Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Directors' report and financial statements

Period ended 31 December 2020

Registered number: 01908967

Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Directors' report and financial statements

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Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Directors and other information

Directors	R. Gray S. Harton
Secretary	R. Gray
Registered office	39 Welbeck Street London W1G 8DR England
Independent auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Bankers	AIB (NI) Ltd 35 University Road Belfast
Registered number	01908967

Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Strategic report

The principal activity of Mediahuis UK Ltd (formerly Independent News and Media Ltd) ("the Company") continues to be the publishing of newspapers and magazines.

Business review and future developments

The loss for the period, after taxation, amounted to £2.5m *(2019: profit of £7.4m)*

The Company made a pre-exceptional profit of £0.001m *(2019: £3.5m* pre-exceptional profit*)* (calculated as turnover less cost of sales and administration costs).

The global markets have experienced and may continue to experience significant volatility resulting from the spread of COVIV-19. The outbreak of COVID – 19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, lockdown of economic activity and general market uncertainty. The directors have assessed any potential impact on the application of the Going Concern basis.

The newspaper industry remains very competitive and the forthcoming year is likely to present continued challenges; but the Company's continued focus on effective overhead management together with creative sales initiatives provide the directors with confidence that the Company will generate adequate returns for 2021.

The directors do not envisage any change in the activity of the Company.

Key performance indicators ("KPIs")

The key performance indicators of the Company are highlighted in the below table:

	2020	2019
Turnover (£'000)	**23,077**	24,714
Operating profit % (excluding exceptional items)	**0.2%**	14.3%

The reduction in revenue in 2020 reflects the continued challenges facing the newspaper industry; the year on year decrease in operating profit percentage (excluding exceptional items) demonstrates the difficulties facing the Company in its task to match declining revenue with equal levels of overhead reduction. Management will continue to strive to restructure cost bases going forward to help mitigate the perceived continuing decline in revenues.

Principal risks and uncertainties

The principal risks and uncertainties which have the potential, in the short to medium term, to have a significant impact on the Company's strategic objectives are incorporated within the wider Group's strategic objectives and are listed in greater detail within our Parent's financial statements (Mediahuis NV). The consolidated financial statements of Mediahuis NV are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available on the National Bank of Belgium website www.nbb.be.

These represent the board's view of the principal risks at this point in time. However, this is not an exhaustive statement of all relevant risks and uncertainties.

Economic and geopolitical uncertainty is one of the top 10 risks monitored by the Group, consequently the implications of Brexit are subject to regular analysis. Following the managed Brexit transition on a negotiated basis we do not anticipate any material impact on the Group's activities and exchange rate exposures are adequately hedged.

Strategic report (continued)

Principal risks and uncertainties (continued)

Matters which are not currently known to the board or events which the board considers to be of low likelihood could emerge and give rise to material consequences. The mitigation measures that are maintained in relation to these risks are designed to provide a reasonable and not an absolute level of protection against the impact of the events in question.

The Company is satisfied that it has competitive strategies in place to continue to manage these risks.

Subsequent events

The Company has undergone a rebranding exercise involving change in its legal name effective from 5 May 2021. Independent News and Media Ltd has been rebranded to Mediahuis UK Ltd. The wider Independent News and Media Group companies were also rebranded.

There were no other events since the year end that would require the adjustment of or disclosure in the financial statements.

On behalf of the board

DocuSigned by:
Richard Gray
DDC295B5C4AB4DF

R. Gray
Director

30 September 2021

Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Directors' report

The directors present their directors' report together with the audited financial statements of the Company for the period ended 31 December 2020.

Results and dividends

The loss for the period, after taxation, amounted to £2.5m *(2019: profit of £7.4m)*. Please refer to the strategic report on page 2 for the business review.

The directors do not recommend the payment of a dividend *(2019: £Nil)*.

Going concern

The financial statements have been prepared on the going concern basis despite the Company being in a net liability position of £74.4million at 31 December 2020.

Group undertakings have confirmed that they will not seek repayment of liabilities due to them at 31 December 2020 for a period of at least twelve months from the date these financial statements are approved.

Throughout the financial year, the Directors continued to monitor the impact of the COVID-19 pandemic on the company. In light of these events the directors have undertaken an assessment of the Going Concern basis and application to the Company's financial statements.

At the balance sheet date, the company has available cash reserves and has no third-party indebtedness. The Mediahuis Ireland group (formerly Independent News and Media group), of which the Company is a member, remains both profitable and cash generative and has taken various actions to offset the adverse impact of the pandemic on the Group's business.

Noting the above, the directors have deemed it appropriate to prepare these financial statements on the Going Concern basis.

Directors and secretary

The names of the persons who were directors during the period are set out below. Except where indicated, they served as directors for the entire period:

R. J. McClean – resigned 31 July 2021
R. Gray – director and secretary
S. Harton – appointed 31 July 2021

Financial risk management policy

The Company is not exposed to any significant interest rate risk. All loans are either interest free or at a fixed rate of interest. Currency transaction risk is not substantial as the majority of the Company's business is transacted in sterling. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made and insurance is in place to cover exposure from the largest customers. The Company's exposure to liquidity risk is managed by funding cash flow requirements from the parent company.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

Research and development activities

The Company is engaged in ongoing research and development aimed at improving production of products and software development for the websites that the Company operates.

Employee involvement

The Company places considerable value on the involvement of its employees. It both informs them and listens to them on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and other communication initiatives.

Liability insurance for directors and officers

During the period ended 31 December 2020, the Company maintained insurance for its directors and officers in respect of their duties. This was in force at the date of approval of the financial statements. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Political contributions

The Company made no political contributions or incurred any political expenditure during the current or prior period.

Disclosure of information to auditor

Each of the persons who are directors at the time when the directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditor is aware of that information.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2 and 3.

On behalf of the board

39 Welbeck Street
London
W1G 8DR
England

DocuSigned by:
Richard Gray
DDC295B5C4A84DF...

R. Gray
Director

30 September 2021

Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report, strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 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 judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board

DocuSigned by:
Richard Gray
DDC295B5C4A84DF...

R. Gray
Director

30 September 2021

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Mediahuis UK Ltd (formerly Independent News and Media Ltd) ("the Company") for the period ended 31 December 2020 set out on pages 12 to 40, which comprise the statement of profit or loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

KPMG

Independent auditor's report to the members of Mediahuis UK Ltd (formerly Independent News and Media Ltd) *(continued)*

Report on the audit of the financial statements *(continued)*

Conclusions relating to going concern *(continued)*

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board/audit committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. This included communication from the group to component audit teams of relevant laws and regulations and fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition.

KPMG

Independent auditor's report to the members of Mediahuis UK Ltd (formerly Independent News and Media Ltd) *(continued)*

Report on the audit of the financial statements *(continued)*

Detecting irregularities including fraud *(continued)*

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

KPMG

Independent auditor's report to the members of Mediahuis UK Ltd (formerly Independent News and Media Ltd) *(continued)*

Report on the audit of the financial statements *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company'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 they either intend to liquidate the Company 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

KPMG

Independent auditor's report to the members of Mediahuis UK Ltd (formerly Independent News and Media Ltd) *(continued)*

Respective responsibilities and restrictions on use *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Eamon Dillon

Eamon Dillon (Senior Statutory Auditor)
for and on behalf of
KPMG Statutory Auditor
1 Stokes Place
St. Stephen's Green
Dublin 2

30 September 2021

Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Statement of profit or loss account and other comprehensive income

for the period ended 31 December 2020

	Note	Year ended 31 December 2020 £'000	Year ended 27 December 2019 £'000
Turnover	*2*	**23,077**	24,714
Cost of sales		**(15,582)**	(14,021)
Gross profit		**7,495**	10,693
Administrative expenses		**(7,450)**	(7,152)
Exceptional items	*4*	**(264)**	3,996
(Loss)/profit for the year	*3*	**(219)**	7,537
Interest receivable and similar income	*6*	**632**	634
Interest payable and similar charges	*7*	**(945)**	(1,071)
(Loss)/profit on ordinary activities before taxation		**(532)**	7,100
Tax on loss on ordinary activities	*8*	**(1,996)**	348
(Loss)/profit for the financial year		**(2,528)**	7,448
Other comprehensive income/(loss)			
Items that will never be reclassified to profit or loss			
Remeasurement losses on retirement benefit obligations	23	**2,450**	(1,727)
Total comprehensive (loss)/income for the year		**(78)**	5,721

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

Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Balance sheet
as at 31 December 2020

	Note	31 December 2020 £'000	27 December 2019 £'000
Fixed assets			
Intangible assets	9	**208**	366
Tangible assets	10	**4,550**	4,718
Right of use assets	19	**3,924**	4,688
Financial assets	11	**1**	1
Deferred tax assets	16	**419**	2,415
		9,102	12,188
Current assets			
Stocks	12	**439**	496
Debtors	13	**3,114**	3,562
Cash at bank and in hand		**2,431**	3,397
		5,984	7,455
Creditors: amounts falling due within one year	14	**(79,736)**	(78,928)
Net current liabilities		**(73,752)**	(71,473)
Total assets less current liabilities		**(64,650)**	(59,285)
Creditors: amounts falling due after more than one year	15	**(4,070)**	(5,130)
Provisions for liabilities	17	**(515)**	(428)
Retirement benefit obligations	23	**(5,161)**	(9,475)
		(9,746)	(15,033)
Net liabilities		**(74,396)**	(74,318)
Capital and reserves			
Called-up share capital	20	**359,433**	359,433
Share premium account		**72,550**	72,550
Retained deficit		**(506,379)**	(506,301)
Shareholders' deficit		**(74,396)**	(74,318)

Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Balance sheet *(continued)*

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

These financial statements were approved by the board of directors on 30 September 2021 and were signed on its behalf by:

DocuSigned by:
Richard Gray
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R. Gray
Director

Company registered number 01908967

Mediahuis UK Ltd (formerly Independent News and Media Ltd)

Statement of changes in equity
for the period ended 31 December 2020

	Called up share capital £'000	Share premium £'000	Retained deficit £'000	Total equity £'000
Balance at 28 December 2018	359,433	72,550	(512,022)	(80,039)
Total comprehensive income for the year				
Profit for the year	-	-	7,448	7,448
Other comprehensive income	-	-	(1,727)	(1,727)
Total comprehensive income for the year	-	-	5,721	5,721
Balance at 27 December 2019	359,433	72,550	(506,301)	(74,318)
Balance at 28 December 2019	**359,433**	**72,550**	**(506,301)**	**(74,318)**
Total comprehensive income for the year				
Loss for the year	-	-	(2,528)	(2,528)
Other comprehensive income	-	-	2,450	2,450
Total comprehensive loss for the year	-	-	(78)	(78)
Balance at 31 December 2020	**359,433**	**72,550**	**(506,379)**	**(74,396)**

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

Notes

forming part of the financial statements

1 Accounting policies

Mediahuis UK Ltd (formerly Independent News and Media Ltd) ("the Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 01908967 and registered address is:

39 Welbeck Street
London
W1G 8DR
England

1.1 Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101').

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's holding undertaking, MediaHuis NV includes Mediahuis Ireland Group Ltd (formerly Independent News and Media Group Limited) in its consolidated financial statements. The consolidated financial statements of Mediahuis NV are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available on the National Bank of Belgium website www.nbb.be.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Mediahuis NV include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

Change in accounting policy/prior period adjustment

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

1 Accounting policies *(continued)*

1.2 Basis of preparation of financial statements

Functional currency

The Company's financial statements are denominated in pound sterling which is its functional currency. Unless otherwise stated, all amounts have been rounded to the nearest £1,000.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Judgements, estimates and assumptions

The preparation of financial statements in accordance with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidation financial statements, relate primarily to accounting for exceptional items, retirement benefit obligations and recoverability of deferred tax assets.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company is itself a subsidiary company and has availed of the exemption from the requirement to prepare group financial statements by virtue of Section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not its Group.

1.3 Going concern

The financial statements have been prepared on the going concern basis despite the Company being in a net liability position of £74.4million at 31 December 2020.

Group undertakings have confirmed that they will not seek repayment of liabilities due to them at 31 December 2020 for a period of at least twelve months from the date these financial statements are approved.

1 Accounting policies *(continued)*

1.3 Going concern *(continued)*

Throughout the financial year, the Directors continued to monitor the impact of the COVID-19 pandemic on the company. In light of these events the directors have undertaken an assessment of the Going Concern basis and application to the Company's financial statements.

At the balance sheet date, the company has available cash reserves and has no third-party indebtedness. The Mediahuis Ireland group (formerly Independent News and Media group), of which the Company is a member, remains both profitable and cash generative and has taken various actions to offset the adverse impact of the pandemic on the Group's business.

Noting the above, the directors have deemed it appropriate to prepare these financial statements on the Going Concern basis.

1.4 Turnover

Turnover represents the sale of goods and services to third parties. Turnover is stated net of value added tax and discounts.

Circulation revenue and printing revenue is recognised when control of the goods passes to the buyer. Circulation revenue is net of publication returns (net of agency commission). Advertising revenue is recognised when a newspaper or magazine is published.

1.5 Intangible fixed assets and amortisation

Publishing rights, titles and benefits are recorded at cost less any provision for impairment. The directors are of the opinion that these assets do not have a finite economic life and consequently have recorded no amortisation in respect of these assets. The value of the intangible assets is assessed for impairment against carrying values on an annual basis in accordance with IAS 36. Any impairment is charged to the statement of profit or loss account and other comprehensive income in the year in which it arises.

Acquired computer software is capitalised as intangible assets on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Directly attributable costs include software development, employee costs and an appropriate portion of relevant overheads.

Computer software costs are amortised over their estimated useful lives (ranging in most cases from three to five years, but up to ten years where specific bespoke software has been developed which is expected to provide benefits over a longer period). Other costs in respect of computer software are recognised as an expense as incurred.

1 Accounting policies *(continued)*

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated in order to write off the cost of tangible assets over their estimated useful lives using the straight-line method as follows:

Freehold land and buildings	-66 years
Long-term leasehold property	-over period of the lease
Fixtures and fittings	-5 to 15 years
Plant and machinery	-5 to 30 years

The carrying values of tangible fixed assets are reviewed for impairment at the end each financial year.

1.7 Financial assets

Non-derivative financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- observable data indicating that there is a measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

The Company consider evidence of impairment for these assets at both an individual asset and at a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company use historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company consider that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit or loss account and other comprehensive income

Investments held as fixed assets are shown as cost less provision for impairment.

1 Accounting policies *(continued)*

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost is determined using the first-in first-out principle and comprises cost of purchase i.e. supplier's invoice price with the addition of charges such as freight or duty where appropriate.

Net realisable value comprises the actual or estimated selling price (net of trade but before settlement discounts), and less all costs to be incurred in marketing, selling and distribution.

1.9 Taxation

Income tax comprises the sum of current and deferred tax. It is recognised in the statement of profit or loss account and other comprehensive income except to the extent that it relates to a business combination or item recognised directly in equity or in other comprehensive income.

Current tax is based on taxable profit for the period and any adjustments in respect of previous years. It is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary differences that exist at the reporting date. A temporary difference is a difference arising between the tax base of all assets (except goodwill) and liabilities and their carrying amounts in the financial statements. However, if the temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not recognised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Unrealised tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities and other future taxable profits.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint arrangements and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Payments receivable in respect of tax losses surrendered as group relief are recognised in the period the losses are surrendered.

1.10 Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

1 Accounting policies *(continued)*

1.10 Foreign currencies *(continued)*

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of profit or loss account and other comprehensive income.

1.11 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the statement of profit or loss account and other comprehensive income as related expenditure as incurred.

1.12 Basic financial instruments

The Company classify non-derivative financial assets as loans and receivables and non-derivative financial liabilities as trade creditors.

Non-derivative financial assets and financial liabilities - recognition and derecognition

The Company initially recognise loans and receivables on the date when they are originated. All loans and receivables and other financial liabilities are initially recognised on the trade date when the Company becomes a party to the contractual provisions of the instruments.

The Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Company continue to recognise the financial asset. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in profit or loss. The Company derecognises a financial liability when their contractual obligations are discharged or cancelled or expired.

Financial assets and financial liabilities are offset, and the net amount presented in these separate statements of financial position when, and only when, the Company has a currently enforceable legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets - measurement

Loans and receivables
These assets are initially recognised at fair value plus any directly attributable transactions costs.

Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables comprise of cash and cash equivalents and trade and other receivables.

1 **Accounting policies** *(continued)*

1.12 Basic financial instruments *(continued)*

Non-derivative financial assets – measurement *(continued)*

Cash and cash equivalents
Cash and cash equivalents comprise bank balances with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

1.13 Expenses

Interest receivable and interest payable

Interest payable and similar expenses include interest payable, finance expense on shares classified as liabilities and net foreign exchange losses that are recognised in the profit and loss account. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.14 Exceptional items

Exceptional items are those items of income and expenses that the Company considers are material and/ or of such a nature that their separate disclosure is relevant to a better understanding of the Company's financial performance. Judgement is used by the Company in assessing the particular items which, by virtue of their materiality and/or nature, are disclosed in the profit or loss account and related notes as exceptional items.

1.15 Retirement benefits

Defined benefit plans

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised immediately in the OCI. The Company determines the net interest expense (income) in the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service is recognised immediately in profit or loss, as a past service cost or credit.

1 Accounting policies *(continued)*

1.15 Retirement benefits *(continued)*

Defined benefit plans *(continued)*

The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions include onerous contracts in which the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the obligation.

1.17 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

1 Accounting policies *(continued)*

1.15 Leases *(continued)*

(i) As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

2 Turnover

Turnover is attributable to the publishing of newspapers and magazines. Turnover substantially arises in the United Kingdom.

Turnover by activity:	**2020**	2019
	£'000	£'000
Sale of goods	**16,716**	15,274
Rendering of services	**6,361**	9,440
	23,077	24,714

Turnover by geographical market:	**2020**	2019
United Kingdom	**18,010**	21,569
Republic of Ireland	**5,067**	3,145
	23,077	24,714

With the introduction of the subscription model and the impact of COVID-19 there has been a change in the assessment of the agent/principal classification for the distributor or sales outlet. They are now considered as an agent whereas they were determined to be principal previously. This will lead to an increase in revenues from individual sales and an increase of sales costs by the same amount. The effect on the net result is nil and the change is accounted for prospectively.

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:	**2020** **£'000**	2019 £'000
Depreciation of tangible fixed assets – owned by the Company	**346**	202
Depreciation of tangible fixed assets – leased by the Company	**582**	577
Amortisation of intangible fixed assets – owned by the Company	**158**	99
Impairment of tangible fixed assets – owned by the Company (see notes 4 and 10 for detail)	**-**	(4,187)
Auditors remuneration		
Audit of the financial statements	**26**	25

4 Exceptional items

	2020 **£'000**	2019 £'000
Restructuring costs (A)	**(264)**	(191)
Reversal of impairment of fixed asset (B)	**-**	4,187
	(264)	3,996

(A) Restructuring costs relate to the Company's headcount reduction plan which ran throughout 2019 and 2020.
(B) See note 10 for detail.

5 Staff numbers and costs

Staff costs were as follows:	**2020**	2019
	£'000	£'000
Wages and salaries	**5,941**	5,794
Social security costs	**568**	573
Other pension costs	**537**	563
	7,046	6,930

The average monthly number of employees, including directors, during the year was as follows:

	2020	2019
Production	**48**	50
Administration	**78**	87
Editorial	**62**	46
	188	183

6 Interest receivable and similar income

	2020	2019
	£'000	£'000
Interest earned on bank deposits	**2**	4
On amount owed by fellow subsidiaries	**630**	630
	632	634

7 Interest payable and similar charges

	2020	2019
	£'000	£'000
On amounts owed to fellow subsidiary undertakings	**630**	630
Interest on pension scheme liabilities	**185**	300
Lease interest payable	**130**	141
	945	1,071

8 Tax on (loss)/profit on ordinary activities	2020 £'000	2019 £'000
Analysis of tax charge/(credit) for the year		
Current tax		
UK corporation tax charges on (loss)/profit for the year	-	-
Deferred tax		
Origination and reversal of timing differences	2,280	(389)
Adjustments in respect of previous years	-	-
Change in tax rates	(284)	41
Total deferred tax (see note 16)	**1,996**	(348)
Tax on loss/(profit) on ordinary activities	**1,996**	(348)

Factors affecting the tax charge/(credit) for the year	**2020 £'000**	2019 £'000
(Loss)/profit on ordinary activities before tax	**(532)**	7,100
Loss on ordinary activities multiplied by standard rate in the UK of 19%	**(101)**	1,349
Effects of:		
Non tax deductible expenses	**64**	(12)
Non taxable income	-	(796)
Group relief	**79**	-
Deferred tax not recognised	**2,238**	(930)
Adjustments to tax charge in respect of prior years	-	
Impact of change in tax rates	**(284)**	41
Total tax charge/(credit) for the year (see note below)	**1,996**	(348)

Both the current and total tax charge on the profit or loss before tax will continue to be affected by the generation and surrender of the tax losses.

8 Tax on (loss)/profit on ordinary activities *(continued)*

Factors that may affect future tax charges

At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In Budget 2021 it was confirmed that the Corporation Tax rate would increase to 25% with effect from 1 April 2023.

9 Intangible assets

	Mastheads £'000	Computer software £'000	Total £'000
Cost			
At 27 December 2019	284,205	4,406	288,611
Additions	-	-	-
At 31 December 2020	**284,205**	**4,406**	**288,611**
Amortisation			
At 27 December 2019	284,205	4,040	288,245
Charge for the period	-	158	158
At 31 December 2020	**284,205**	**4,198**	**288,403**
Net book value			
At 31 December 2020	**-**	**208**	**208**
At 27 December 2019	-	366	366

In line with accounting policies an impairment test on intangible assets was undertaken on a value in use basis, assessing whether the carrying value of intangible fixed assets was supported by the net present value of future cash flows derived from those assets. A discount rate of 10% and a long term growth rate of 0% were used.

No impairment adjustments have been recognised in 2020 (2019: £nil).

10 Tangible assets

	Freehold property £'000	Fixtures and fittings £'000	Plant and machinery £'000	Total £'000
Cost				
At 27 December 2019	-	872	37,372	38,244
Additions	-	48	130	178
At 31 December 2020	**-**	**920**	**37,502**	**38,422**
Amortisation				
At 27 December 2019	-	261	33,265	33,526
Charge for the year	-	89	257	346
At 31 December 2020	**-**	**350**	**33,522**	**33,872**
Net book value				
At 31 December 2020	**-**	**570**	**3,980**	**4,550**
At 27 December 2019	-	611	4,107	4,718

In line with accounting policies an impairment test on tangible assets was undertaken on a value in use basis, assessing whether the carrying value of tangible fixed assets was supported by the net present value of future cash flows derived from those assets. A discount rate of 10% and a long term growth rate of 0% were used.

A terminal value multiple of five was applied to positive year five EBITDA projections (2019: a terminal value multiple of five) in the value in use calculations.

No impairment adjustments have been recognised in 2020 (2019: £4.187m reversal of a prior year impairment charge).

Notes *(continued)*

11 Financial assets

	Investments in subsidiary companies £'000	Trade investments £'000	Total £'000
Cost or valuation			
At beginning and end of year	**30,398**	**1**	**30,399**
Impairment			
At beginning and end of year	**30,398**	**-**	**30,398**
Net book value			
At 31 December 2020	**-**	**1**	**1**
At 27 December 2019	-	1	1

12 Stocks

	2020 £'000	2019 £'000
Raw materials	**439**	496

The difference between the cost of stocks and their replacement cost is not material.

13 Debtors

	2020 £'000	2019 £'000
Trade debtors	**754**	1,138
Amounts owed by group undertakings	**1,664**	1,717
Amounts owed by subsidiary companies	**-**	42
Prepayments	**696**	665
	3,114	3,562

Amounts owed by group undertakings, associates and joint ventures are interest bearing at nominal rates of interest, unsecured and repayable on demand.

14 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	**232**	516
Social security and other taxes	**314**	191
Accruals and deferred income	**2,874**	2,336
Amounts owed to group undertakings	**75,328**	75,065
Lease liabilities	**988**	820
	79,736	78,928

Amounts due to group undertakings are interest bearing at nominal rates of interest, unsecured and repayable on demand.

15 Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Government grants received (note 18)	**468**	538
Lease liabilities	**3,602**	4,592
	4,070	5,130

16 Deferred tax assets

	2020	2019
	£'000	£'000
At beginning of year	**2,415**	2,067
IFRS 16 transitional adjustment	**-**	121
Released during year	**(1,996)**	227
	419	2,415

The deferred tax asset recognised represents approximately five years of taxable profits.

The deferred tax asset is made up as follows:	**2020**	2019
	£'000	£'000
Accelerated capital allowances	**419**	2,287
Tax losses carried forward	**-**	128
	419	2,415

16 Deferred tax assets *(continued)*

The total deferred tax asset not recognised is analysed as follows:

	2020 £'000	2019 £'000
Accelerated capital allowances	**5,768**	3,741
Pension	**1,570**	2,666
Tax losses	**27,208**	22,879
Other temporary differences	**115**	-
	34,661	29,285

The unrecognisable elements as detailed above have not been recognised on the basis that there is insufficient evidence of suitable taxable profits against which the tax losses can be offset against and from which the future reversal of the underlying timing difference can be deducted.

17 Provisions

	Libel £'000	Total £'000
Balance at 27 December 2019	428	428
Provisions made during the year	**201**	**201**
Provisions used during the year	**(114)**	**(114)**
Balance at 31 December 2020	**515**	**515**

Libel

Libel provisions relate to potential libel costs to be incurred as a result of publication of articles in the Company's products in 2020 and prior years.

More detailed analysis on libel provisions is not provided in order to protect the Company's commercial position.

18 Government grants

	2020 £'000	2019 £'000
Brought forward	**538**	608
Released to the profit and loss account	**(70)**	(70)
Total	**468**	538

Regional development grants were granted to Belfast Telegraph for capital expenditure in the 1980s and are being credited to admin costs over a period approximate to the average life of the related fixed assets.

19 Leases

The Company has annual commitments in respect of leasehold property, plant and machinery, and motor vehicles.

Information about the leases for which the company is a lessee is presented below:

Right-of-use assets

Right-of-use assets related to the leased assets that do not meet the definition of investment property are presented as property, plant and equipment.

	Leasehold property £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
At 27 December 2019	4,368	297	23	**4,688**
Additions	-	-	91	**91**
Disposals	(273)	-	-	**(273)**
Depreciation charge for the period	(413)	(122)	(47)	**(582)**
Balance at 31 December 2020	**3,682**	**175**	**67**	**3,924**

Amounts recognised in profit or loss

2020 – Lease under IFRS 16

	£'000
Interest on lease liabilities	**129**
Depreciation on right of use assets	**582**

2019 – Lease under IFRS 16

	£'000
Interest on lease liabilities	141
Depreciation on right of use assets	577

Extension options

The property leased contains extension options exercisable by the Company prior to the end of the non-cancellable contract period. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses prior to the lease end date whether it is reasonably certain to exercise the extension option taking into consideration significant events or changes in the needs of the business.

Notes *(continued)*

19 Leases (continued)

Lease liabilities

	2020 £'000	2019 £'000
At 27 December 2019	**5,412**	-
Additions	**91**	5,977
Disposals	**(330)**	-
Capital payments made	**(713)**	(565)
Lease interest expense recognised in period	**130**	-
Balance at 31 December 2020	**4,590**	5,412
Analysed as:		
Current liabilities	**988**	820
Non-current liabilities	**3602**	4592
Balance at 31 December 2020	**4,590**	5,412
The maturity profile of lease liabilities is set out below:		
Committed lease obligations:		
Within one year	**550**	821
Between one and two years	**438**	1,585
Between two and five years	**1,285**	689
Greater than five years	**2,317**	2,317

20 Share capital

	2020 £'000	2019 £'000
Allotted, called up and fully paid		
35,942,899,875 ordinary shares of £0.01 each	**359,429**	359,429
415,200 deferred shares of £0.01 each	**4**	4
	359,433	359,433

Deferred shares

The deferred shares carry no rights to dividends or voting rights. The right to the return of nominal capital paid up only exists once the ordinary shareholders receive an amount of £10 per share.

Notes *(continued)*

21 Contingent liabilities

From time to time the Company receives actual or threatened claims in respect of alleged libel. Where appropriate, provision is made for the estimated costs of defending or settling such claims (see note 17).

Given the nature of the Company's business, from time to time, it is party to various legal proceedings. It is the opinion of the directors that any losses, if any, arising in connection with these matters will have no material adverse effect on the financial position of the Company.

On 21 January 2020, the Company acceded as guarantor to the banking facilities ('the facilities') of Mediahuis NV, in conjunction with other group companies.

22 Capital commitments

As at 31 December 2020 commitments for capital expenditure totalled £Nil *(2019: £Nil)*.

Notes *(continued)*

23 Retirement benefits

The Company operates a defined benefit pension scheme. This scheme was closed to future accrual on 30 November 2013.

An actuarial valuation of the Belfast Telegraph Pension Scheme using the projected units basis was carried out at 6 January 2017 by Aon Consulting, independent consulting actuaries.

The amounts recognised in the balance sheet are as follows:	**2020 £'000**	2019 £'000
Total market value of assets	**68,029**	61,414
Present value of scheme liabilities	**(73,190)**	(70,889)
Deficit in the scheme	**(5,161)**	(9,475)
Retirement benefit obligation	**(5,161)**	(9,475)

Otherwise analysed as follows:	**2020 £'000**	2019 £'000
Opening balance	**(9,475)**	(10,530)
Interest on scheme	**(185)**	(300)
Current and past service costs	**(29)**	-
Contributions paid	**2,078**	3,082
Actuarial (loss)/ gain	**2,450**	(1,727)
	(5,161)	(9,475)

The following are the principal actuarial assumptions at the reporting date:

	2020	2019
Discount rate	**1.4%**	2.0%
Future salary increases	**0.0%**	0.0%
Future pension increases – pensions accrued prior to 6 April 2006	**2.8%**	3.0%
Future pension increases – pensions accrued after 6 April 2006	**2.1%**	2.2%
Inflation assumption (RPI)	**2.8%**	3.0%
Inflation assumption (CPI)	**2.1%**	2.3%

23 Retirement benefits *(continued)*

Sensitivity analysis of scheme liabilities

	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%	Decrease by 16%
Discount rate	Decrease by 1%	Increase by 21%
Rate of inflation	Increase by 1%	Increase by 15%
Rate of inflation	Decrease by 1%	Decrease by 13%
1 year change in life expectancy	Increase by 1 year	Increase by 4%
1 year change in life expectancy	Decrease by 1 year	Decrease by 4%

The assets in the scheme were:

	Value at 31 December 2020	Value at 27 December 2019
Equities	**42,054**	39,435
LDI	**23,879**	19,120
Cash	**2,096**	2,859
Total market value of assets in the scheme	**68,029**	61,414

The equity investments and bonds which are held in plan assets are quoted and are valued at current bid price.

Mortality assumptions

For 2020, SAPS "S3" Tables with a 110% scaling factor for male non-pensioners, 100% for male pensioners, and 120% for female members (2019: SAPS "S2" Tables with 100% scaling factor)

	2020 Years	2019 Years
Longevity at age 65 for current pensioners		
- Men	**21.9**	21.5
- Women	**23.0**	23.4
Longevity at age 65 for future pensioners		
- Men	**22.6**	22.8
- Women	**24.4**	24.9

Actuarial gains and losses

The total amount recognised in the statement of total recognised gains and losses is a gain of £2.45m *(2019: loss of £1.7m)*. The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is a loss of £20.05m *(2019: loss of £22.5m)*.

The total contributions expected to be made to the scheme by the Company in the period to 31 December 2020 is £2m *(2019: £3m)*.

23 Retirement benefits *(continued)*

The amounts recognised in statement of comprehensive income are as follows:

	2020 £	2019 £
Charge to operating profit		
Expected rate of return on pension scheme assets	1,205	1,561
Interest on pension scheme assets	(1,390)	(1,861)
Net expense	185	300

Movements in the present value of the defined benefit obligation were as follows:

	2020 £'000	2019 £'000
Opening defined benefit obligation	70,889	65,371
Interest cost	1,390	1,861
Actuarial gain/(loss)	3,657	6,041
Benefits paid	(2,775)	(2,384)
Past service cost	29	-
Closing defined benefit obligation	73,190	70,889

Changes in the fair value scheme assets were as follows:

	2020 £'000	2019 £'000
Movement in scheme assets		
Scheme assets at beginning of year	61,414	54,841
Expected return on assets	1,205	1,561
Contributions paid – employer	2,078	3,082
Benefits paid	(2,775)	(2,384)
Actuarial gain/(loss)	6,107	4,314
Scheme assets at end of year	68,029	61,414

Scheme assets do not include any of the Company's own financial assets, or any property occupied by the Company.

The expected return for bonds has been based on bond indices as at 31 December 2020, with due regard to the Scheme's bond portfolio allocation.

The actual return on scheme assets for the year was £1.2m *(2019: £1.6m)*.

Defined contribution schemes

The Company contributed £0.2m to defined contribution schemes during the period *(2019: £0.3m)*.

24 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Mediahuis UK Group Ltd (formerly Independent News & Media UK Ltd).

The ultimate parent of the Company is MediaHuis NV.

The Company's holding undertaking, MediaHuis NV includes Mediahuis Ireland Group Ltd (formerly Independent News and Media Group Limited) in its consolidated financial statements. The consolidated financial statements of Mediahuis NV are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available on the National Bank of Belgium website www.nbb.be.

25 Related party transactions

The Company has availed of the exemptions available in FRS 101 from disclosing transactions entered into between two or more members of a group and also key management personnel compensation disclosures. There were no other related party transactions.

26 Subsequent events

The Company has undergone a rebranding exercise involving change in its legal name effective from 5 May 2021. Independent News and Media Ltd has been rebranded to Mediahuis UK Ltd. The wider Independent News and Media Group companies were also rebranded.

There were no other events since the year end that would require the adjustment of or disclosure in the financial statements.