

Registered No. 4040110

Archant Holdings Limited

Annual Report and Financial Statements

31 December 2016



Archant Holdings Limited

Registered No. 4040110

DIRECTORS

B G McCarthy
J L Henry

REGISTERED OFFICE

Prospect House
Rouen Road
Norwich
NR1 1RE

Archant Holdings Limited

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company is the holding company for the Archant group's trading operations.

The company and its subsidiaries will continue to seek and to implement initiatives to improve the productivity of the operating businesses, and to make acquisitions where they can add value to the group's existing portfolios.

The company's financial performance is dependent on interest received on inter company loan balances, dividends received from subsidiary undertakings, and the risk that the carrying values of the company's subsidiary undertakings may exceed their respective net asset values.

The company's key financial and other performance indicators are:

	2016 £	2015 £
Interest receivable on inter company loans	5,378,898	5,238,144
Net asset value of Archant Community Media Limited	97,691,628	98,499,855

Interest receivable on inter company loans rose by £140,754 as a result of higher loan balances with the parent undertaking.

Archant Community Media Limited (ACML), the company's principal trading subsidiary, generated a profit after tax in 2016 of £3,677,000 although its net asset value fell by £808,000. However, the net asset value of ACML and its subsidiary undertakings comfortably exceeds the carrying value of the company's investments in subsidiary

Archant Holdings Limited


STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Treasury management, associated risks and uncertainties

The bank facilities of the Archant group are managed centrally. The main risks that the Group faces from its treasury activities are liquidity risk and interest rate risk. The Group's treasury objective is to minimise borrowing costs and maximise returns on funds subject to short-term liquidity requirements.

The Company's liquidity risk arises from timing differences between cash inflows and outflows. These risks are managed for the Group by the Board of the parent company through committed short-term and long-term credit facilities. The Group's policy is to ensure continuity of funding and flexibility and to maintain sufficient cash balances and committed facilities to meet anticipated funding requirements. The Group's resources and the expected future cash flows are regarded as more than sufficient to meet the anticipated funding requirements of the Group for at least the next 12 months.

Signed on behalf of the Board



B G McCarthy
Director
20 July 2017

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report together with the financial statements for the year ended 31 December 2016.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £4,303,297 (2015: £4,177,420). Interim dividends of £nil have been paid (2015: £nil). The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who held office during the period were as follows :

B G McCarthy
J L Henry

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 the 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). 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 those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper 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.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

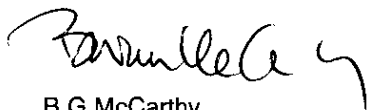
QUALIFYING THIRD-PARTY INDEMNITY PROVISIONS

It has been the practice of the Company to indemnify its directors in accordance with the Company's Articles of Association and to the maximum extent permitted by law. Indemnities that constitute qualifying third-party indemnity provisions as defined by section 234 of the Companies Act 2006 have been in place throughout the year and as at the date of this report remain in force. Under those indemnities the Company has indemnified the directors, in accordance with the Company's Articles of Association, in respect of liabilities that may attach to them in their capacity as directors of the Company or of associated companies.

GOING CONCERN

The directors believe that the Company has adequate resources and will have available to it sufficient future funding to enable it to continue in operational existence for the foreseeable future. The company's debtors are all due in more than one year, and Archant Limited has given a formal undertaking that it will provide financial support to enable the company to meet its liabilities as they fall due. Accordingly the directors have continued to adopt the going concern basis in preparing the accompanying financial statements.

By order of the board

A handwritten signature in black ink, appearing to read 'B G McCarthy', with a stylized flourish at the end.

B G McCarthy
Director

20 July 2017

Archant Holdings Limited

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Interest receivable	2	5,378,898	5,238,144
		<hr/>	<hr/>
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION	3	5,378,898	5,238,144
Tax on profit from ordinary activities	4	(1,075,601)	(1,060,724)
		<hr/>	<hr/>
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION	9	<u>4,303,297</u>	<u>4,177,420</u>

All income and expenses included in the profit and loss account relate to continuing operations.

There are no recognised gains or losses for the period other than those included in the profit and loss account above.

The notes on pages 9 to 13 form part of these financial statements.

Archant Holdings Limited

BALANCE SHEET AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Investment in subsidiary undertakings	6	109,783,933	109,783,933
CURRENT ASSETS			
Debtors - amounts falling due after one year	7	183,614,968	179,296,615
CREDITORS: Amounts falling due within one year	8	(1,075,780)	(1,060,724)
NET CURRENT ASSETS		182,539,188	178,235,891
TOTAL ASSETS LESS CURRENT LIABILITIES		292,323,121	288,019,824
NET ASSETS		292,323,121	288,019,824
CAPITAL AND RESERVES			
Called up share capital	9	55,320,129	55,320,129
Share premium account	10	102,499,998	102,499,998
Capital reserve	10	(385,553)	(385,553)
Profit and loss account	10	134,888,547	130,585,250
SHAREHOLDERS' FUNDS	10	292,323,121	288,019,824

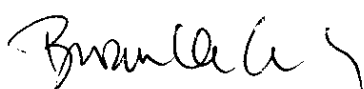
Audit Exemption Statement

For the period ended 31 December 2016, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

- the member has not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the Board of Directors on 20 July 2017 and are signed on their behalf by:



B G McCarthy
Director

The notes on pages 9 to 13 form part of these financial statements.

Archant Holdings Limited

Notes to the financial statements for the year ended 31 December 2016

1 CORPORATE INFORMATION

The financial statements of Archant Holdings Limited for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 20 July 2017. Archant Holdings Limited is an unlisted limited company incorporated and domiciled in England and Wales. Its registered office is located at Prospect House, Rouen Road, Norwich NR1 1RE.

The Company's principal activity during the year continued to be that of holding company to the Archant group's trading operations.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Archant Limited.

The results of the Company are included in the consolidated financial statements of Archant Limited which are available from The Registrar, Companies House, Crown Way, Maindy, Cardiff.

The principal accounting policies adopted by the Company are set out in Note 2.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ;

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Fixed asset investments

Investments in subsidiaries are stated at cost less amounts written off.

The carrying value of investments in subsidiary undertakings is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Archant Holdings Limited

Notes to the financial statements for the year ended 31 December 2016

3 INTEREST RECEIVABLE	2016	2015
	£	£

Interest receivable on intra group loan	<u>5,378,898</u>	<u>5,238,144</u>
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4 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

Directors' remuneration

Mr J L Henry and Mr B G McCarthy are or were also directors of the holding company and fellow subsidiaries. These directors received total remuneration for the year, including the value of all pension related benefits accruing during the year, of £861,791 (2015: £1,018,150) all of which was paid by the holding company or fellow subsidiaries. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

5 TAX ON PROFIT FROM ORDINARY ACTIVITIES	2016	2015
	£	£

UK corporation tax		
current year	1,075,780	1,060,724
adjustment for prior years	(179)	-
	<u>1,075,601</u>	<u>1,060,724</u>

Factors affecting current tax charge

The tax charge assessed on the profit on ordinary activities for the year is equal to the effective standard rate of corporation tax in the UK of 20% (2015: 20.25%).

Profit on ordinary activities before tax	<u>5,378,898</u>	<u>5,238,144</u>
Profit on ordinary activities multiplied by the effective standard rate of corporation tax in the UK	1,075,780	1,060,724
Adjustment for prior years	(179)	-
	<u>1,075,601</u>	<u>1,060,724</u>

Factors that may affect future tax charges

The Finance (No. 2) Act 2015 enacted on 18 November 2015 reduced the rate of UK Corporation Tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The Finance Act 2016 enacted on 15 September 2016 further reduced the rate from 1 April 2020 to 17%. Accordingly, deferred tax has been calculated at the tax rates that are expected to apply when the related asset is realised or liability is settled in these financial statements.

The above changes to the rates of corporation tax will impact the amount of future tax payments.

Archant Holdings Limited

Notes to the financial statements for the year ended 31 December 2016

6 INVESTMENT IN SUBSIDIARY UNDERTAKINGS	2016 £	2015 £
Investment at cost		
At 1 January and at 31 December	157,785,654	157,785,654
Impairment		
At 1 January and at 31 December	(48,001,721)	(48,001,721)
Net book value		
At 31 December	109,783,933	109,783,933

Archant BHGC Limited is a company limited by guarantee and holds the ordinary "B" shares in Archant Community Media Holdings Limited. The company has agreed that in the event of a winding up of Archant BHGC Limited to contribute to any deficiency in assets a sum not exceeding £100,000.

The British Connection Inc is incorporated in the United States of America. All of the company's other subsidiary undertakings are incorporated in England.

Other than Archant BHGC Limited, the company's subsidiary undertakings, all of which are wholly-owned, are:

<i>Subsidiary</i>	<i>Holding</i>	<i>Activity</i>
Archant Community Media Limited *	Ordinary shares	Publishing content in print, online, through mobile technologies, live events and printing.
Archant Community Media Holdings Limited **	Ordinary "A" shares	Holding company
Archant Properties Limited *	Ordinary shares	Property holding company
Mustard TV Limited *	Ordinary shares	Local television broadcaster
The British Connection Inc *	Ordinary shares	Magazine distribution
Archant Employee Benefit Trustee Company Limited	Ordinary shares	Corporate trustee company

* equity held by a subsidiary undertaking

** the company holds the entire issued share capital of Archant Community Media Holdings Limited through direct ownership of the "A" shares and indirect ownership of the "B" shares, held by Archant BHGC Limited.

In the opinion of the directors the value of the investments is not less than their book value.

Archant Holdings Limited

Notes to the financial statements for the year ended 31 December 2016

7 DEBTORS	2016 £	2015 £
Balances due from parent undertaking in more than one year	183,614,968	179,296,615
8 CREDITORS: Amounts falling due within one year	2016 £	2015 £
Corporation tax	1,075,780	1,060,724
9 CALLED UP SHARE CAPITAL	2016 £	2015 £
Allotted, called up and fully paid		
55,320,129 ordinary shares of £1 each (2015: 55,320,129 issued)	55,320,129	55,320,129

10 MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £	Share premium £	Capital reserve £	Profit and loss account £	Shareholders' funds £
At 1 January 2015	55,320,129	102,499,998	(385,553)	126,407,830	283,842,404
Profit for the year	-	-	-	4,177,420	4,177,420
At 31 December 2015	55,320,129	102,499,998	(385,553)	130,585,250	288,019,824
Profit for the year	-	-	-	4,303,297	4,303,297
At 31 December 2016	55,320,129	102,499,998	(385,553)	134,888,547	292,323,121

Archant Holdings Limited

Notes to the financial statements for the year ended 31 December 2016

11 CONTINGENT LIABILITY

The company, together with certain other companies in the Archant Group, has provided a floating charge over the undertaking, property, assets and rights of the company, and a cross guarantee to secure sums drawn by the Archant Group under the revolving credit facilities with The Royal Bank of Scotland plc. Details of the RBS facility are contained in the Archant Limited Group financial statements.

12 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly-owned subsidiaries of the Archant group nor with its parent company.

13 STATEMENT OF CASH FLOWS

The Company has taken advantage of the dispensation under paragraph 8(h) FRS 101 not to publish a cash flow statement. The cash flow statement of the Group is published in the financial statements of Archant Limited.

14 ULTIMATE PARENT UNDERTAKING

At 31 December 2016, the parent undertaking for which group financial statements are drawn up and of which the company was a member was Archant Limited, registered in England and Wales. Copies of that company's financial statements can be obtained from The Registrar, Companies House, Crown Way, Maindy, Cardiff.