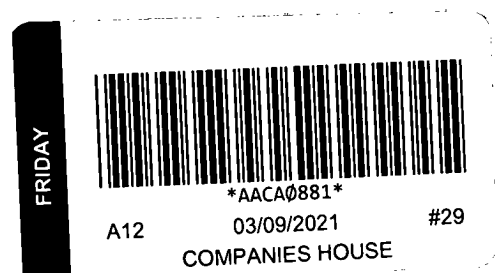


NEWSQUEST LIMITED

**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

STRATEGIC REPORT

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

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Newsquest Limited ("the company") is a wholly owned subsidiary undertaking of Gannett U.K. Limited (collectively with other subsidiaries "the group").

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

The company's subsidiaries operate within the publishing and printing industry.

The company has not traded during the period.

KEY PERFORMANCE INDICATORS

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

ANTI-CORRUPTION AND ANTI-BRIBERY

It is Newsquest's policy to conduct all business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, implementing, and enforcing effective systems to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. We remain subject to the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

COVID 19

Whilst the pandemic continues to bring significant disruption in 2021, the company remains optimistic about the future of its investments given the resilience of the businesses and fortitude of their staff to trade continuously and work tirelessly through this crisis. The nature and extent of the recovery of the UK economy is inherently uncertain but the operating subsidiaries have, with considerable efforts and support, been cash positive throughout 2020 and 2021 to date.

CORPORATE GOVERNANCE – S172 STATEMENT

The company has noted the Wates Corporate Governance Principles for large private companies, and s172 of the Companies Act 2006. Newsquest Limited's principal activity is that of a holding company and as such its strategic decisions are made by the same directors that are on the Newsquest Media Group Limited board. Details of the group's key principles of the business and comments on the actions taken around these in relation to the Wates Corporate Governance Principles are disclosed in the Strategic Report of Newsquest Media Group Limited.

This report was approved by the Board and signed on its behalf on 2 September 2021 by:



P Hunter

Director

DIRECTORS' REPORT

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

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company has not traded during the period.

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

DIRECTORS

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

A Engel	(resigned 14 April 2020)
B Wall	(resigned 30 January 2020)
H Faure Walker	
P Hunter	
P Bascobert	(appointed 30 January 2020, resigned 19 June 2020)
D Horne	(appointed 19 June 2020)
M Reed	(appointed 30 January 2020)

DIRECTORS' RESPONSIBILITIES

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

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

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

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

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.

General economic conditions and COVID 19

Our top priorities during the deep economic slowdown of the COVID 19 pandemic have been to ensure the safety of our employees whilst continuing to deliver trusted, comprehensive content to our communities. We have also worked hard to support local businesses throughout the pandemic, with a number of initiatives such as our *Love Local Business* campaign, packages of free or heavily discounted advertising and free digital marketing consultations to assist them in transitioning to e-commerce.

Our staff responded with great professionalism and resilience to the Covid crisis as we quickly implemented work-from-home policies as well as UK government guidance in our production distribution facilities, which has allowed us to continue to provide our essential products and services. Whilst the revenues of the operating subsidiaries have been significantly impacted, we took several measures designed to mitigate the impact on our operating performance and to strengthen the balance sheet and liquidity position of the group's principal operating subsidiary Newsquest Media Group Limited.

DIRECTORS' REPORT (CONTINUED)

General economic conditions and COVID 19 (continued)

We implemented furloughs under the UK government's job retention scheme, particularly in the first six months of lockdown and latterly mainly for staff that were shielding or had significant childcare issues during the closure of schools. This enabled us to delay restructuring and keep employing staff for longer than was otherwise viable. Management and staff on higher salaries took pay reductions, and senior management also took unpaid leave during 2020. Management and staff on higher salaries took pay reductions, and senior management also took unpaid leave during 2020. Management took significant steps to restructure the business by reducing costs, exiting property leases and selling non-core property assets.

Whilst the pandemic continues to bring significant disruption in 2021, the company remains optimistic about the future of its investments given the resilience of the businesses and fortitude of their staff to trade continuously and work tirelessly through this crisis. The nature and extent of the recovery of the UK economy is inherently uncertain but the operating subsidiaries have, with considerable efforts and support, been cash positive throughout 2020 and 2021 to date.

GOING CONCERN

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

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with Newsquest Media Group Limited and fellow subsidiaries. The Newsquest group continues to generate significant free cash flow.

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

This report was approved by the Board and signed on its behalf on 2 September 2021 by:



P Hunter
Director

INCOME STATEMENT

For the year ended 31 December 2020 (note 1)

	Notes	2020 £'000	2019 £'000
Impairment of investment in subsidiary undertaking	2,5	-	(5,000)
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	(5,000)
Income tax (charge)/credit	4	-	-
RESULT FOR THE FINANCIAL PERIOD	8	-	(5,000)

All the above transactions relate to continuing operations.

There were no 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 7 to 11 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 2018	-	15	15
Loss for the period	-	(5,000)	(5,000)
Issue of shares – see note (a) below	5,000	-	5,000
Capital reduction – see note (b) below	(5,000)	5,000	-
	<hr/>	<hr/>	<hr/>
At 31 December 2020 and 31 December 2019	-	15	15
	<hr/>	<hr/>	<hr/>

Note (a): In the prior year, on 13 November 2019, a special resolution was passed to increase the share capital by £5,000,000 through the issue of 500,000,000 special ordinary shares of £0.01 each to the shareholder, Gannett U.K. Limited.

Note (b): Following the completion of the above transaction, it was subsequently resolved on 13 November 2019 to reduce the share capital of the company by the cancellation of 500,000,000 £0.01 special ordinary shares and transfer these amounts to distributable reserves.

There is no Other Comprehensive Income in either period.

BALANCE SHEET
31 December 2020

	Note	£'000	2020 £'000	£'000	2019 £'000
FIXED ASSETS					
Investments	5		-		-
CURRENT ASSETS					
Debtors	6	15		15	
NET CURRENT ASSETS			15		15
NET ASSETS			15		15
CAPITAL AND RESERVES					
Share capital	7		-		-
Retained earnings	8		15		15
TOTAL EQUITY			15		15

These annual accounts have not been audited because the company is entitled to the exemption provided by s480 of the Companies Act 2006 and its members have not required the company to obtain an audit for these accounts in accordance with s476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 on accounting records and the preparation of accounts.

The financial statements on pages 7 to 11 were approved by the Board and signed on its behalf on 2 September 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 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 10). 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. The principal accounting policies adopted are set out under the notes below.

General economic conditions and COVID 19

Whilst the pandemic continues to bring significant disruption in 2021, the company remains optimistic about the future of its investments given the resilience of the businesses and fortitude of their staff to trade continuously and work tirelessly through this crisis. The nature and extent of the recovery of the UK economy is inherently uncertain but the operating subsidiaries have, with considerable efforts and support, been cash positive throughout 2020 and 2021 to date.

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.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with Newsquest Media Group Limited and fellow subsidiaries. The Newsquest group continues to generate significant free cash flow.

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

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 sheet for 2020 and 2019 has been drawn up as at 31 December 2020 and 31 December 2019 respectively.

Significant accounting policies

Investments

Investments held as fixed assets are stated at cost, less provision, if appropriate, for any impairment in value other than a temporary impairment in value.

The carrying value of its investment is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The recoverable amount is the net asset value of its subsidiary undertaking.

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.

NOTES TO THE ACCOUNTS
Year ended 31 December 2020

2. OPERATING LOSS

Operating loss is stated after charging:

	2020	2019
	£'000	£'000
Impairment of investment in subsidiary undertaking	-	5,000

3. EMPLOYEES AND MEMBERS

The company had no employees in the period.

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

4. TAXATION

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

	2020	2019
	£'000	£'000
Current income tax charge:		
UK corporation tax at 19.00% (2019 – 19.00%)	-	-
Adjustment in respect of current income tax in prior period	-	-
Total Income tax (charge)/credit reported in the income statement all relating to continuing operations	-	-

	2020	2019
	£'000	£'000
(b) Reconciliation of the total tax (charge)/credit:		
Loss from continuing activities before taxation	-	(5,000)
Tax on the losses on ordinary activities at the standard UK rate of corporation tax of 19.00% (2019 – 19.00%)	-	950
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Tax effect of items that are not deductible or not taxable in determining taxable loss	-	(950)
Total income tax (charge)/credit reported in the income statement	-	-

The entity does not have any deferred tax.

NOTES TO THE ACCOUNTS
For the year ending 31 December 2020

4. TAXATION (CONTINUED)

(c) 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.

5. INVESTMENTS

	Investments in subsidiary undertakings £'000
Cost	
At 1 January 2019	644,377
Capital contribution	5,000
	<hr/>
At 31 December 2020 and 31 December 2019	649,377
	<hr/>
Provisions	
At 1 January 2019	644,377
Investment write down	5,000
	<hr/>
At 31 December 2020 and 31 December 2019	649,377
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Carrying amount	
At 31 December 2020 and 31 December 2019	-
	<hr/>

On the 14 November 2019 the company received from Gannett U.K. Limited and made a capital contribution of £5,000,000 to its subsidiary, Newsquest Capital Limited. In preparing the prior year accounts to 31 December 2019 the directors impaired the company's investment in Newsquest Capital Limited by £5,000,000 as a result of the immense worldwide economic uncertainty created by the Coronavirus pandemic.

- (a) The wholly owned subsidiary companies of Newsquest Limited (all of which are incorporated in Great Britain and registered in England and Wales except for those marked with an asterisk which are registered in Scotland) at 31 December 2020 are as follows:

Name of company	Nature of business
Newsquest Capital Limited ¹	Holding company
Newsquest Media Group Limited	Holding company, printing and publishing
Newsquest Printing (Glasgow) Limited*	Holding company
Newsquest Specialist Media Limited	Publishing
Newsquest (Clyde & Forth Press) Limited*	Publishing
Sopress Investments Limited	Investment holding company

¹ Owned directly by the company.

- (b) The dormant subsidiary companies of Newsquest Limited (all of which are wholly owned indirectly and incorporated in Great Britain and registered in England and Wales except those marked with an asterisk which are registered in Scotland* and Northern Ireland**) at 31 December 2020 are as follows:

Name of Company	Name of Company
Newsquest (Essex) Limited	Newsquest Media (Southern) Limited
Newsquest (Herald & Times) Limited*	Newsquest (Midlands South) Limited
Newsquest (Herts and Bucks) Limited	LocalIQ Limited
Newsquest (London & Essex) Limited	William Trimble Limited**
Newsquest Pension Trustee Limited	WP Publishing

NOTES TO THE ACCOUNTS
For the year ending 31 December 2020

5. INVESTMENTS (CONTINUED)

- (c) Cumbrian Newspapers Limited, a dormant subsidiary company of Newsquest Limited (which was wholly owned indirectly and incorporated in Great Britain and registered in England and Wales) was dissolved on 7 January 2020.
- (d) The below list of dormant subsidiary companies of Newsquest Limited (all of which were wholly owned indirectly and incorporated in Great Britain and registered in England and Wales except those marked with an asterisk which were registered in Scotland*. Strike off paperwork was filed at Companies House in March 2021 with confirmation of dissolution received on 8 June 2021:

Name of Company	Name of Company
Forest Machine Journal Limited*	Newsquest (York) Limited
Newsquest (Berkshire) Limited*	This is Essex Limited
Newsquest (Oxfordshire & Wiltshire) Limited	

6. DEBTORS

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	15	15

7. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Authorised:		
18,933,738,206 ordinary shares of 1p each (2019: 18,933,738,206 ordinary shares of 1p each)	189,337,382	189,337,382
Allotted, called up and fully paid:		
1 ordinary share of 1p (2019: 1 ordinary share of 1p each)	-	-

In the prior year, on 13 November 2019, a special resolution was passed to increase the share capital by £5,000,000 through the issue of 500,000,000 special ordinary shares of £0.01 each to the shareholder, Gannett U.K. Limited.

Following the completion of the above transaction, it was subsequently resolved on 13 November 2019 to reduce the share capital of the company by the cancellation 500,000,000 £0.01 special ordinary shares and transfer these amounts to distributable reserves.

8. RESERVES

	Share capital £'000	Retained earnings £'000	Total £'000
At 31 December 2018	-	15	15
Loss for the period	-	(5,000)	(5,000)
Issue of shares – see note (a) below	5,000	-	5,000
Capital reduction – see note (b) below	(5,000)	5,000	-
At 31 December 2020 and 31 December 2019	-	15	15

Note (a): In the prior year, on 13 November 2019 a special resolution was passed to increase the share capital by £5,000,000 through the issue of 500,000,000 special ordinary shares of £0.01 each to the shareholder, Gannett U.K. Limited.

Note (b): Following the completion of the above transaction, it was subsequently resolved on 13 November 2019 to reduce the share capital of the company by the cancellation 500,000,000 £0.01 special ordinary shares and transfer these amounts to distributable reserves.

NOTES TO THE ACCOUNTS
For the year ending 31 December 2020

9. 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.

10. 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 company in the United Kingdom is Gannett U.K. Limited, a company incorporated in Great Britain and registered in England and Wales. The immediate parent is Gannett U.K. 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.

11. SUBSEQUENT EVENTS

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