Company Registration No. SC119193

MRP Holdings Limited

Annual Report and Financial Statements

For the 52 week period ended 30 December 2017

TUESDAY
L7CCKJUP
LD2 14/08/2018 #49
COMPANIES HOUSE

MRP Holdings Limited

Annual report and financial statements
For the 52 week period ended 30 December 2017

Contents

Contents	Page
Officers and professional advisers	1
Directors' report	2
Profit and loss account	5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

MRP Holdings Limited

Officers and professional advisers
For the 52 week period ended 30 December 2017

Directors
D J King

Company secretary
P M McCall

Registered office
8th Floor,
Orchard Brae House,
30 Queensferry Road,
Edinburgh,
Scotland,
EH4 2HS

Solicitors
MacRoberts
Capella
60 York Street
Glasgow
G2 8JX

MRP Holdings Limited

Directors' report
For the 52 week period ended 30 December 2017

The Directors, who are also Directors of the ultimate parent company Johnston Press plc ('the Group') present their annual report on the affairs of MRP Holdings Limited ('the Company'), together with the financial statements for the 52 week period ended 30 December 2017.

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

Activities and results
The Company has previously been dormant as defined in section 1169 of the Companies Act 2006 but was activated in the prior period by an impairment of intercompany receivables. In the current period there have been no transactions and the company has become dormant again as defined in section 1169 of the Companies Act 2006. It is anticipated that the Company will remain dormant for the foreseeable future.

The Company's ability to continue as a going concern is dependent on the continued operation of the Group and the outcome and timing of the Strategic Review and the associated material uncertainties described in the Group's Liquidity risk and going concern and Viability statement paragraphs of the Directors Governance report of the Group's Annual Report.

In the prior period, the Directors completed a review of Johnston Press plc's investment in subsidiaries, intangible assets and intercompany balances and impaired the investment in the ultimate parent Company's financial statements and intangible assets in the Group financial statements. The Directors of the Company also reviewed the Company's intercompany receivables and recorded a provision for impairment in the profit and loss account in the prior period. The recoverability of the intercompany receivables from the ultimate parent company is dependent on the outcome and timing of the Strategic Review and its impact on the settlement of the Group's £220 million 8.625% senior secured notes ('the Bond'), and was fully provided against in the period ended 31 December 2016.

The Company had no employees, other than the Directors, during either period. The Directors received no remuneration for their services to the Company in either period.

The profit/(loss) for the period is shown in the Profit and loss account on page 5.

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

The financial position of the Company is set out in the Balance sheet on page 7.

Johnston Press plc, the ultimate parent company of the Group, provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the Directors believe that performance indicators and principal risks or uncertainties specific to the Company are not necessary or appropriate for an understanding of the development, performance, position or future developments of the business. The publicly available annual report of Johnston Press plc reviews these matters on a Group basis (refer to Note 10).

Financial risk management and credit risk
The Company's principal assets subject to credit risk are intercompany receivables. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses short-term intercompany debt finance. The recoverability of intercompany balances are subject to risk as discussed in the going concern narrative and in Note 6 and recoverability is dependent on the outcome of the Strategic Review.

Liquidity and going concern

The Company is part of the Group, which has published its audited consolidated financial statements to 30 December 2017.

The Company's ability to continue as a going concern is dependent on the continued operation of the Group. The Company utilises intercompany funding provided to the Company by other Group companies.

As at 30 December 2017, the Group had net debt of £195.9 million (excluding mark-to-market accounting adjustment), comprising cash of £25 million, finance leases of £0.9 million and borrowings of £220 million. The borrowings comprise £220 million of high yield bonds ('the Bonds'), which are repayable on 1 June 2019 and are not subject to any financial maintenance covenants.

On 29 March 2017, the Group announced it had commenced a Strategic Review, working with its advisers NM Rothschild & Sons and Ashurst LLP, to assess the financing options open to the Group in relation to the Bonds. As a key part of this Strategic Review process, the Board has engaged with its major stakeholders, including shareholders, holders of the Bonds, the Pension Trustees and the Pensions Regulator.

On 10 October 2017, the Group announced that it was approaching its largest bondholders regarding the formation of an ad hoc committee of bondholders ('the Bondholder Committee') to consider in greater detail certain potential amendments to the Group's capital structure, combined with certain proposed amendments to the Group's pension scheme. On 2 November 2017, the Group confirmed that the Bondholder Committee had been formed.

As announced by the Group on 5 June 2018, no agreement on those potential amendments has been reached. However, the Group is continuing to work with the Bondholder Committee and its other stakeholders on a number of alternative strategic options for the repayment, restructuring, refinancing, satisfaction or other retirement of the Bonds prior to June 2019. As clarified in a further announcement on 5 June 2018, one of the strategic options being explored is a Regulated Apportionment Arrangement with the Pension Trustees and the Pension Regulator, in respect of which the Group has recently commenced discussions with the relevant parties.

The Board is satisfied with the constructive engagement of the Group's major stakeholders during the Strategic Review process. However, there can be no certainty that any formal proposal will be forthcoming from the Group's continued discussions with these stakeholders, and any formal proposal that may result will remain subject to negotiation and the consent of relevant stakeholders.

The Group has performed a review of its financial resources taking into account, inter alia, the cash currently available to the Group, the absence of financial maintenance covenants in the Bonds, and the Group's cash flow projections for the twelve month period from the date of this report, and, based on this review, and after considering reasonably possible trading downside sensitivities and uncertainties, the Board is of the opinion that, subject to the material uncertainty surrounding the Group's ability to refinance the Bonds at par in the market on commercially acceptable terms (referred to below), the Group has adequate financial resources to meet its operational cash flow requirements for the next twelve months from the date of this report. Subject to this material uncertainty, the Directors also anticipate that the Group will remain in a position to meet its obligations in respect of the Bonds, including with regard to the payment of interest, in the period prior to their maturity.

However, given the challenges faced by the newspaper and printing industry as a whole, the current trading experience of the Group, and the likely financial position of the Group at the time the Bonds are due for repayment in June 2019, there is material uncertainty surrounding the Group's ability to refinance the Bonds at par in the market on commercially acceptable terms. Failure to repay, refinance, satisfy or otherwise retire the Bonds at their maturity would give rise to a default under the indenture governing the Bonds dated 16 May 2014, and this possibility indicates a material uncertainty that may cast significant doubt on the Group's, and therefore the Company's, ability to continue as a going concern and if the Strategic Review does not deliver a solution for the Group, then the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Liquidity and going concern (continued)
The Company's ability to continue as a going concern is directly dependent on the outcome and timing of the Strategic Review. Notwithstanding, and subject to, this material uncertainty, taking into account that (i) the Strategic Review is ongoing, (ii) the Group has adequate financial resources to meet its operational cash flow requirements for the twelve month period from the date of this report, and (iii) the Group is, and is anticipated to remain, in a position to meet its obligations in respect of the Bonds in the period prior to their maturity, the Directors have concluded it is appropriate to prepare the Company financial statements on a going concern basis.

Directors
The Directors who served throughout the year were as follows:

A G M Highfield – resigned 5 June 2018

D J King

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

Future developments and events after the balance sheet date
On 5 June 2018 Ashley Highfield resigned from his positions as a Director of the Company and CEO and a director of the Group.

For details of the current status of the Strategic Review, please see the 'Liquidity and going concern' section of this Directors' report.

There are no other events subsequent to period end and up to the date of this report requiring disclosure.

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

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

D J King
Director
14 August 2018

MRP Holdings Limited

Profit and loss account
For the 52 week period ended 30 December 2017

	Notes	30 December 2017 £	31 December 2016 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Impairment of intangible assets	3	-	(9)
Impairment of intercompany receivables	3	-	(99,990)
Profit/(loss) on ordinary activitis before tax		-	(99,999)
Tax	4	-	-
Profit/(loss) for the financial period		-	(99,999)

The comparative numbers are for the 52 week period ended 31 December 2016.

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

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

MRP Holdings Limited

Statement of comprehensive income
For the 52 week period ended 30 December 2017

	30 December 2017 £	31 December 2016 £
Pofit/(loss) for the period	-	(99,000)
Total comprehensive income/(loss)	-	(99,000)
Profit/(loss) for the period attributable to:		
Equity shareholders of the company	-	(99,000)
	-	(99,000)
Total comprehensive income/(loss) for the period attributable to:		
Equity shareholders of the company	-	(99,000)
	-	(99,000)

The comparative numbers are for the 52 week period ended 31 December 2016.

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

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

MRP Holdings Limited

Balance sheet
As at 30 December 2017

	Notes	30 December 2017 £	31 December 2016 £
Fixed assets			
Investments	5	1	1
Non-current assets			
Debtors – due after more than one year	6	-	-
Net current assets		-	-
Total assets less current liabilities		1	1
Net assets		1	1
Capital and reserves			
Called-up share capital	7	100,000	100,000
Profit and loss account	8	(99,999)	(99,999)
Shareholder's funds		1	1

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

The comparative numbers are as at 31 December 2016.

The Company did not trade during the current period and has made neither profit nor loss, nor any other items of comprehensive income. MRP Holdings Limited is a dormant company, as defined by the Companies Act 2006, and elected to retain its accounting policies for reported assets, liabilities and equity at the date of transition to FRS 102 in accordance with the transition provisions in paragraph 35.10 in FRS 102.

For the year ended 30 December 2017 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts 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 accounts
- these accounts have been delivered and prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements of MRP Holdings Limited, registered number SC119193 were approved and authorised for issue by the Board of Directors on 14 August 2018 and signed on their behalf:

D J King
Director

MRP Holdings Limited

Statement of changes in equity
For the 52 week period ended 30 December 2017

	Called up share capital £	Profit and loss account £	Total £'000
At 1 January 2017	100,000	(99,999)	1
Profit for the financial period	-	-	-
Total comprehensive income for the period	-	-	-
At 30 December 2017	-	-	-

For the 52 week period ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total £
At 3 January 2016	100,000	-	100,000
Loss for the financial period	-	(99,999)	(99,999)
Total comprehensive loss for the period	-	(99,999)	1
At 31 December 2016	100,000	(99,999)	1

MRP Holdings Limited

Notes to the financial statements
For the 52 week period ended 30 December 2017

1. Accounting policies

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

General information and basis of accounting

MRP Holdings Limited is a private Company, limited by shares, incorporated and Registered in the United Kingdom under the Companies Act 2006. The address of the registered office is 8th Floor, Orchard Brae House, 30 Queensferry Road, Edinburgh, Scotland, EH4 2HS. The Company is a dormant non trading entity, whose principle assets and liabilities are held with fellow entities within the Group. The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash-flow statement, intra-group transactions and remuneration of key personnel.

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

Liquidity and going concern

The Company is part of the Johnston Press plc group ('the Group'), which has published its audited consolidated financial statements to 30 December 2017.

The Company's ability to continue as a going concern is dependent on the continued operation of the Group. The Company utilises intercompany funding provided to the Company by other Group companies.

As at 30 December 2017, the Group had net debt of £195.9 million (excluding mark-to-market accounting adjustment), comprising cash of £25 million, finance leases of £0.9 million and borrowings of £220 million. The borrowings comprise £220 million of high yield bonds ('the Bonds'), which are repayable on 1 June 2019 and are not subject to any financial maintenance covenants.

On 29 March 2017, the Group announced it had commenced a Strategic Review, working with its advisers NM Rothschild & Sons and Ashurst LLP, to assess the financing options open to the Group in relation to the Bonds. As a key part of this Strategic Review process, the Board has engaged with its major stakeholders, including shareholders, holders of the Bonds, the Pension Trustees and the Pensions Regulator.

On 10 October 2017, the Group announced that it was approaching its largest bondholders regarding the formation of an ad hoc committee of bondholders ('the Bondholder Committee') to consider in greater detail certain potential amendments to the Group's capital structure, combined with certain proposed amendments to the Group's pension scheme. On 2 November 2017, the Group confirmed that the Bondholder Committee had been formed.

As announced by the Group on 5 June 2018, no agreement on those potential amendments has been reached. However, the Group is continuing to work with the Bondholder Committee and its other stakeholders on a number of alternative strategic options for the repayment, restructuring, refinancing, satisfaction or other retirement of the Bonds prior to June 2019. As clarified in a further announcement on 5 June 2018, one of the strategic options being explored is a Regulated Apportionment Arrangement with the Pension Trustees and the Pension Regulator, in respect of which the Group has recently commenced discussions with the relevant parties.

The Board is satisfied with the constructive engagement of the Group's major stakeholders during the Strategic Review process. However, there can be no certainty that any formal proposal will be forthcoming from the Group's continued discussions with these stakeholders, and any formal proposal that may result will remain subject to negotiation and the consent of relevant stakeholders.

1. Accounting policies

Liquidity and going concern
The Group has performed a review of its financial resources taking into account, inter alia, the cash currently available to the Group, the absence of financial maintenance covenants in the Bonds, and the Group's cash flow projections for the twelve month period from the date of this report, and, based on this review, and after considering reasonably possible trading downside sensitivities and uncertainties, the Board is of the opinion that, subject to the material uncertainty surrounding the Group's ability to refinance the Bonds at par in the market on commercially acceptable terms (referred to below), the Group has adequate financial resources to meet its operational cash flow requirements for the next twelve months from the date of this report. Subject to this material uncertainty, the Directors also anticipate that the Group will remain in a position to meet its obligations in respect of the Bonds, including with regard to the payment of interest, in the period prior to their maturity.

However, given the challenges faced by the newspaper and printing industry as a whole, the current trading experience of the Group, and the likely financial position of the Group at the time the Bonds are due for repayment in June 2019, there is material uncertainty surrounding the Group's ability to refinance the Bonds at par in the market on commercially acceptable terms. Failure to repay, refinance, satisfy or otherwise retire the Bonds at their maturity would give rise to a default under the indenture governing the Bonds dated 16 May 2014, and this possibility indicates a material uncertainty that may cast significant doubt on the Group's, and therefore the Company's, ability to continue as a going concern and if the Strategic Review does not deliver a solution for the Group, then the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is directly dependent on the outcome and timing of the Strategic Review. Notwithstanding, and subject to, this material uncertainty, taking into account that (i) the Strategic Review is ongoing, (ii) the Group has adequate financial resources to meet its operational cash flow requirements for the twelve month period from the date of this report, and (iii) the Group is, and is anticipated to remain, in a position to meet its obligations in respect of the Bonds in the period prior to their maturity, the Directors have concluded it is appropriate to prepare the Company financial statements on a going concern basis.

Investments
Investments are stated at cost less provision for any impairment.

Financial assets and liabilities
Financial assets and financial liabilities are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Intercompany receivables and payables are presented net where particular balances are: held with the same counter party, are of similar nature, and the legal terms and conditions of the intercompany trading or loan balances allow for repayment on a net basis. All other intercompany receivable and payable balances are presented gross.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at each period end date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance for estimated irrecoverable amounts. Changes in the carrying value of this allowance are recognised in the Profit and loss account.

1. Accounting policies (continued)

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 Profit and loss account 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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies
Management have not made any significant judgements in accounting policies during the financial year.

Key source of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Intercompany debtors
The recoverability of the intercompany receivables from the parent company is dependent on the outcome and timing of the Strategic Review and its impact on the settlement of the Bond and has been provided against.

3. Profit/(loss) before taxation

Profit/(loss) before taxation is stated after charging:

	Notes	30 December 2017 £	31 December 2016 £
Impairment of intangible assets	5	-	10
Impairment of intercompany receivables	6	-	99,989

The auditor's remuneration in the prior period of £2,000 was borne by another group undertaking. The Company satisfied the audit exemption requirements as a dormant entity in the current period.

The Directors who held office were also Directors of the ultimate parent company, Johnston Press plc, or other fellow subsidiaries, and did not receive or accrue emoluments in respect of their services to the Company in either period. All remuneration was settled by other Group companies. Further details of the Directors' emoluments are included in the Johnston Press plc 2017 annual report (refer to Note 7).

The Company employed no staff during the period (31 December 2016: nil).

4. Tax on loss

The tax profit/(loss) comprises:

	30 December 2017 £	31 December 2016 £
Current tax on profit/(loss)		
UK corporation tax - current period	-	-
Total tax on profit/(loss)	-	-

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax of 19.25% (31 December 2016: 20.00%) to the profit/(loss) before tax is as follows:

	30 December 2017 £	31 December 2016 £
Profit/(loss) before tax	-	(99,999)
Tax on profit/(loss) at standard UK corporation tax rate of 19.25 % (31 December 2016: 20.00%)	-	20,000
Effects of:		
Expenses not deductible in determining taxable profits	-	(20,000)
Total tax profit/(loss) for the period	-	-

UK corporation tax is calculated at 19.25% (31 December 2016: 20.00%) of the reported result for the period. The 19.25% basic tax rate applied for the 2017 accounting year was a blended rate, being a mix of 20.00% up to 31 March 2017 and 19.00% from 1 April 2017 (31 December 2016: 20.00%).

MRP Holdings Limited

Notes to the financial statements (continued)
For the 52 week period ended 30 December 2017

5. Investments

The following are included in the net book value of investments:

	30 December 2017 £	31 December 2016 £
Cost		
As at start and end of financial period	10	10
Impairment		
As at start of the financial period	9	-
Charge	-	9
As at end of the financial period	9	9
Net book value	1	1

The Directors have completed a detailed review of the Company's investment balances and have made a provision for impairment of £9 in the prior year, writing down the carrying value to a nominal £1.

In the current period the provision has been retained against the investment.

The subsidiaries of the Company at 30 December 2017 are shown below. During the period Montrose Review Press Limited had their registered offices at 8th Floor, Orchard Brae House, 30 Queensferry Road, Edinburgh, Scotland, EH4 2HS.

Subsidiary undertakings	Principal activity	Country of incorporation	Types of Shares	Percentage Holding	Net deficit at 30 December 2017 £'000
Montrose Review Press Limited	Publisher	United Kingdom	Ordinary	100%	(100,000)

6. Debtors

	30 December 2017 £	31 December 2016 £
Amounts owed by group undertakings	99,990	99,990
Provision for impairment	(99,990)	(99,990)
	-	-

Intercompany balances are interest free and repayable on demand, they are controlled and managed centrally by the Group.

The Directors have performed an assessment of the recoverability of the Company's intercompany receivable balances. The recoverability of the intercompany receivables is dependent on the outcome and timing of the Strategic Review and its impact on the settlement of the Bond. The review resulted in the Company recording a provision against the intercompany receivable of £99,990 in the prior period. No impairment charge has been recorded in the current year.

7. Called-up share capital and reserves

	30 December 2017 £	31 December 2016 £
Allotted, called-up and fully paid:		
100,000 ordinary shares of £1 each	100,000	100,000

The company has one class of ordinary shares which carry no right to fixed income.

8. Reserves

	30 December 2017 £	31 December 2016 £
Profit and loss account	(99,999)	(99,999)

Profit and loss account relates to accumulated gains and losses and is not distributable.

9. Financial commitments and guarantees

Value added tax
The Company is registered for VAT purposes in a group of undertakings, which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group, and failure by other members of the group to meet their VAT liabilities would give rise to additional liabilities for the Company. At 30 December 2017 the total liability of the group amounted to £222,100 (31 December 2016: £956,000).

10. Immediate and ultimate parent company

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

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

11. Post balance sheet events

On 5 June 2018 Ashley Highfield resigned from his positions as a Director of the Company and CEO and a director of the Group.

For details of the current status of the Strategic Review, please see the 'Liquidity and going concern' section of the Directors' report on pages 2 to 4.

There are no other events subsequent to period end and up to the date of this report requiring disclosure.