Company Registration No.2231405

NEWSQUEST SPECIALIST MEDIA LIMITED

Annual Report and Financial Statements
for the year ended 31 December 2020

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

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Country of incorporation:

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

Registered address:

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

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Newsquest Specialist Media Limited ("the company") is a wholly owned subsidiary undertaking of Newsquest Media Group Limited (collectively with other subsidiaries "the group"). The company's principal activity continues to be that of publishing magazines and periodicals. On 24 January 2020 the company sold Boxing News for £150,000.

Key Performance indicators

The company's key financial and other performance indicators during the financial period were as follows:

	2020 £'000	2019 £'000	Change
Turnover	3,300	5,499	(40%)
EBITDA*	112	70	60.0%
EBITDA* Margin	3.4%	1.3%	(2.1)

* Earnings before interest, tax, depreciation of tangible fixed assets and right-of-use assets, exceptional restructuring costs and profit on disposal of titles.

Turnover represents revenue generated from publishing magazines and periodicals and associated publication events. The £2.2m decline in turnover year on year is almost entirely related to the global COVID pandemic. Lockdown restrictions and social distancing has curtailed the holding of all events. A limited number of events have been held virtually. The company's profitability is also affected by workforce costs, the main operating costs of the company, along with raw material input prices for magazines. The ability of the company to flex these costs in line with revenues in the short term is limited.

Directors are hopeful that COVID 19 restrictions will be sufficiently lifted for events to be held in the second half of 2021. Coupled with exercising a break clause to exit central London offices in 2021 saving the business significant occupancy costs the company expects to report an operating profit in 2021.

The company will continue to restructure processes to improve performance and return to sustainable profitability as the economy restarts following the pandemic.

PRINCIPAL RISKS AND UNCERTAINTIES

Consistent and sustainable revenue growth

The company contains a mixture of business to business and specialist consumer media brands primarily serving the financial services sector.

Whilst these markets operate under different dynamics with differing audience requirements; the company's brands are characterised by being mostly market-leading with the potential to broaden and increase their revenues through extending their relationships and providing additional means for buyers and sellers to interact.

The diverse nature of the portfolio means that the company is not wholly dependent on one market.

General economic conditions, Brexit and COVID 19

The company is also exposed to the general economic conditions that affect its advertisers and readers, particularly in the insurance industry. Although the company's products like the Insurance Times are internationally recognised brands, the uncertainty created by Brexit on the future importance of London as an insurance centre is a risk to business activity in the medium term. The company's profitability is also affected by workforce costs, the main operating costs of the company, along with raw material input prices for magazines. The ability of the company to flex these costs in line with revenues in the short term is limited.

The COVID-19 pandemic has brought a deep economic slowdown at an unprecedented rate to global markets, as broad swathes of the population stay home to slow the spread of the virus. While the pandemic has brought significant disruption, the company remains optimistic about its ability to emerge from this crisis, particularly noting the support of its immediate parent company.

Operating and financial synergies

The risks and uncertainties facing the company are linked to those of its fellow subsidiaries in the UK. The current results reflect the benefits arising from the relationship with fellow subsidiaries in terms of financing, purchasing efficiency, disaster recovery and information technology.

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Financial risk management

The company is a subsidiary undertaking within the group. Cash funds of the group are managed at a group level. Interest is received and paid by the company on certain loans with other group companies.

Liquidity and interest rate risk

The company's arrangements with the group, as described above, ensure it can access the funds needed to meet its liquidity requirements as cash can be obtained through group funding. Interest receivable and payable on loans with other group companies are calculated at rates of interest stipulated under the group loan agreement. The group's liquidity requirements and interest rate risks are managed at a group level.

This report was approved by the Board and signed on its behalf on 23 July 2021 by:

Paul Hunter

P Hunter
Director

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2020.

RESULTS, DIVIDENDS AND FUTURE PROSPECTS

The loss for the period after taxation amounted to £112,000 (2019 – £267,000 loss). Excluding the sale of the Boxing News title for £150,000 on 24 January 2020 the underlying level of the year-on-year losses is similar. Lockdown restrictions and social distancing caused by the global pandemic has curtailed the holding of all events and the generation of advertising revenue. Where possible a limited number of events have been held virtually. The company's profitability is also affected by workforce costs, the main operating costs of the company, along with raw material input prices for magazines. The ability of the company to flex these costs in line with revenues in the short term is limited.

Directors are hopeful that COVID 19 restrictions will be sufficiently lifted for events to be held in the second half of 2021. Coupled with exercising a break clause in 2021 to exit central London offices saving the business significant occupancy costs the company could be poised to at least break even or report a small operating profit in 2021.

There were no interim dividends paid in the current or prior period. The directors did not recommend that a final dividend is paid (2019 - £nil).

The company's principal activity continues to be that of publishing magazines and periodicals. The directors expect this to continue for the foreseeable future.

DIRECTORS

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

H Faure Walker
P Hunter

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

POLITICAL AND CHARITABLE CONTRIBUTIONS

Details of political and charitable contributions are contained in the directors' report and financial statements of Newsquest Media Group Limited.

EMPLOYEE PARTICIPATION AND THE ENVIRONMENT

The company places value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group and the company. Such communications are undertaken on a regional basis, and include consultation with staff via elected representatives on a Staff Council, the publication of regular newsletters and the regular meetings of directors and senior managers with staff throughout the period.

The company is conscious of the importance of good environmental practices and aims for an on-going improvement in the company's environmental performance and to comply with all relevant regulations.

DISABLED PERSONS

It is the policy of the company to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES (CONTINUED)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

COVID-19

The COVID-19 pandemic has brought a deep economic slowdown at an unprecedented rate to global markets, as broad swathes of the population curtail their activities to slow the spread of the virus. Among our top priorities has been to ensure the safety of our employees and to continue to deliver trusted, comprehensive content to our communities and support those businesses during this period. We moved quickly to implement work-from-home policies as well as implement UK government guidance in our production distribution facilities, which has allowed us to continue to provide our essential products and services. Our revenues have been significantly impacted and we have taken several measures designed to mitigate the impact on our operating performance and to strengthen the company's balance sheet and liquidity position. All non-essential travel and expenditure continues to be curtailed.

We implemented furloughs under the UK government's job retention scheme. Management took pay reductions and unpaid leave during 2020.

These measures have been essential to protect the company during these challenging times. Whilst the pandemic continues to bring significant disruption, the company remains optimistic about its ability to emerge from this crisis, particularly noting the support of its immediate parent company.

GOING CONCERN

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

The directors have received assurances from the company's immediate parent company that funds will be made available to enable the company to meet its liabilities as they fall due should the company not be able to fund its commitments from existing operations. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with Newsquest Media Group Limited and fellow subsidiaries.

On the basis of their assessment of the company's financial position, and the confirmation received from the immediate parent company, the company's directors have a reasonable expectation that the company will be able to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements, for the going concern period of at least until 31 July 2022.

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the Board at the time of approving the Strategic Report and Directors' Report are listed on page 3. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that:

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

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

AUDITORS

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

This report was approved by the Board and signed on its behalf on 23 July 2021 by:

P Hunter
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWSQUEST SPECIALIST MEDIA LIMITED

Opinion

We have audited the financial statements of Newsquest Specialist Media Limited for the year ended 31 December 2020 which comprise Income Statement, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 up to 31 July 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWSQUEST SPECIALIST MEDIA LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors 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 or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including furlough scheme rules, health and safety legislation, and UK General Data Protection Regulation.

- We understood how Newsquest Specialist Media Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities. We considered the oversight of those charged with governance and the culture of honesty and ethical behaviour, including the emphasis placed on fraud prevention. We consider these factors to reduce opportunities for fraud to take place as they could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations, with a focus on the UK government's furlough scheme. In addition to understanding how the Company complied with the scheme rules, we incorporated data analytics to address the risk of eligibility of employees, inputs accuracy, claim calculation accuracy and payments correctly passed on to employees. Our procedures also involved inquiries of management and those responsible for legal and compliance matters; as well as focused testing of journal entries identified by specific risk criteria and reviewing board minutes.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

Ernst & Young LLP

Naresh Alimchandani (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

23 July 2021

INCOME STATEMENT
For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
TURNOVER	2	3,300	5,499
Cost of sales		(655)	(1,537)
GROSS PROFIT		2,645	3,962
Selling and distribution costs		(690)	(1,020)
Administrative expenses		(2,153)	(3,193)
Exceptional restructuring costs	3	(66)	-
OPERATING LOSS	3	(264)	(251)
Profit on disposal of publishing rights		150	-
Interest receivable and similar income	5	-	9
Interest payable and similar charges	6	(13)	(24)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(127)	(266)
Income tax credit/(charge)	7	15	(1)
LOSS FOR THE FINANCIAL PERIOD	15	(112)	(267)

All the above transactions relate to continuing operations.

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

The notes on pages 12 to 24 form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2020

	Share capital £'000	Retained earnings £'000	Total £'000
At 31 December 2019	-	223	223
Loss for the period	-	(267)	(267)
Share-based payment transactions (note 4)	-	36	36
Recharges from ultimate parent in respect of shares exercised (note 4)	-	(23)	(23)
At 31 December 2019	-	(31)	(31)
Loss for the period	-	(112)	(112)
Share-based payment transactions (note 4)	-	28	28
Recharges from ultimate parent in respect of shares exercised (note 4)	-	(41)	(41)
At 31 December 2020	-	(156)	(156)

There is no Other Comprehensive Income in either period.

BALANCE SHEET
31 December 2020

	Note	£'000	2020 £'000	£'000	2019 £'000
FIXED ASSETS					
Intangible assets	8		-		-
Tangible fixed assets	9		43		121
Right-of-use assets	19		132		364
			175		485
CURRENT ASSETS					
Debtors: amounts falling due within one year	10	293		607	
Cash at bank and in hand		388		270	
		681		877	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	11	(916)		(1,000)	
Lease liabilities	19	(93)		(271)	
NET CURRENT LIABILITIES			(328)		(394)
NON-CURRENT ASSETS					
Deferred tax assets	12	61		46	
			61		46
TOTAL ASSETS LESS CURRENT LIABILITIES			(92)		137
NON-CURRENT LIABILITIES					
Lease liabilities	19		-		(93)
PROVISIONS FOR LIABILITIES	13		(64)		(75)
NET LIABILITIES			(156)		(31)
CAPITAL AND RESERVES					
Called up share capital	14		-		-
Retained earnings	15		(156)		(31)
TOTAL DEFICIT			(156)		(31)

The notes on pages 12 to 24 form part of the financial statements.

The financial statements on pages 9 to 24 were approved by the Board and signed on its behalf on 23 July 2021 by:

P Hunter
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The company meets the definition of a qualifying entity for the purpose of FRS 101 (Financial Reporting Standard 101). The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and the Companies Act 2006. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to: the requirements of paragraphs 10 (d), 39 (c) and 134-136 of IAS 1 *Presentation of Financial Statements*, the requirements of paragraphs 30 and 31 of IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*; the requirements of IFRS 7 *Financial Instruments*, the requirements of paragraphs 134 (d) – 134 (f) and 135 (c) – 135 (e) of IAS 36 *Impairment of Assets*, the requirements in IAS 24 *Related Party Disclosures* and the requirements of IAS 8.30 and 31 on new and not yet effective standards.

The company is included in the consolidated financial statements of Gannett Co., Inc., that are available to the public (note 21). Where relevant, equivalent disclosures are made in the consolidated accounts including the presentation of a cash flow statement, the company has taken advantage of the exemption granted by Financial Reporting Standard 101 – 'Reduced Disclosure Framework' not to present a cash flow statement.

General economic conditions and COVID 19

The COVID-19 pandemic has brought a deep economic slowdown at an unprecedented rate to global markets, as broad swathes of the population curtail their activities to slow the spread of the virus. Among our top priorities has been to ensure the safety of our employees and to continue to deliver trusted, comprehensive content to our communities and support those businesses during this period. We moved quickly to implement work-from-home policies as well as implement UK government guidance in our production distribution facilities, which has allowed us to continue to provide our essential products and services. Our revenues have been significantly impacted and we have taken several measures designed to mitigate the impact on our operating performance and to strengthen the company's balance sheet and liquidity position. All non-essential travel and expenditure continues to be curtailed.

We implemented furloughs under the UK government's job retention scheme. Management took pay reductions and unpaid leave during 2020.

These measures have been essential to protect the company during these challenging times. Whilst the pandemic continues to bring significant disruption, the company remains optimistic about its ability to emerge from this crisis, particularly noting the support of its immediate parent company.

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

Going concern

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

The directors have received assurances from the company's immediate parent company that funds will be made available to enable the company to meet its liabilities as they fall due should the company not be able to fund its commitments from existing operations. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with Newsquest Media Group Limited and fellow subsidiaries.

On the basis of their assessment of the company's financial position, and the confirmation received from the immediate parent company, the company's directors have a reasonable expectation that the company will be able to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements, for the going concern period of at least until 31 July 2022.

Accounting period

The income statements cover the year from 1 January 2020 to 31 December 2020 and the year from 1 January 2019 to 31 December 2019. The balance sheets for 2020 and 2019 have been drawn up at 31 December 2020 and 31 December 2019 respectively.

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Judgements and key sources of estimation uncertainty

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

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Publishing and other rights

The company's intangible assets are publishing rights which are stated at fair value on acquisition with no subsequent revaluation. These publishing rights have no finite life and consequently are not amortised. The company does not capitalise internally generated publishing rights.

The carrying value of the publishing rights is reviewed for impairment at least annually with testing undertaken 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 publishing rights value in use. The latter is based on the net present value of estimated future cash flows discounted at the company's pre-tax weighted average cost of capital. Any impairment loss is recognised as an expense immediately.

For the purpose of impairment testing, publishing rights are allocated to each of the company's cash generating units. The directors consider the publishing rights to be one homogenous cash generating unit. The cash generating unit is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of the value of publishing rights and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Provisions for onerous leases and dilapidations

Where the company ceases to occupy a rented property for its trade, an estimate of the anticipated total future cost payable under the terms of the operating lease, including rentals, rates and other related expenses, is charged to the income statement at the point where the unavoidable costs of meeting the obligations under the lease exceed the economic benefits expected to be received under it. Where there is a break clause in the lease, rentals are provided for up to that point. In addition, an estimate is made of the likelihood of sub-letting the premises and any rentals that would be receivable from a sub-tenant. Where receipt of sub-lease rentals is considered likely, these amounts are deducted from the rentals payable by the group under the lease and provision charged for the net amount.

Under the terms of the company's property lease, it is required to return the property to its original condition at the lease expiry date. The company has estimated the expected costs of these dilapidations, set up an asset retirement obligation ('ARO') and amortises the ARO to the income statement over the period of the lease.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. Further details are contained in note 12.

Valuation of share-based payments

The company estimates the expected value of equity-settled share-based payments and this is charged through the income statement over the vesting periods of the relevant awards. The cost is estimated using a Black-Scholes valuation model. The Black-Scholes calculations are based on a number of assumptions and are amended to take account of estimated levels of share vesting and exercise.

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies
Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue is derived from advertising and publishing magazines and periodicals, and arises mainly in the United Kingdom.

Print advertising revenues and circulation revenues for paid-for magazines and periodicals are recognised upon publication.

Digital revenues are recognised on publication for advertising or delivery of the service for other digital revenues. The company recognises digital revenue from the display of graphical advertisements based on the actual impressions delivered in the period. An impression is delivered when an advertisement appears in pages viewed by users.

Revenues from barter transactions are recognised when the advertisements are published and are recorded at the fair value of goods or services received, in accordance with IFRS 15 '*Revenue from Contracts with Customers.*'

Royalties

Royalty income is recognised on an accruals basis in accordance with the relevant agreements and is included in other income.

Interest income

Interest income is recognised as the interest accrues using the effective interest method.

Operating loss

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

Exceptional items

The company presents as exceptional items those material items of income and expense which, because of the nature and expected frequency of the events giving rise to them, merit separate presentation to explain the elements of financial performance in the year and to facilitate comparison with prior periods.

Tangible fixed assets and depreciation

Property, plant and equipment are stated at cost, net of accumulated depreciation and any accumulated impairment losses. The company has elected, where appropriate, to use book values at the date of transition to FRS101 on 29 December 2014 as the "deemed" cost of plant, property and equipment. Consequently, any historic asset revaluations were not updated. In all other cases cost comprises the aggregate amount paid and the fair value of any other consideration given and includes costs directly attributable to making the asset capable of operating as intended. No depreciation is provided on assets in the course of construction.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Computer equipment	3 years
Other plant and machinery	3- 15 years
Asset retirement obligations	Over the duration of the lease

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Tangible fixed assets and depreciation (continued)

The carrying values of tangible fixed assets are reviewed for impairment, if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Trade and other debtors

Trade debtors do not attract any interest. They are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts. An allowance for impairment is made where there is an identified loss event which based on previous experience is evidence of a reduction in the recoverability of cash flows. Other debtors are provided for on an individual basis where there is evidence that an amount is no longer recoverable.

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is certain. The expense relating to any provision is presented in the income statement net of any reimbursement. When discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the period end date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax-based values used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax outcomes that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when the relevant requirements of IAS 12 are satisfied.

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Pensions

The company participates in a defined contribution pension scheme. Contributions are charged to the income statement for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions share price volatility has been considered, no account has been taken of any vesting conditions. No expense is recognised for awards that do not ultimately vest.

At each balance sheet date before vesting, the cumulative expense is calculated with reference to the vesting period expired. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry to reserves.

Recharges from the company's ultimate parent undertaking for the intrinsic value of the option on exercise, that is the difference between the market value on exercise and the option price is taken directly to retained earnings.

IFRS 16 'Leases'

The financial statements for the year ending 31 December 2019 were the first financial statements presented under IFRS 16. Lease agreements give rise to the recognition of an asset representing the right to use the leased item and a corresponding loan obligation for future lease payables. The company's accounting policy in respect of leases, from 1 January 2019, is set out below:

The company as a lessee

The company assesses whether a contract is or contains a lease, at inception of a contract. 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. The company's only lease is a building.

The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee at the commencement date of the lease (i.e. the date the underlying asset is available for use), except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the company recognises the lease payments as an operating expense within the income statement on a straight-line basis over the period of the lease.

At the commencement date of the lease, the lease liability is initially measured at the present value of lease payments to be made over the lease term, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method), and by reducing the carrying amount to reflect the lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option. Interest on the lease liability is presented within finance costs in the income statement.

When the lease liability is re-measured 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.

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

1. **ACCOUNTING POLICIES (CONTINUED)**

Significant accounting policies (continued)

IFRS 16 'Leases' (continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the corresponding 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The right-of-use assets are presented as a separate line in the balance sheet.

The company as a lessor

The company does not have any leases in which it was a lessor.

Government grants

Coronavirus Job Retention Scheme grants are amounts received from the Government for furloughed staff unable to work during the pandemic. These grants are recognised in the income statement to match them with the costs that they are intended to compensate for.

2. **TURNOVER**

The whole of the turnover is attributable to the principal activity of the company, being the publishing of magazines and periodicals, and arises in the United Kingdom, United States, Europe and Rest of the World as follows:

	2020	2019
	£'000	£'000
United Kingdom	1,968	3,394
United States	328	508
Europe	515	696
Rest of the World	489	901
	3,300	5,499

3. **OPERATING LOSS**

	2020	2019
The operating loss is stated after charging:	£'000	£'000
Depreciation of tangible fixed assets:		
- owned by the company	78	89
Exceptional restructuring costs	66	-

Fees for audit services for the entire Gannett U.K. Limited group totalling £566,000 (2019 - £546,000) were borne by Newsquest Media Group Limited in the current and prior period. In the prior year the company paid its allocation of the audit fees through the management charge.

Exceptional restructuring costs primarily relate to redundancy.

4. **STAFF COSTS**

	2020	2019
Staff costs were as follows:	£'000	£'000
Wages and salaries	1,278	1,928
Social security costs	148	213
Other pension costs – defined contribution scheme (note 17)	46	64
	1,472	2,205

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

4. STAFF COSTS (CONTINUED)

Included in wages and salaries is a total expense for share-based payments of £28,000 (2019 - £36,000), all of which arises from transactions accounted for as equity-settled share-based payment transactions. Recharges for the intrinsic value of options exercised in 2020 of £41,000 (2019 - £23,000) have been taken directly to reserves.

Included within staff costs is £99,000 of receipts the company received in the period from the Coronavirus Job Retention Scheme.

The average monthly number of full-time equivalent employees, excluding directors, during the period was as follows:

	2020 £'000	2019 £'000
Pre-press	1	1
Editorial	10	16
Marketing and sales	13	17
Distribution	-	2
Finance and management	8	7
	32	43

The directors receive no remuneration for their qualifying services to the company (2019 - £nil). All emoluments and pension payments made by related companies to the directors are dealt with in the accounts of Newsquest Media Group Limited.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £'000	2019 £'000
Interest receivable from group undertakings	-	9

In the current year, interest payable from group undertakings has been waived.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £'000	2019 £'000
Unwind of discount on provision (note 13)	1	1
Interest on lease liabilities (note 19)	12	23
	13	24

The comparative has been restated to reclassify the interest on lease liabilities, previously presented in administrative expenses.

7. TAXATION

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

	2020 £'000	2019 £'000
Current income tax credit/(charge):		
UK corporation tax at 19.00% (2019 – 19.00%)	-	-
Adjustment in respect of prior periods	-	-
	-	-
Deferred tax credit/(charge):		
Origination and reversal of temporary differences	9	10
Adjustment in respect of prior periods	1	(11)
Effect of change in tax rates	5	-
	15	(1)
Total income tax credit/(charge) reported in the income statement all relating to continuing operations	15	(1)

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

7. TAXATION (CONTINUED)

(b) Reconciliation of the total tax credit/(charge):	**2020 £'000**	**2019 £'000**
Loss from continuing activities before taxation	(127)	(266)
Tax on the losses on ordinary activities at the standard UK rate of corporation tax of 19.00% (2019 – 19.00%)	24	51
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax over/(under) provided in prior years	-	(11)
Effect of change in tax rates	5	-
Deferred tax change in rate from prior year	1	-
Tax effect of items that are not deductible or not taxable in determining taxable profit:		
Other non-deductible expenses	(3)	(11)
UK-UK transfer pricing adjustments	-	74
Difference between current tax rate and deferred tax rate in current period	-	(1)
Group relief surrendered for nil payment	(12)	(103)
Total income tax credit/(charge) reported in the income statement	15	(1)

Tax losses arising within the Gannett U.K. Limited group of companies are relieved amongst group companies. The principal factor that may affect tax charges in future periods is the basis on which tax losses are allocated within the group and the rate (if any) at which the company pays for those losses.

(c) Deferred tax in the income statement

The deferred tax included in the company income statement is as follows:

	2020 £'000	**2019 £'000**
Accelerated depreciation for tax purposes	9	10
Other timing differences	-	-
Adjustment in respect of prior periods	1	(11)
Effect of change in tax rates	5	-
	15	(1)

(d) Change in corporation tax rate

A corporation tax rate of 19% applies for the period 1 April 2017 to 31 March 2023. In the March 2021 Budget, the Chancellor announced that the rate of corporation tax will increase to 25% with effect from 1 April 2023.

8. INTANGIBLE ASSETS

	Licences to publishing rights £'000	**Publishing and other rights £'000**	**Total £'000**
Cost			
At 31 December 2020 and 31 December 2019	2,366	4,119	6,485
Amortisation			
At 31 December 2020 and 31 December 2019	2,366	4,119	6,485
Carrying amount			
At 31 December 2020 and 31 December 2019	-	-	-

On 24 September 2004 the company entered into a 25 year licence agreement with Newsquest Magazines Limited, granting the company the right to use certain publishing rights and related intellectual property of Newsquest Magazines Limited. On 12 April 2016 these titles, granted under licence, were transferred to the company by way of a deed of assignment.

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

8. INTANGIBLE ASSETS (CONTINUED)

Publishing rights and trademarks acquired through business combinations are considered by the directors to be a homogenous cash generating unit (CGU) due to customers acquiring advertising solutions in packages across titles, geographical areas and products.

The company tests the carrying value of the publishing rights for impairment annually or more frequently if there are indications that they might be impaired. The recoverable amount of the CGU is determined from value in use calculations. The continuing operating losses experienced by the company in the short term is a strong indicator of impairment until successive improvements in revenue and profitability can be demonstrated, as a consequence the publishing rights and trademarks have been fully impaired.

9. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 January 2020	339	111	450
Transfer to group company	-	(2)	(2)
At 31 December 2020	339	109	448
Depreciation			
At 1 January 2020	230	99	329
Charge for period	70	8	78
Transfer to group company	-	(2)	(2)
At 31 December 2020	300	105	405
Carrying amount			
At 31 December 2020	39	4	43
At 31 December 2019	109	12	121

Included in land and buildings are short leasehold improvements with a net book value of £25,000 (2019 - £69,000), and asset retirement obligations with a net book value of £14,000 (2019 - £40,000).

10. DEBTORS

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade debtors	87	99
Other debtors	3	10
Amounts owed by group undertakings	-	142
Prepayments and accrued income	203	356
	293	607

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Other creditors	30	54
Amounts owed by group undertakings	28	-
Other tax and social security	1	-
Accruals and deferred income	857	946
	916	1,000

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

12. DEFERRED TAX

Reconciliation of net deferred tax assets

	2020 £'000	2019 £'000
As at 31 December 2019	46	47
Tax income/(charge) recognised in the income statement (note 7)	15	(1)
As at 31 December 2020	61	46

The deferred tax included in the company balance sheet is as follows:

	2020 £'000	2019 £'000
Deferred tax asset		
Accelerated depreciation for tax purposes	61	46
Net deferred tax asset	61	46

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (before offset) for financial reporting purpose:

	2020 £'000	2019 £'000
Deferred tax assets:	61	46

13. PROVISIONS FOR LIABILITIES

	Leasehold property provision £'000
Analysed as:	
- Current	-
- Non-current	75
At 1 January 2020	75
Credit in the period	(9)
Utilisation	(3)
Unwind of discount on provisions (note 6)	1
At 31 December 2020	64
Analysed as:	
- Current	64
- Non-current	-
At 31 December 2020	64

The leasehold property provision is expected to be utilised over the terms of the relevant leases.

14. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Authorised:		
10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid:		
1 ordinary share of £1 each (2019 - 1)	1	1

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

15. RESERVES

	Share capital £'000	Retained earnings £'000	Total £'000
At 31 December 2018	-	223	223
Loss for the period	-	(267)	(267)
Share-based payment transactions (note 4)	-	36	36
Recharges from ultimate parent in respect of shares exercised (note 4)	-	(23)	(23)
At 31 December 2019	-	(31)	(31)
Loss for the period	-	(112)	(112)
Share-based payment transactions (note 4)	-	28	28
Recharges from ultimate parent in respect of shares exercised (note 4)	-	(41)	(41)
At 31 December 2020	-	(156)	(156)

16. OTHER COMMITMENTS

As a result of the adoption of the new lease accounting standard (IFRS 16) all operating lease commitments which meet the recognition criteria under IFR16 have been capitalised and are being amortised over the period of the lease in accordance with IFRS 16 requirements. At the end of the current and prior year end the company had no outstanding commitments for future minimum lease payments under non-cancellable operating leases which have not been accounted for under IFRS16.

At 31 December 2020 the company had no capital commitments (2019 - £nil).

17. PENSIONS

The company was formerly a member of the Newsquest Pension Scheme (''the Scheme''), which is a funded defined benefit scheme. On 6 December 2016 all liabilities arising from this membership of the Scheme were apportioned to Newsquest Media Group Limited and therefore no further liabilities are due from the company. Details of the Scheme, including particulars of the latest actuarial valuation, the existence of a surplus or deficit in the group, can be found in the financial statements of Newsquest Media Group Limited.

The company also participates in a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The costs for the year under this scheme were £46,000 (2019 - £64,000).

18. SHARE-BASED PAYMENTS

Restricted stock

Restricted stock are discretionary shares awarded to certain individuals out of the 2001 Omnibus Incentive Compensation Plan. Each share awarded entitles the employee to receive one share of Gannett Co., Inc.'s common stock on the expiration of the incentive period which vests 3 or 4 years after date of grant.

	2020 No.	2020 WASP*	2019 No.	2019 WASP*
Outstanding at 1 January 2020 and 1 January 2019	21,849	$6.28	19,289	$11.11
Granted during the year[1]	5,426	$6.08	9,655	$8.53
Forfeited	-	-	(444)	$10.81
Settled[2]	(9,094)	$6.28	(2,491)	$11.59
Transfers	-	-	(9,736)	$10.88
Outstanding at 31 December 2020 and 19 November 2019[3]	18,181	$6.22	16,273	$9.43
Stock adjustment[3]	-	-	7,037	$6.28
Settled[2]	-	-	(1,461)	$6.28
Outstanding at 31 December 2020 and 31 December 2019	18,181	$6.22	21,849	$6.28

*The weighted average share price (WASP) is the share price at the time the Restricted stock was granted, averaged over the number of shares outstanding at the balance sheet date.

[1] The weighted average fair value of Restricted stock granted in 2020 was $4.15 (2019 - $7.30).

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

18. SHARE-BASED PAYMENTS (CONTINUED)

[2] The weighted average share price of awards settled was $5.94 (2019 - $6.52 for grants vesting prior to 19 November 2019, $4.86 for awards vesting between 19 November 2019 and 31 December 2019).

[3] In the prior year, on 19 November 2019 the company's ultimate parent company, Gannett Co., Inc., was acquired by New Media Investment Group Inc. The combined entities retained the Gannett name and ticker (NYSE:GCI). On acquisition all shares previously granted were re-issued in the newly acquired Gannett company with a fair value of $6.28 and a multiplier of 1.4324 applied to the stock units.

19. RIGHT OF USE ASSETS AND LEASES LIABILITIES

The company adopted IFRS 16 'Leases' on 1 January 2019 using the modified retrospective transition method.

Carrying value of Right of Use Assets

	2020 £'000	2019 £'000
At 1 January 2020 and 1 January 2019	364	596
Depreciation expense	(232)	(232)
At 31 December 2020 and 31 December 2019	132	364

Carrying value of Lease Liabilities

	2020 £'000	2019 £'000
At 1 January 2020 and 1 January 2019	364	625
Accretion of interest (note 6)	12	23
Payments	(283)	(284)
At 31 December 2020 and 31 December 2019	93	364
Current	93	271
Non-current	-	93
Total lease liabilities included in balance sheet at 31 December	93	364

Lease liability maturity analysis – contractual undiscounted cash flows

	2020 £'000	2019 £'000
Less than one year	94	283
One to five years	-	95
Total undiscounted lease liabilities at 31 December	94	378

Amounts recognised in income statement

	2020 £'000	2019 £'000
Depreciation expense of right of use assets	232	232
Interest expense on lease liabilities	12	23
Expense relating to short term leases	1	1
Total amount recognised in P&L	245	256

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

20. RELATED PARTIES

The company is a wholly owned subsidiary included in the consolidated financial statements of its ultimate parent company. These financial statements are publicly available, therefore, the company has taken advantage of the exemption under paragraph 8 (k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries. The amounts from or due to group companies at the balance sheet date are shown in notes 10 and 11 respectively.

21. ULTIMATE PARENT COMPANY

The company's ultimate parent and controlling company is Gannett Co., Inc., a company incorporated in the United States of America. The intermediate parent and controlling entity in the United Kingdom is Gannett International Holdings LLP, a limited liability partnership incorporated in Great Britain and registered in England and Wales. The immediate parent is Newsquest Media Group Limited. The consolidated financial statements of Gannett Co., Inc. comprise the largest group of which the company is a member that prepares consolidated financial statements. The annual report and consolidated financial statements of Gannett Co., Inc. can be obtained from the Secretary, Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107 or online at www.gannett.com investor relations.

22. SUBSEQUENT EVENTS

There are no events subsequent to the year end to disclose.