additional liabilities for the Company. At 2 January 2016 the total liability of the group amounted to £2,088,000 (2014: £2,236,000). The Directors are of the opinion that no liability is likely to arise from the failure of these companies.

Security
On 23 June 2014 Johnston Press plc completed its 'Capital Refinancing Plan' using the proceeds of an issue of new Placing Shares and Right Issue Shares (£140m) and a New Bond Issue (£220.5m) to repay all amounts outstanding to its previous Lenders. The Capital Refinancing Plan also involved Johnston Press plc entering into a New Revolving Credit Facility (£25m).

With effect from 23 June 2014, various subsidiary entities within the Group entered into new security arrangements in connection with the New Bonds and the New Revolving Credit Facility granting first ranking fixed and floating charges over its assets.

On repayment of all amounts due to Johnston Press plc's previous lenders on 23 June 2014, the related security arrangements which the Company had become party to in August 2009 were cancelled.

Further details of the financing arrangements of Johnston Press plc and its subsidiaries are contained in the Consolidated Financial Statements of Johnston Press plc to 2 Jnauary 2016.

At 2 January 2016 Johnston Press plc and its subsidiaries had total net debt of £146,055,000 (3 January 2015: £184,620,000).

Notes to the financial statements (continued)
For the 52 week period ended 2 January 2016

10. Immediate and ultimate parent company

The immediate and ultimate parent company is Johnston Press plc, a company incorporated in the United Kingdom and registered in Scotland.

The only group in which the results of the Company are consolidated is that headed by Johnston Press plc. The finicial statementsof Johnston Press plc are available to the public and may be obtained from Johnston Press plc, Orchard Braa House, 30 Queensferry Road, Edinburgh EH4 2HS.

11. Post balance sheet events

There were no material post balance sheet events requiring disclosure.

12. Explanation of transition to FRS102

This is the first period that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the 53 week period ended 3 January 2015 and the date of transition to FRS 102 was therefore 29 December 2013.

No changes were required to either equity at 29 December 2013 or thr result for the year ended 3 January 2015, nor were any changes required to the Company's accounting policies as a consequence of adopting FRS 102.

A number of presentational and disclosure changes have been reflected in these financial statements as a result of the adoption.