Company Registration No. 01676637

NEWSQUEST MEDIA GROUP LIMITED

Annual Report and Financial Statements
for the year ended 31 December 2023

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

CONTENTS

Country of incorporation:

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

Registered address:

Newsquest Media Group Ltd, 1st Floor, Chartist Tower, Upper Dock Street, Newport, Wales, NP20 1DW

STRATEGIC REPORT

The directors present their reports and the audited financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE PROSPECTS

Newsquest Media Group Limited ("the company") is a diversified UK media business with expansive reach at the national and local level. We seek to inspire, inform, and connect audiences as a sustainable, growth focused media and digital marketing solutions company. We endeavour to deliver essential content, marketing solutions, and experiences for audiences and advertisers, leveraging our diverse teams and suite of products to enrich the local communities and businesses we serve. The company is one of the largest local news publishers in the UK with a portfolio of over 150 news brands as well as more than 70 magazines.

These financial statements are not consolidated accounts and therefore do not consolidate the results of all the operations in the UK of the Newsquest group of companies.

Trading and prospects

Against a backdrop of weak economic growth in the UK, the revenue and earnings achieved in 2023 demonstrate the considerable resilience of the Newsquest business. A clear strategy and deep expertise in local news publishing, delivered by a committed and skilled staff, has achieved a 2.5% growth in adjusted EBTIDA and improvement in profitability from 20.2% to 21.1%.

We are particularly pleased with the ongoing stability in Newsquest's revenues, which excluding acquisitions (so on a like for like basis) have been broadly flat for the last two years, a period where the wider news publishing industry has generally been experiencing significant revenue declines.

This revenue stability helps support our view that local news publishing does not have to be in decline – indeed our view is that, although the industry employs many fewer people than it used to in the print dominated era, and there are still risks and challenges, the local news sector is very much alive and kicking.

Getting to this more stable position has involved a lot of innovation, particularly in digital, with 50% of Newsquest's advertising revenues now from digital. We have much more to do, and there will continue to be pressures that we must navigate and develop further our new revenue streams, but we feel confident about the future.

Newsquest delivers high-quality, trusted content with a commitment to balanced, unbiased journalism, where and when consumers want to engage with it across multiple platforms. Our local journalists publish a lot of local stories in their communities up and down the country – in January 2024 for example, we published 48,230 local stories (i.e. 1,555 per day) and the essential role that our local news brands play in communities up and down the country grows from strength to strength. Audiences to our websites keep rising – over 50 million visitors a month as local people continue to seek out trusted and reliable news sources to keep them properly informed; and as always, our local journalists get to the heart of the story – celebrating local heroes, calling out wrong-doing and championing and galvanising communities behind important causes.

Whilst the overall size of the online audience is impressive, our core focus is reaching and building reader loyalty with the people who live within our title's local footprint. In this regard, the data shows that Newsquest's local news websites are extremely well read by in-market local people. For example:

- In York (which has an adult population of 148,000), Newsquest publishes the *York Press*. 78% (117,000 people) adults in York visit the *York Press* website at least once a month (source: Jicreg / Telmar), and the *York Press* website has over 30,000 extremely committed, loyal users (we define a loyal user as one that visits the site a minimum of 15 times a month).
- In Worcester, (which has an adult population of 106,000), Newsquest publishes the *Worcester News*. 73% (78,100 people) of Worcester adults visit the *Worcester News* website at least once a month (source: Jicreg / Telmar), and the *Worcester News* has 25,000 loyal users.
- In Wrexham (which has an adult population of 39,800, Newsquest publishes The Leader. 76% (30,143 people) of the people of Wrexham visit the Wrexham Leader website at least once a month (source: Jicreg / Telmar), and the Wrexham Leader has over 15,000 loyal users.

Although the UK economy continues to be soft, the group remains positive about the opportunities in 2024 given the resilience of the business and skills of its teams to build the necessary audience growth and deliver value for our advertisers.

Our on the ground advertising teams employ a multi-platform approach to advertising sales under the LOCALiQ brand, which can be specifically tailored to the individual needs of advertisers from small, locally-owned businesses to large, complex groups. Our experience has been that local advertisers without dedicated marketing resource often find it challenging to manage the complexity of their media budgets. Our sales force, trusted expertise, and broad portfolio of print and digital advertising solutions position us well to solve these challenges.

STRATEGIC REPORT (CONTINUED)

Trading and prospects (continued)

Growing our paid digital-only subscription business remains one of our top priorities given the highly recurring nature of this revenue, and in 2023, our paid digital-only subscriptions grew 41%, and the Newsquest group now has almost 100,000 paying digital subscribers to our news brands. We continue to believe we have significant opportunity to grow digital subscriptions further as we expand our content and our product offerings- this is despite the ongoing encroachment of the BBC which has the public subsidy of the licence fee to out compete with resources and duplicate the output of commercial news publishers such as Newsquest.

We continue to make the case to Government that the best way of supporting local journalism in the UK is through advertising. In 2022, the Government spent only 2.2% of its total ad spend on local news brands, despite the fact that local news brands reach 77% of the UK adult population. Shifting spend to local news brands is a win/win – Government gets a fantastic, cost effective, impactful and trusted communications platform – and it will support and help sustain local journalism.

Key performance indicators

Newsquest Media Group Limited’s key financial indicators were as follows:

	2023 £’000	**2022 £’000**	**Change**
Turnover	148,117	150,623	(1.7%)
Adjusted EBITDA**	31,194	30,429	2.5%
Adjusted EBITDA margin**	21.1%	20.2%	0.9

** Earnings before interest, tax, amortisation of intangible assets, depreciation on tangible fixed assets and right of use assets, restructuring costs, write-down of investments and share based payment charges (see note 3 (b)).

This does not include the EBITDA of unconsolidated subsidiaries.

Against a backdrop of an economy teetering on recession and very weak consumer confidence the revenue and earnings achieved in 2023 demonstrate the considerable resilience of the business. A clear strategy delivered by a committed and professional staff along with the diversity of our revenue streams and robust cost control has achieved the 2.5% growth in adjusted EBITDA and improvement in profitability from 20.2% to 21.1%.

On 1 January 2024 the company’s wholly owned subsidiary, Newsquest (Clyde & Forth Press) Limited transferred its business, trade, assets and liabilities to Newsquest Media Group Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

Consistent and sustainable revenue generation

The company along with its trading subsidiaries operate in a competitive and dynamic environment where maintaining and developing the interest of local audiences is critical to its commercial success in attracting advertisers and readers. Competing news platforms and alternative media impact the company’s ability to grow revenues.

The company manages this competitive risk by continually seeking to ensure its products meet the needs of the communities it serves and investing in digital services.

Pension funding

The company, as the principal employer of the Newsquest Pension Scheme (the Scheme), is ultimately responsible for meeting any deficit in the Scheme. On 31 March 2011 the Scheme closed the future accrual of pension benefits. Since 1 July 2018 annual increases in pension benefits have been with reference to CPI in all sections of the Newsquest Pension Scheme.

The last triennial funding valuation assessing the position of the Scheme as at 31 March 2021 showed a technical provisions deficit of approximately £50m. On 27 June 2022 the company and the Scheme Trustee agreed a schedule of contributions to 30 June 2027. The remaining deficit contributions are a one-off contribution of £5m which was paid in January 2024 and a contingent £5m contribution in January 2025. The contingent contribution is not expected to be necessary as the Scheme is more than 100% funded on the Trustee’s valuation criteria.

CORPORATE GOVERNANCE – S172 STATEMENT

The company has noted the Wates Corporate Governance Principles for large private companies and s172 of the Companies Act 2006, and in response to these has prepared the following statement to take the reader through the key principles of the business and make comment on the actions taken around these.

Purpose and Leadership

Newsquest was formed in 1996 as a management buy-out of Reed Regional Newspapers and was acquired by the Gannett Co., Inc in 1999.

STRATEGIC REPORT (CONTINUED)

CORPORATE GOVERNANCE – S172 STATEMENT (CONTINUED)

Purpose and Leadership (continued)

We aim to provide accurate reports of news, information and local life in the communities we serve, and to reflect the views of the community. Newsquest Editors have complete editorial independence and are free to edit as they see fit and do so in the interests of the individual communities they represent. Newsquest management does not interfere in editorial content decisions. Newsquest's editorial policy gives its editors the freedom to publish what they think is appropriate for their local community, thus maintaining plurality and diversity of local voices.

As a community focussed business our leadership model is a devolved one on a day-to-day basis, applied by regional business leaders, and supported by specialists and centralised support functions. Policy, goal setting, co-ordination and operating standards are the responsibility of the Board of Directors.

The Board's Approach

The board of our parent company Gannett Co., Inc. exercises governance over the entire group including Newsquest.

Newsquest's Board consists of four Directors, two of whom are representatives of the parent company Gannett being Gannett's CEO and CFO, alongside Newsquest's Chief Executive and Finance Director. The Board formally meet quarterly to review trading and forecasts and to discuss and define the business strategy. In between Board meetings a regular dialogue of updating on business developments takes place.

Regional business leaders meet collectively with the Chief Executive and Finance Director typically six times a year to discuss business development. Regional managing directors develop and review business plans with their management teams. The Chief Executive leads senior management meetings, typically monthly, to communicate the progress of the business operations.

The company holds an annual strategy day, attended by regional commercial and content leaders and central management. Business plans and ideas are discussed at this event, and the Board use it to set out more detail and context to the group's plans to a wider management group.

The Chief Executive and Finance Director receive regular and timely information on all key aspects of the business from the regional managing directors and the central group heads. This information includes, but is not limited to, risks and opportunities, environmental matters, health and safety, market conditions, significant developments, financial information and KPIs. Further oversight on the finance function is provided by Gannett's internal audit function.

Sustainability and the Environment

The company is conscious of the importance of good environmental practices and aims to achieve on-going improvement in environmental performance and to comply with all relevant regulations. Actions to improve sustainability are principally focussed on reducing energy consumption and waste. Further details are provided in the Streamlined Energy and Carbon Reporting (SECR) section in the Directors' report.

Key decisions made in the year

This year's budget was approved by the Board following a comprehensive review of our strategic priorities and risks to our business.

On 4 August 2023 the principal employer for the Orr Pollock & Company Limited Pension & Life Assurance Fund was changed from Newsquest (Clyde & Forth Press) Limited to Newsquest Media Group Limited, as a prelude to the transfer of that business to the company.

Capital allocation and dividend policy

Historically the majority of the company's cash flow has been prioritised to funding legacy pension commitments. Dividends are paid after taking account of likely future cash needs. Over the last 8 years pension contributions of £143.5m have been made compared to dividends of £93.3m. On the basis that the Scheme is now fully funded further contributions beyond the £5m paid in January 2024 are not anticipated.

There have been no other significant capital allocations in the year, and no significant capital projects have been undertaken.

This report was approved by the Board and signed on its behalf on 9 September 2024.

P Hunter
Director

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2023.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation amounted to £28,262,000 (2022 - £24,355,000).

Dividends of £38,000,000 were paid during the period (2022 - £17,000,000). As stated on the previous page the cumulative amount of pension contributions to the closed Newsquest Pension Scheme over the past eight years is £143,533,000 compared to £93,257,260 of dividends. The directors do not recommend a final dividend (2022 - £nil).

FUTURE DEVELOPMENTS

The persistence of inflation to be above the Bank of England's target of 2%, particularly in the services sector wage negotiations is deferring interest rate cuts, cycling into subdued consumer confidence and almost zero economic growth. All of these factors continue to put significant pressure on the business in 2024. Despite these economic challenges, the company remains positive about the opportunities for 2024 given the resilience of the business and skills of its teams to drive the necessary audience growth and deliver the value sought by our advertisers. The company will be competitive on pay reviews to make sure the employees delivering the results for the business are retained throughout the organisation, this can only be achieved by continuing to re-engineer the business to take out inefficient costs. These measures are essential to keep the company on track with its digital strategy to deliver long term stability for the benefit of all stakeholders. We have strong local brands for local businesses to market their goods and services.

The Directors expect the company's activities to continue for the foreseeable future.

DIRECTORS

The directors who served during the period and up to the date of signing the financial statements are listed below.

H Faure Walker
D Horne
P Hunter
M Reed

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company 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 directors' report.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company and its trading subsidiaries made no political contributions.

During 2023 charitable contributions of £10,330 (2022 - £14,549) were made by the company and its trading subsidiaries. In addition, editorial support was provided to many local charitable initiatives.

Starting in January 2024 and running throughout the whole of 2024, Newsquest is working with the NSPCC, the UK's leading children's charity, to help support it in its 140th anniversary year. Central to the partnership is Newsquest gifting the charity with advertising across its extensive portfolio of titles, online and in print.

This will be the largest ever initiative Newsquest has run in support of a single charity.

The partnership will include a series of advertising and editorial activities throughout 2024, with the aim to drive more public awareness and funding for the charity. These include supporting NSPCC initiatives such as promoting local workshops and digital training sessions to help people spot the signs of abuse and neglect, ongoing appeals such as legacy giving as well as Newsquest staff participating in volunteering and fundraising during the year.

The company also continues with the successful programme of offering all employees the opportunity to work for a local charity of their choice for one day a year without loss of salary.

DIRECTORS' REPORT (CONTINUED)

DISABLED PERSONS AND DIVERSITY

It is the policy of the group 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.

The company's diversity and inclusion committee is working with human resources to build on existing best practices, raising awareness and communicating about diversity and inclusion throughout the business.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and 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 period. 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, in conformity with the requirements of the Companies Act 2006 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.

RESEARCH AND DEVELOPMENT

Research and Development activity related to the continuing development of Newsquest's internal use editorial software and the functionality and features of websites. Newsquest is also in the process of developing a memorials platform to improve and enhance everyone's experience.

GOING CONCERN

The Directors have made an assessment in preparing these financial statements as to whether the company and its subsidiaries (the "group") are a going concern. The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The group meets its funding requirements through existing cash balances and cash generated from operations.

The company's diverse revenue streams, from print and digital advertising to circulation along with wide geographical dispersion provide a degree of resilience. The business has demonstrated a long track record of ability in adjusting its business model and cost base to maintain positive cash generation in the event of lower revenues.

The Directors regularly assess cash flow forecasts, including stress testing, which cover a period of more than twelve months from the date of approval of these financial statements. These forecasts indicated the company has adequate cash resources to maintain the group as a going concern without factoring in any benefit from asset disposals. At the time of signing these financial statements the group has access to £15m of unrestricted liquid resources, and to date EBITDA is significantly ahead of budget.

DIRECTORS' REPORT (CONTINUED)

GOING CONCERN (CONTINUED)

On this basis the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis, for the going concern period until 31 December 2025.

EMPLOYEE ENGAGEMENT

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 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.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Our environment

The company recognises its responsibility to minimise its impact on the natural environment and is conscious of the importance of good environmental practices. The company aims to achieve on-going improvement in environmental performance and to comply with all relevant regulations. Actions to improve sustainability are principally focussed on reducing energy consumption and waste.

Energy Consumption and Carbon Emissions

The company is committed to improving its operational energy efficiency year on year. A register of energy efficiency measures has been compiled, to implement these measures in the next five years.

Measures ongoing and undertaken through 2023:

Renewable Energy Procurement

In 2023 the company continued to procure energy from strictly renewable sources for nearly all sites that we had control over through purchasing energy through Renewable Energy Guarantee of Origin (REGO) contracts with our supplier. Whilst not applying to all sites, the procurement has had a significant impact on market-based emissions and has reduced emissions considerably.

Print Sites Switch off Initiative

During 2023, a conscientious effort has been made to switch off all nonessential print plant equipment outside of working hours. This initiative has contributed to the 18.3% reduction in grid supply energy consumption and is anticipated to save further energy consumption and emissions for the company outside of office hours.

Move to Digital

The company has continued transitioning to digital solutions in 2023 leading to lower print runs and paginations which has saved on energy consumption and emissions that would have otherwise been used when printing.

Reduction in Office Size

The company decreased the size of office space by 3.2% in the year. This resulted in a reduction of area needing to be lit and kept running during office hours which has made the office space more energy efficient.

Environmental Management System Implementation

The company has maintained ISO 14001 certification in all of its print sites, as a result, there is a constant review process of energy usage throughout, ensuring continuous improvement in the operation of energy consuming plant.

Measures prioritised for implementation in 2024:

New Printer Contract

In 2024, the company reduced the number of printers with a new printing contract from 200 to 74. The printers installed are more energy efficient than the previous models.

DIRECTORS' REPORT (CONTINUED)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (CONTINUED)

Energy Consumption and Carbon Emissions (continued)

Measures prioritised for implementation in 2024 (continued):

Solar Panels

The company is actively seeking out opportunities for renewable energy from alternative sources. In 2024 the company is aiming to install solar panels at the Weymouth site.

Oxford Air Conditioning

Newsquest plans to replace the older, inefficient air conditioning units at the Oxford printing site with new, more energy-efficient units in 2024. This will decrease energy usage at the site while also reducing CO^2 emissions.

Electric Forklift Trucks

Planned for 2024, the company will begin phasing out propane forklift trucks with electric forklifts. This will have a positive impact on reducing transport and fuel emissions.

Greenhouse gas emissions

We report Scope 1, 2 and 3 emissions defined by the Greenhouse Gas protocol as follows:

- Scope 1 (Direct emissions): consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets;
- Scope 2 (Indirect emissions): consumption of purchased electricity, heat and steam; and
- Scope 3 (Emissions resulting from sources not directly owned by the company): for Newsquest, this is related to grey fleet (business travel undertaken in employee-owned vehicles) only.

Energy Consumption

Consumption data in respect of the 2023 reporting period was as follows:

Consumption	kWh*	kWh*	Increase/
	2023	**2022**	(decrease) %
Grid-Supplied Electricity (Scope 2)	7,860,850	9,616,899	(18.3%)
Gaseous and other fuels (Scope 1)	2,653,670	2,896,253	(8.4%)
Transportation (Scope 1 and 3)	2,094,526	1,703,962	22.9%
Total Consumption	**12,609,046**	**14,217,114**	**(11.3%)**

* Kilowatt-hour of energy

Greenhouse gas emissions data

Emissions data in respect of the 2023 reporting period was as follows:

Emission Type	tCO2e*	tCO2e*	Increase/
	2023	**2022**	(decrease) %
Grid-Supplied Electricity (Scope 2)	1,627.78	1,859.72	(12.5%)
Gaseous and other fuels (Scope 1)	493.73	531.32	(7.1%)
Transportation (Scope 1 and 3)	485.50	397.49	22.1%
Total Emissions	**2,607.01**	**2,788.53**	**(6.5%)**

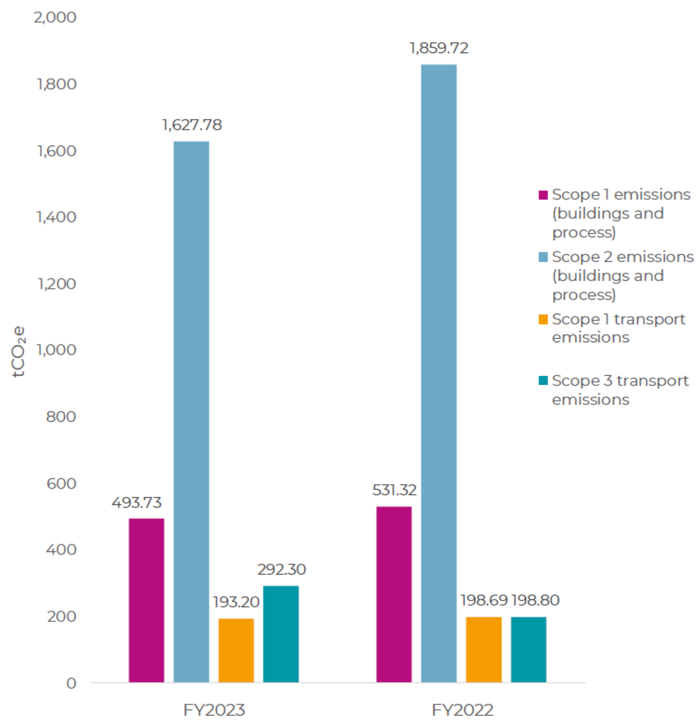
* Tonnes of carbon dioxide equivalent

Year on year both total consumption and total emissions have fallen by 11.3% and 6.5% respectively.

DIRECTORS' REPORT (CONTINUED)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (CONTINUED)

Scope 1, 2 and 3 emissions (tCO2e)



Intensity Ratio

The table below shows an intensity metric of tCO_2e per £m revenue as well as a further metric of tCO_2e per average full-time equivalent employees (FTE).

Intensity Metrics	**Location-based tCO2e**		**Market-based tCO2e**	
	FY2023	**FY2022**	**FY2023**	**FY2022**
Average FTE	1,509	1,504	1,509	N/A
All Scopes tCO2e per Average FTE	1.73	1.85	0.73	N/A
Percentage change (FTE)	**(6.49%)**		**N/A***	
Total Turnover (£m)	148.12	150.62	148.12	N/A
All Scopes tCO2e per Turnover (£m)	17.60	18.51	7.48	N/A
Percentage change (Turnover)	**(4.92%)**		**N/A***	

*Market-based emissions were not calculated for FY2022.

Market-based Emissions

Market-based emissions demonstrate the carbon reduction achieved by renewable electricity procurement.

Utility and Scope	Consumption tCO2	Consumption tCO2
	2023	**2022**
Grid-Supplied Electricity (Scope 2)	128.69	N/A*
Total Emissions	**128.69**	**N/A***

* Market-based emissions are reported in tCO2 only and reflect the specific emissions associated with a REGO-backed electricity contract. See the Methodology below.

**Market-based calculations were not conducted for Newsquest Media Group Limited 2022 SECR.

DIRECTORS' REPORT (CONTINUED)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (CONTINUED)

Market-based Emissions (continued)

Market-based emissions have been included for the first time in 2023 for the company. Market-based emissions were calculated using the Renewable Guarantee of Origin (REGO) backed billing provided by the company's supplier Drax Energy Solutions Limited. REGO backing accounts for nearly all sites that the company had control over energy procurement for. Sites that the company did not have oversight of (such as landlord supplies) were calculated by utilising the supplier-specific CO2 emission factor or fuel mix (a breakdown of various renewable and non-renewable energy sources that compose the total energy supplied) published by each supplier the company had procured from.

These factors were utilised alongside the residual grid fuel mix factor provided by the Association of Issuing Bodies (AIB) for buildings used by the company but operated by a landlord where the energy supplier details could not be attained. This was calculated against the total electricity consumption of the company in 2023.

Scope and Methodology:

This SECR (including the Scope 1, 2 and 3 consumption and CO2e emissions data) has been developed and calculated using:

- GHG Protocol –A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004);
- Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015);
- ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019); and,
- Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

The period of the SECR is from 1 January 2023 to 31 December 2023. This includes emissions under Scope 1, 2 and 3, except where stated.

Scope 1, 2 and 3 consumption and CO2e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. Emissions Factor Database 2023 version 1.1 has been used, based on the published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for reporting period 01/01/2023 – 31/12/2023.

Estimations undertaken to cover missing billing periods for properties directly invoiced to the company were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 5.0% (2022 – 9.0%) of reported consumption.

Intensity metrics have been calculated utilising the 2023 and 2022 reportable figures respectively for turnover and full-time equivalents. The tCO2e for both individual sources and total emissions has been divided by these metrics to determine the tCO2e per metric.

SUBSEQUENT EVENTS

On 1 January 2024 the trade, assets and liabilities of a subsidiary entity, Newsquest (Clyde & Forth Press) Limited, were transferred to the company at book value.

On 12 January 2024 the Company paid a £5,000,000 pension contribution to the Newsquest Pension Scheme in accordance with the Schedule of Contributions.

On 9 April 2024, 26 June 2024 and 23 August 2024, Newsquest Media Group Limited, paid dividends of £10,000,000, £5,000,000 and £7,500,000 respectively, to the company's ultimate parent company, Gannett Co., Inc.

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 4. Having made enquires 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

The auditors, Grant Thornton UK LLP were appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf on 9 September 2024.

P Hunter
Director

Opinion

We have audited the financial statements of Newsquest Media Group Limited (the 'company') for the year ended 31 December 2023, which comprise the income statement, the statement of comprehensive income, the statement of changes in equity, the balance sheet and notes to the financial statements, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as cost of inflation, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our 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 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

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 the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 the directors' report.

Matters on which we are required to report by exception

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 set out on page 5, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most 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 regulations in the United Kingdom. In addition, the company must comply with laws and regulations relating to its operations, including UK General Data Protection Regulation;
- We obtained an understanding of how the company is complying with these legal and regulatory frameworks by making enquiries to management. We corroborated our enquiries through our review of board minutes and communications with relevant authorities.

Auditor's responsibilities for the audit of the financial statements (continued)

- We assessed the susceptibility of the company's financial statements to material misstatement including how fraud might occur. Audit procedures included:
  - identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud and the adequacy of procedures for authorisation of transactions and internal review procedures;
  - understanding how management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - challenging assumption and judgements made by management in its significant accounting estimates;
  - identifying and testing journal entries, in particular, any journal entries posted with large values or those posted at the year-end;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement leader assessed whether the engagement team collectively had the appropriate competence and capabilities, including consideration of the engagement team's understanding of and practical experience with audit engagements of a similar nature and complexity, knowledge of the industry in which the company operates, and understanding of the legal and regulatory requirements specific to the company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Sergio Cardoso
Partner
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

9/9/2024

INCOME STATEMENT
For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
TURNOVER	2	148,117	150,623
Cost of sales		(32,498)	(33,801)
GROSS PROFIT		115,619	116,822
Selling and distribution costs		(24,901)	(26,411)*
Administrative expenses		(66,300)	(65,643)*
OPERATING PROFIT FROM CORE BUSINESS	3	24,418	24,768
Restructuring costs	3	(792)	(863)
Write down of investment in subsidiaries	3, 12	-	(25)
OPERATING PROFIT	3	23,626	23,880
Profit on disposal of property	11	-	746
Other finance income	23	2,622	2,136
Income from fixed asset investments	6	7,244	1,633
Interest receivable and similar income	7	943	162
Interest payable and similar expenses	8	(443)	(527)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,992	28,030
Income tax charge	9	(5,730)	(3,675)
PROFIT FOR THE FINANCIAL PERIOD	21	28,262	24,355
STATEMENT OF OTHER COMPREHENSIVE INCOME/(LOSS):			
Items that will not be reclassified to profit or loss			
Actuarial loss due to liability experiences	23	(7,080)	(36,866)
Actuarial (gain)/loss due to pension liability assumption changes	23	(6,256)	302,011
Return on pension plan assets less than discount rate	23	(4,631)	(329,494)
Change in irrecoverable surplus	23	(23)	-
Deferred tax credit on items relating to components of other comprehensive loss	9, 17	4,498	15,656
Other comprehensive loss for the year, net of tax	21	(13,492)	(48,693)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		14,770	(24,338)

*To be comparable with current allocations of overheads, selling and distribution costs have been restated from £28,348,000 to £26,411,000, and administrative expenses has been restated from £63,706,000 to £65,643,000.

The notes on pages 17 to 42 form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Share capital £'000	Retained earnings £'000	Total £'000
At 31 December 2021	-	189,567	189,567
Profit for the year	-	24,355	24,355
Dividends paid (note 20)	-	(17,000)	(17,000)
Other comprehensive loss	-	(48,693)	(48,693)
Share-based payment transactions (note 4)	-	1,228	1,228
Payment to ultimate parent in respect of shares exercised (note 4)	-	(1,375)	(1,375)
At 31 December 2022	-	148,082	148,082
Profit for the year	-	28,262	28,262
Dividends paid (note 20)	-	(38,000)	(38,000)
Other comprehensive loss	-	(13,492)	(13,492)
Share-based payment transactions (note 4)	-	1,104	1,104
Payment to ultimate parent in respect of shares exercised (note 4)	-	(750)	(750)
At 31 December 2023	-	125,206	125,206

BALANCE SHEET
31 December 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
FIXED ASSETS					
Intangible assets	10		28,732		26,253
Tangible fixed assets	11		20,330		23,292
Right-of-use assets	25		5,803		7,031
Investments	12		7,344		7,344
			62,209		63,920
CURRENT ASSETS					
Stock	13	993		1,239	
Debtors: amounts falling due within one year	14	50,281		46,041	
Debtors: amounts falling due after more than one year	14	-		7,426	
Cash at bank and in hand		14,378		22,376	
		65,652		77,082	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	15	(22,159)		(23,336)	
Lease liabilities	25	(1,080)		(1,012)	
NET CURRENT ASSETS			42,413		52,734
NON-CURRENT ASSETS					
Deferred tax assets	17	7,407		8,217	
Pension surplus	23	37,602		52,970	
			45,009		61,187
TOTAL ASSETS LESS CURRENT LIABILITIES			149,631		177,841
NON-CURRENT LIABILITIES					
Creditors: amounts falling due after more than one year	16	(1,039)		(15)	
Deferred tax liabilities	17	(18,156)		(23,430)	
Lease liabilities	25	(3,101)		(4,134)	
			(22,296)		(27,579)
PROVISIONS FOR LIABILITIES	18		(2,129)		(2,180)
NET ASSETS			125,206		148,082
CAPITAL AND RESERVES					
Called up share capital	19		-		-
Retained earnings	21		125,206		148,082
TOTAL EQUITY	21		125,206		148,082

The notes on pages 17 to 42 form part of the financial statements.

The financial statements on pages 14 to 42 were approved by the Board of Directors and were signed on its behalf on 9 September 2024 by:

P Hunter
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

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 exempt from preparing group financial statements under Section 401 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking. Accordingly, these financial statements present information about the company and not its Group. Gannett Co. Inc., the ultimate parent company publishes consolidated financial statements which includes the cash flows of the company. The company has therefore taken advantage of the exemption granted by Financial Reporting Standard 101 – 'Reduced Disclosure Framework', to not present a cash flow statement.

General economic conditions

The persistence of inflation to be above the Bank of England's target of 2%, particularly in the services sector wage negotiations is deferring interest rate cuts, cycling into subdued consumer confidence and almost zero economic growth. All of these factors continue to put significant pressure on the business in the first half of 2024.

Despite these economic challenges, the company remains positive about the opportunities for 2024 given the resilience of the business and skills of its teams to drive the necessary audience growth and deliver the value sought by our advertisers. These results continue to be achieved by the hard work of our employees to deliver a dedicated and committed service to our local communities and businesses combined with efficiencies and restructuring to drive down costs. This is essential to keep the company on track with its digital strategy to deliver long term stability for the benefit of all stakeholders.

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

Going concern

The Directors have made an assessment in preparing these financial statements as to whether the company and its subsidiaries (the "group") are a going concern. The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The group meets its funding requirements through existing cash balances and cash generated from operations.

The company's diverse revenue streams, from print and digital advertising to circulation along with wide geographical dispersion provide a degree of resilience. The business has demonstrated a long track record of ability in adjusting its business model and cost base to maintain positive cash generation from lower revenues.

The Directors regularly assess cash flow forecasts, including stress testing, which cover a period of more than twelve months from the date of approval of these financial statements. These forecasts indicated the company has adequate cash resources to maintain the group as a going concern without factoring in any benefit from asset disposals. At the time of signing these financial statements the group has access to £15m of unrestricted liquidity resources.

On this basis the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis, for the going concern period until 31 December 2025.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

1. ACCOUNTING POLICIES (CONTINUED)

Accounting period

The income statements cover the year from 1 January 2023 to 31 December 2023 and the year from 1 January 2022 to 31 December 2022. The balance sheets for 2023 and 2022 have been drawn up at 31 December 2023 and 31 December 2022 respectively.

Critical judgements in applying the Company's accounting policies

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported results or net position of the company, should it later be determined that a different choice be more appropriate. Management considers the following to be areas of significant judgement and estimation for the group due to greater complexity and/or particularly subject to the exercise of judgement.

Judgements in applying accounting policies

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 year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors highlight the following judgements made in preparing these financial statements.

- Determining whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Recognising provisions at the date of the Balance Sheet which are detailed in note 18 and include amounts for property dilapidations. Although provisions and liabilities are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgmental nature of these items means that future amounts settled may be different from those provided.
- Depreciating and amortizing tangible and intangible fixed assets respectively over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Key sources of estimation uncertainty

- Adopting actuarial assumptions and external factors can significantly impact the surplus or deficit of defined benefit pension schemes. Valuations for funding and accounting purposes are based on assumptions about future economic and demographic variables. Note 23 provides sensitivity analysis regarding the principal assumptions used to measure the pension scheme liabilities. Advice on the appropriate assumptions to adopt at each reporting date is sourced from independent and qualified actuaries.

Management judgement is also 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 9.

Significant accounting policies

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.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Publishing and other rights (continued)

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.

Internal use software

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Internal use software is recognised as an intangible asset from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can reliably be measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight-line basis over three years. Amortisation begins when the internal use software is available for use.

Expenditure on internal use software that was initially recognised as an expense has not been recognised as part of the cost of the intangible asset.

Licenses for Internal use software

Licenses that confer contractual or other legal rights over the control and operation of internal use software and secure future economic benefits in revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the internal use software are recognised as an intangible asset. The amount capitalised is the contractual cost of the minimum number of committed users over the license period. The capitalised license costs are subsequently amortised to 'administrative expenses' on a straight-line basis over the remaining period of the licenses.

Expenditure on licenses of internal use software that was initially recognised as an expense has not been recognised as part of the cost of the intangible asset.

The carrying value of internal use software and licenses for internal use software is considered annually as part of the impairment testing of publishing rights that have no finite life.

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 rent, 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, rent, rates and other related expenses are provided for up to that point. In addition, an estimate is made of the likelihood of sub-letting the premises and any rent that would be receivable from a sub-tenant. Where receipt of sub-lease rent is considered likely, these amounts are deducted from the rent payable by the group under the lease and provision charged for the net amount.

Under the terms of a number of property leases, the company 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 9.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

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 based on the fair value of the shares at the time of grant.

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, printing and publishing local news and information, magazines, periodicals, and recharges to group companies, and arises mainly in the United Kingdom.

Print advertising revenues and circulation revenues for paid-for newspapers are recognised upon publication of the relevant newspaper.

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.

Printing revenue is recognised when the service is provided.

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.

Operating profit

Operating profit is stated after charging restructuring or other exceptional costs but before investment income, profit on disposal of property, other finance income and finance costs.

Dividend income/Income from fixed asset investments

Dividend income and income from fixed asset investments comprising dividends from group undertakings is recognised when the company's right to receive payment is established.

Interest income

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

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.

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 investments is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets and depreciation

Property, plant and equipment are stated at cost, net of accumulated depreciation and any accumulated impairment losses. The company 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.

1. **ACCOUNTING POLICIES (CONTINUED)**

Significant accounting policies (continued)

Tangible fixed assets and depreciation (continued)

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

Freehold buildings (excluding land)	40 - 50 years
Long leasehold properties	See note below*
Leasehold improvements	See note below**
Asset retirement obligations	See note below***
Web offset presses (excluding press components)	7 years
Pre-press systems	5 - 7 years
Computer equipment and IT infrastructure	3 – 5 years
Other plant and machinery	3 – 15 years
Motor vehicles	5 years

*Long leases are written off over the shorter of the duration of the lease or 2% straight line basis if the lease is longer than 50 years.

**Leasehold improvements are written off over the shorter of the duration of lease and 10 years.

***Asset retirement obligations are written off over the duration of the lease.

Land is not depreciated.

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.

IFRS 16 'Leases'

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, 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 vast majority of the company's leases are buildings.

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.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

IFRS 16 'Leases'(continued)

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.

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

When the company acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The company subleases some of its buildings where the subleases are classified as operating leases. In these instances, the company recognises rental income on a straight-line basis over the term of the relevant lease.

Sale and leaseback

For a sale and leaseback transaction which results in an operating lease being established at fair value, any profit or loss is recognised to the income statement immediately.

Stocks

Stocks comprising paper, plates and ink are stated at the lower of cost and net realisable value. Costs incurred in bringing the items to their present location and condition comprises raw materials at purchase cost on a first in first out basis. Net realisable value is selling price less any further costs expected to be incurred to completion and disposal.

Trade and other debtors

Trade debtors are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts and do not attract any interest. An allowance for impairment is made based on previous experience of recoverability. Other debtors are provided for where there is evidence that an amount is no longer recoverable.

Trade creditors

Trade creditors are not interest-bearing and are stated at their nominal value.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

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.

Operating leases

As a result of the adoption of the lease accounting standard (IFRS 16) all operating lease commitments which met the recognition criteria under IFRS 16 were capitalised on 1 January 2019 are being amortised over the period of the lease in accordance with IFRS 16 requirements. For those contracts, predominately IT related, which do not meet the recognition criteria under IFRS 16 these are accounted for as operating lease rentals and charged to the income statement on a straight-line basis over the periods of the leases. Where lease incentives are provided with the operating lease contract, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the term of the lease.

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.

Pensions

The company participates in both a defined benefit pension scheme and a defined contribution pension scheme.

The Newsquest Pension Scheme (the Scheme) is a final salary defined pension scheme. The Scheme is closed to new entrants and to future accrual with effect from 31 March 2011. On 12 March 2018 the company acquired CN Group Limited and its' two final salary schemes became sections (CN Fund and CN Supplementary Plan) of the Newsquest Pension Scheme. On 11 December 2019 the larger of the two CN sections was merged into the Newsquest Pension Scheme. On 1 September 2021 the W.I.N. Pension Fund, previously included in the accounts of its 100% owned subsidiary, Newsquest (Clyde & Forth Press) Limited, was merged into the Newsquest Pension Scheme. On 4 August 2023 the company became the principal employer for the Orr Pollock & Company Limited Pension & Life Assurance Fund, previously the principal employer was, Newsquest (Clyde & Forth Press) Limited.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Pensions (continued)

The Scheme operates under trust law and is managed and administered by the trustee on behalf of the members in accordance with the terms of the Trust Deed and Rules and relevant legislation. The Scheme, a funded defined benefit pension scheme, continues to operate to pay retired employees their pensions.

The trustee of the Newsquest Pension Scheme is responsible for the investment of the Scheme's assets, which are held separately from the group. The principal employer of the Scheme is Newsquest Media Group Limited (the company).

During the prior year, the company made contributions of £5,048,000 (2023 - £nil) in respect of the combined Newsquest and CN sections of the Scheme, based on a schedule of contributions previously agreed between the company and the Newsquest Trustees.

In respect of the defined contribution pension schemes, 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.

Pension scheme costs reported in the income statement and in other comprehensive income are assessed in accordance with the advice of qualified independent actuaries.

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. For all current stock awards the fair value is the closing price of the shares on the date of grant. 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.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at the date or, where appropriate, at the rate of exchange specified in a matching forward contract or currency swap. Any translation differences arising are dealt with in the income statement.

2. TURNOVER

The whole of the turnover was attributable to the principal activity of the company, being the publishing of magazines and periodicals.

	2023 £'000	2022 £'000
United Kingdom	146,303	148,928
United States	861	782
Europe	641	578
Rest of the World	312	335
	148,117	150,623

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

3. OPERATING PROFIT AND ADJUSTED EBITDA

	2023 £'000	2022 £'000
(a) Operating profit is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets (note 11)	3,804	3,099
Depreciation charge on right of use assets (note 25)	1,315	1,334
Amortisation of intangibles (note 10)	553	-
(Profit)/loss on disposal of tangible fixed assets	(23)	11
Operating lease rentals:		
- plant and equipment	2,189	2,942
Restructuring costs	792	863
Write down of investment in subsidiaries	-	25
Expenses relating to short term leases for which the recognition exception is applied (note 25)	89	28

All the above charges/(credits) to the income statement relate to continuing activities.

The company paid £395,000 (2022 - £600,000 previous auditors) to its auditors in respect of the audit of the financial statements and for audit services of the entire Gannett International Holdings LLP group. The auditors did not perform any non-audit services during the year (2022 - £nil).

Exceptional restructuring costs primarily relate to redundancy.

(b) Adjusted EBITDA* has been calculated as follows:

	2023 £'000	2022 £'000
Operating profit	23,626	23,880
Depreciation on tangible fixed assets (note 11)	3,804	3,099
Depreciation on right of use assets (note 25)	1,315	1,334
Amortisation of intangibles (note 10)	553	-
Restructuring costs	792	863
Write down of investment in subsidiaries	-	25
Share based payments	1,104	1,228
	31,194	30,429

* Earnings before interest, tax, amortisation of intangible assets, depreciation of tangible fixed assets and right of use assets, restructuring costs, write-down of investments, share based payment charges.

4. STAFF COSTS

	2023 £'000	2022 £'000
Wages and salaries[1]	61,079	59,723
Social security costs	5,542	5,709
Other pension costs[2]	1,576	1,470
	68,197	66,902

[1] Included in wages and salaries is a total expense for share-based payments of £1,104,000 (2022 - £1,228,000). Recharges for the intrinsic value of shares vested in 2023 of £750,000 (2022 - £1,375,000) have been taken directly to reserves.

[2] Included in other pension costs in 2023 are £1,576,000 (2022 - £1,470,000) in respect of the defined contribution scheme. There are no costs in 2023 or 2022 in respect of defined benefit schemes.

Included in the above staff costs are £410,000 relating to capitalised labour costs comprising £355,000 of wages and salaries, £39,000 of social security costs and £16,000 of defined contribution scheme costs. The £410,000 of capitalised labour costs are disclosed in intangible assets (note 10).

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

4. STAFF COSTS (CONTINUED)

The average number of full-time equivalent employees during the year was as follows:

	2023 Number	2022 Number
Pre-press and printing	148	142
Editorial	619	608
Marketing and sales	361	403
Information technology	37	34
Distribution	98	97
Finance and management	144	135
Digital media	102	85
	1,509	1,504

There are also 1,661 (2022 – 1,906) people involved in distribution who work limited hours to deliver the company's products. The costs of these people are included in staff costs above (2023 - £2,876,000; 2022 – £3,335,000).

5. DIRECTORS' EMOLUMENTS

	2023 £'000	2022 £'000
Executive Directors' salaries	705	616
Taxable benefits and car allowance	27	28
Performance related payments	696	399
Pension related	28	34
	1,456	1,077

The aggregate emoluments of the highest paid director were £976,695 (2022 - £640,390). During the year the highest paid director did not exercise share options under a long-term incentive scheme. In 2023 pension related payments of £18,859 were made by the company on behalf of the highest paid director (2022 - £20,195).

No directors are members of the Newsquest Pension Scheme (a defined benefit scheme closed to future accrual). In the current and prior year, two directors benefitted from contributions to the Newsquest stakeholder pension plan (a defined contribution scheme).

At 31 December 2023 the number of directors in respect of whose qualifying services for this company are shares in the company's ultimate parent company Gannett Co. Inc. received or receivable under long-term incentive schemes is two (2022 – two). None of the directors exercised share options in the company's ultimate parent undertaking Gannett Co. Inc. during the year (2022 – none).

6. INCOME FROM FIXED ASSET INVESTMENTS

	2023 £'000	2022 £'000
Dividends from group undertakings	7,244	1,633

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £'000	2022 £'000
Bank interest	938	160
Other interest	5	2
	943	162

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £'000	2022 £'000
Unwind of discount on provisions (note 18)	37	39
Interest on lease liabilities (note 25)	405	487
Other interest	1	1
	443	527

9. TAXATION

(a) Tax charged in the income statement	**2023 £'000**	**2022 £'000**
Current income tax charge:		
UK corporation tax at 23.50% (2022 – 19.00%)	2,727	284
Adjustments in respect of prior periods	2,969	-
	5,696	284
Deferred tax charge:		
Origination and reversal of temporary differences	4,199	3,109
Adjustments in respect of prior periods	(4,165)	282
Effect of change in tax rates	-	-
	34	3,391
Total income tax charge reported in the income statement all relating to continuing operations	5,730	3,675

(b) Tax relating to items (credited)/charged to other comprehensive income	**2023 £'000**	**2022 £'000**
Deferred tax:		
Actuarial (losses)/gains due to pension liability assumption changes	(3,334)	64,510
Return on pension plan assets greater than discount rate	(1,158)	(80,166)
Change in irrecoverable surplus	(6)	-
Total deferred tax	(4,498)	(15,656)
Total income tax (credit)/charge reported in the other comprehensive income statement all relating to continuing operations	(4,498)	(15,656)

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

9. TAXATION (CONTINUED)

(c) Reconciliation of the total tax charge/(credit):

	2023 £'000	2022 £'000
Profit from continuing activities before taxation	33,992	28,030
Tax on the profits on ordinary activities at the standard UK rate of corporation tax of 23.50% (2022 – 19.00%)	7,988	5,326
Tax effect of amounts which are not (taxable)/deductible in calculating taxable income:		
Current tax over provided in prior years	2,969	-
Deferred tax (over)/under provided in prior years	(4,165)	282
Tax effect of items that are not deductible or not taxable in determining taxable profit:		
Other non-deductible expenses	14	125
Income not taxable	(1,702)	(310)
Super-deduction on capital expenditure	10	(67)
UK to UK transfer pricing adjustments	417	243
Deferred tax not provided current year	83	(28)
Difference between current and deferred tax rates in current year	257	(3)
Group relief surrendered for nil payment	(52)	(1,469)
Deferred tax movement on share-based payments	(46)	(1)
Movement on capital gains not recognised for deferred tax	-	(142)
Prior year losses utilised	-	(244)
Deferred tax movement no current tax impact	(43)	(37)
Total income tax charge reported in the income statement	5,730	3,675

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.

(d) Deferred tax in the income statement

The deferred tax charge/(credit) included in the company income statement is as follows:

	2023 £'000	2022 £'000
Accelerated depreciation for tax purposes	1,009	834
Other timing differences	102	(95)
Trade intangibles	252	203
Rolled over gains	-	(9)
Trade losses	2,651	989
Properties not eligible for capital allowances	(369)	(141)
Share based payments	(46)	(1)
Pensions	656	1,365
Deferred tax over provided in prior years	(4,165)	282
Leased assets	(56)	(36)
	34	3,391

(e) Change in corporation tax rate

A corporation tax rate of 19% applied for the period 1 April 2017 to 31 March 2023, thereafter the rate of corporation tax increased to 25%.

The Company is within the scope of the Organisation for Economic Cooperation and Development (OECD) Pillar Two model rules. UK legislation has been enacted which introduces the OECD's Pillar Two model Income Inclusion Rules into UK law. Finance (No2) Act received Royal Assent on 11 July 2023 meaning the Income Inclusion Rule (IIR) and the UK's Domestic Top-up Tax (DTT) will come into effect for accounting periods beginning on or after 31 December 2023. Draft legislation has now been published to introduce the OECD's Undertaxed Profits Rule (UTPR) to the UK. This is due to be in place for accounting periods commencing not before 31 December 2024.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

9. TAXATION (CONTINUED)

(e) Change in corporation tax rate (continued)

Since the Pillar Two legislation was not effective at the reporting date, the company has no related current tax exposure. The company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the company would be liable to pay a top-up tax if there is a difference between the Pillar Two Global anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. The company is currently engaged with tax specialists to assist it with applying the legislation. An initial review by the tax specialist has indicated that the company does not expect to experience a material impact on its effective tax rate as a result of the OECD Pillar Two model rules.

10. INTANGIBLE ASSETS

	Publishing and other rights £'000	Internal Use Software £'000	Total £'000
Cost			
At 31 December 2022 and 31 December 2021	98,899	-	98,899
Additions	-	3,032	3,032
At 31 December 2023	98,899	3,032	101,931
Amortisation			
At 31 December 2022 and 31 December 2021	72,646	-	72,646
Charge for the period	-	553	553
At 31 December 2023	72,646	553	73,199
Carrying amount			
At 31 December 2023	26,253	2,479	28,732
At 31 December 2022 and 31 December 2021	26,253	-	26,253

Publishing rights and trademarks previously acquired through business combinations and transferred to the company from other group companies following a group reconstruction 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.

In accordance with IAS 36 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. Based on these calculations no impairment was charged to the income statement for the period 1 January 2022 to 31 December 2023.

The structural changes in the news industry, could further negatively or positively impact the company's assessment of its future results and the underlying assumptions utilised in the determination of the estimated fair value of Newsquest's intangible assets.

Internal use software relates to capitalised labour, software licences and consultancy costs. Carrying amounts include £372,000 (2022 - £nil) for capitalised labour, £2,046,000 (2022 - £nil) for capitalised software licences and £61,000 (2022 - £nil) for capitalised software consultancy. The carrying value of internal use software and licenses for internal use software is considered annually as part of the impairment testing of publishing rights that have no finite life. As stated above, based on these calculations no impairment was charged to the income statement for the period 1 January 2023 to 31 December 2023.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

11. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and equipment £'000	Construction in progress £'000	Total £'000
Cost				
At 31 December 2021	36,754	78,477	887	116,118
Additions	191	919	127	1,237
Disposals	(151)	(1,934)	-	(2,085)
Reclassification	-	887	(887)	-
At 31 December 2022	36,794	78,349	127	115,270
Additions	173	687	23	883
Disposals	(107)	(1,365)	-	(1,472)
Reclassification	-	127	(127)	-
At 31 December 2023	36,860	77,798	23	114,681
Depreciation				
At 31 December 2021	19,165	71,742	-	90,907
Charge for year	992	2,107	-	3,099
Disposals	(151)	(1,877)	-	(2,028)
At 31 December 2022	20,006	71,972	-	91,978
Charge for year	1,870	1,934	-	3,804
Disposals	(107)	(1,324)	-	(1,431)
At 31 December 2023	21,769	72,582	-	94,351
Carrying amount				
At 31 December 2023	15,091	5,216	23	20,330
At 31 December 2022	16,788	6,377	127	23,292

Included within land and buildings are; long leaseholds with a net book value of £2,823,000 (2022 - £2,933,000), short leaseholds with a net book value of £152,000 (2022 - £168,000) and freeholds with a net book value of £11,838,000 (2022 - £13,416,000), within which is freehold land with a net book value of £2,995,000 (2022 - £2,995,000).

Also included within land & buildings are asset retirement obligations with a net book value of £278,000 (2022 - £271,000).

During the prior year, the company disposed of freehold properties generating cash proceeds of £925,000 (2023 - £nil) and a profit of £746,000 (2023 - £nil).

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

12. INVESTMENTS

	Investments in subsidiary undertakings £'000	Other investments £'000	Total investments £'000
Cost			
At 31 December 2021	12,990	68	13,058
Acquisitions[1]	5,661	-	5,661
At 31 December 2023 and 31 December 2022	18,651	68	18,719
Impairment			
At 31 December 2021	11,350	-	11,350
Charge[2]	25	-	25
At 31 December 2023 and 31 December 2022	11,375	-	11,375
Carrying amount			
At 31 December 2023 and 31 December 2022	7,276	68	7,344

[1] On 18 March 2022 the company acquired 100% of the ordinary shares of TRL 2019 Limited, its trading subsidiary Newsquest Community Media Limited (formerly Archant Community Media Limited) and its subsidiaries The British Connection Inc., and Archant Properties Limited.

[2]The impairment charge in the prior year relates to the write down of the company's investment in Sopress Investments Limited following distribution of its reserves to Newsquest Media Group Limited in 2022.

(a) The wholly owned directly or indirectly trading subsidiary companies of Newsquest Media Group Limited (all of which are incorporated in Great Britain and registered in England and Wales except for those marked with an asterix which are registered in Scotland) at 31 December 2023 are as follows:

Name of company	Nature of business
Newsquest (Clyde & Forth Press) Limited*	Publishing
Newsquest Community Media Limited	Publishing

(b) The dormant subsidiary companies of Newsquest Media Group Limited (all of which are wholly owned directly or 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 2023 are as follows:

Name of Company	Name of Company
Newsquest Printing (Glasgow) Limited*	Sopress Investments Limited
Newsquest Specialist Media Limited	Newsquest Media (Southern) Limited
Newsquest (Essex) Limited	LOCALiQ Limited
Newsquest (Herald & Times) Limited*	TRL 2019 Limited
Newsquest (Herts and Bucks) Limited	William Trimble Limited**
Newsquest (London & Essex) Limited	WP Publishing
Newsquest Pension Trustee Limited	

(c) Archant Properties Limited, (a wholly owned indirect subsidiary, incorporated in Great Britain and registered in England and Wales) was dissolved on 30 September 2023.

(d) The British Connection Inc., (a wholly owned indirect subsidiary incorporated in Pennsylvania, USA), for which Corporate Clearance Filing forms have been submitted in January 2023, is currently in the process of being dissolved.

(e) The registered addresses of all direct and indirect subsidiaries of Newsquest Media Group Limited are as follows:

Companies registered in England and Wales – Newsquest Media Group Ltd, 1st Floor, Chartist Tower, Upper Dock Street, Newport, Wales, NP20 1DW.

Companies registered in Scotland* – 125 Fullarton Drive, Glasgow East Investment Park, Glasgow, Scotland, G32 8FG.

Companies registered in Northern Ireland**- 8+10 East Bridge Street, Enniskillen, Co. Fermanagh, BT74 7BT.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

13. STOCKS

	2023 £'000	2022 £'000
Raw materials	993	1,239

14. DEBTORS

Amounts falling due in less than one year:	2023 £'000	2022 £'000
Trade debtors	21,688	21,950
Amount due from parent undertaking*	16,030	16,030
Amounts due from group undertakings	4,977	49
Other debtors	113	247
Corporation tax	1,141	1,292
Prepayments and accrued income	6,332	6,473
	50,281	46,041

Amounts falling due in more than one year:	2023 £'000	2022 £'000
Amounts due from group undertakings	-	7,426

* During 2021 the company advanced £16 million to its immediate parent undertaking, Newsquest Capital Limited. Interest on the borrowing is charged at 8%. The current and prior year interest has been waived. The loan is repayable on demand.

Newsquest Media Group Limited has given assurances to Newsquest Capital Limited that the loan will continue to be made available for a period of at least 12 months from the date of signing of the financial statements of the company for the year ended 31 December 2023.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade creditors	1,678	2,483
Amounts due to group undertakings	61	1,954
Other taxation and social security	3,405	3,888
Other creditors	1,695	1,764
Accruals and deferred income	14,739	12,898
Deferred consideration	-	349
Internal use software licences	581	-
	22,159	23,336

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £'000	2022 £'000
Amounts due to group undertakings	15	15
Internal use software licences	1,024	-
	1,039	15

17. DEFERRED TAXATION

	2023 £'000	2022 £'000
As at 31 December 2022	(15,213)	(27,555)
Tax charge recognised in the income statement (note 9)	(34)	(3,391)
Charge recognised in other comprehensive income statement (note 9)	4,498	15,656
Transfer from group company	-	77
As at 31 December 2023	(10,749)	(15,213)

17. DEFERRED TAXATION (CONTINUED)

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

	2023 £'000	2022 £'000
Deferred tax liabilities:		
Trade intangibles	(4,566)	(4,311)
Rolled over gains	(1,190)	(1,190)
Assets not eligible for capital allowances	(2,694)	(3,075)
Pension	(9,113)	(12,956)
Right of use asset on sale & leaseback property	(593)	(636)
Uncertain tax position	-	(1,262)
Deferred tax liabilities	(18,156)	(23,430)

The uncertain tax position relates to the availability of losses from the company's parent company, Newsquest Capital Limited, for group relief.

	2023 £'000	2022 £'000
Deferred tax assets:		
Accelerated depreciation for tax purposes	5,182	4,890
Other timing differences	746	868
Capital losses	1,190	1,190
Trade losses	6	1,031
Share based payments	283	238
Deferred tax assets	7,407	8,217
Deferred tax liabilities	(18,156)	(23,430)
Deferred tax assets	7,407	8,217
Net deferred tax liabilities	(10,749)	(15,213)

Unrecognised deferred tax asset on capital losses

The company has UK capital losses carried forward which are available indefinitely for offset against future capital gains. Deferred tax assets of £6,744,663 (2022 - £5,125,944) have not been recognised in respect of these losses as there is uncertainty over their recoverability.

Unrecognised tax trading losses

The company has UK tax trading losses carried forward, from periods ending prior to 1 April 2018, which are available indefinitely for offset against the company's future taxable trading profits. Deferred tax assets of £671,042 (2022 - £230,955) have not been recognised in respect of these losses as there is uncertainty over their recoverability.

Unrecognised deferred tax asset estimated on future capital losses on assets in use

The company has potential UK capital tax losses on assets in use. Should these losses crystallise they will be available indefinitely for offset against future capital gains. Deferred tax assets of £5,277,569 (2022 - £4,205,515) have not been recognised in respect of these capital losses as there is uncertainty over their recoverability.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

18. PROVISIONS FOR LIABILITIES

	Leasehold property provision (a) £'000	Newspaper society pension provision (b) £'000	Total £'000
Analysed as:			
- Current	183	95	278
- Non-current	761	1,141	1,902
At 1 January 2023	944	1,236	2,180
Additions	174	-	174
Utilised	(159)	(95)	(254)
Credit for period	(8)	-	(8)
Unwind of discount on provisions (note 8)	6	31	37
At 31 December 2023	957	1,172	2,129
Analysed as:			
- Current	110	95	205
- Non-current	847	1,077	1,924
At 31 December 2023	957	1,172	2,129

(a) The leasehold property provision is expected to be utilised over the term of the leases to which it relates.

(b) The company entered into a covenant to pay £95,059 (2022 - £95,059) per annum until the earlier of either 31 December 2038 or the net assets of the Newspaper Society's pension scheme have been certified to be equal to or greater than the estimated debt that would be payable if the scheme were wound up at the effective date of the scheme's most recent funding statement. The provision is the net present value of the annual commitment of £95,059 until 2038 discounted at rates between 1.8% - 2.7% (2022: 1.8% - 2.7%).

19. CALLED UP SHARE CAPITAL

	2023 Number	2023 £'000	2022 Number	2022 £'000
Called up, allotted and fully paid				
Ordinary share of £1	1	-	1	-

20. DIVIDENDS PAID

	2023 £'000	2022 £'000
Dividends paid for 2023: £38,000,000 (2022: £17,000,000)	38,000	17,000

21. RESERVES

	Share capital £'000	Retained earnings £'000	Total £'000
At 31 December 2021	-	189,567	189,567
Profit for the year	-	24,355	24,355
Dividends paid (note 20)	-	(17,000)	(17,000)
Other comprehensive loss	-	(48,693)	(48,693)
Share-based payment transactions (note 4)	-	1,228	1,228
Payment to ultimate parent in respect of shares exercised (note 4)	-	(1,375)	(1,375)
At 31 December 2022	-	148,082	148,082
Profit for the year	-	28,262	28,262
Dividends paid (note 20)	-	(38,000)	(38,000)
Other comprehensive loss	-	(13,492)	(13,492)
Share-based payment transactions (note 4)	-	1,104	1,104
Payment to ultimate parent in respect of shares exercised (note 4)	-	(750)	(750)
At 31 December 2023	-	125,206	125,206

22. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

Future minimum amounts payable under non-cancellable operating leases are as follows:

	Other	
	2023 £'000	2022 £'000
Within one year	1,340	2,182
Between two and five years	1,252	3,691
	2,592	5,873

'Other' mostly comprises non-cancellable supply contracts related to IT.

As a result of the adoption of the IFRS 16 lease accounting standard, all operating lease commitments which meet the recognition criteria have been capitalised and are being amortised over the period of the lease in accordance with IFRS 16 requirements.

Capital commitments

At 31 December 2023 the company had capital commitments of £66,000 (2022 - £287,000).

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

23. PENSIONS

The Newsquest Workplace Pension

The Newsquest Workplace Pension is a defined contribution pension plan. Automatic enrolment into this scheme applies to those workers who meet the relevant criteria. The costs for the year under this scheme are £1,576,000 (2022 - £1,470,000).

The Newsquest Pension Scheme

Prior to 1 September 2021 the Newsquest Pension Scheme consisted of two sections: the Newsquest section (which incorporates the CN Fund section) and the CN Supplementary Plan section. On 1 September 2021 the company's Newsquest section merged with the W.I.N. Pension Fund.

Newsquest Section (including the merged CN Fund section)

Following consultation, the Newsquest Pension Scheme (the Scheme) ceased the future accrual of pension benefits with effect from 31 March 2011. The Scheme operates under trust law and is managed and administered by the trustee on behalf of the members in accordance with the terms of the Trust Deed and Rules and relevant legislation. The Scheme, a funded defined benefit pension scheme, continues to operate to pay retired employees their pensions. The trustees of the Newsquest Pension Scheme are responsible for the investment of the Scheme's assets, which are held separately from the group. The principal employer of the Scheme is Newsquest Media Group Limited (the company).

On 12 March 2018 the company acquired CN Group Limited and its' two final salary schemes became sections of the Newsquest Pension Scheme - CN Fund Section and CN Supplementary Plan Section. On 11 December 2019 the CN Fund section was merged into the Newsquest Pension Scheme.

During the prior year the company made total contributions of £5,048,000 (2023 - £nil).

The last triennial valuation assessing the position of the Scheme as at 31 March 2021 showed a technical provisions deficit of approximately £50m. On 27 June 2022 the company and the Scheme Trustee agreed a schedule of contributions to 30 June 2027 requiring after 31 December 2022 a one-off contribution of £5m in both January 2024 and January 2025. The latter contribution is not expected to be necessary as the Scheme is more than 100% funded on the Trustee's valuation criteria.

In addition, the company will continue to bear the administrative expenses of the Scheme.

CN Supplementary Plan Section

The CN Supplementary Plan section has no funding requirement, accordingly no contributions were made in the current or prior year.

W.I.N. Pension Fund

On 1 September 2021 the W.I.N. Pension Fund, previously included in the accounts of its 100% owned subsidiary, Newsquest (Clyde & Forth Press) Limited, up until 1 September 2021 was merged into the Newsquest Pension Scheme.

Orr Pollock & Company Limited Pension & Life Assurance Fund

On the 4 August 2023 the Orr Pollock & Company Limited Pension & Life Assurance Fund, previously included in the accounts of its 100% owned subsidiary, Newsquest (Clyde & Forth Press) Limited, changed its principal employer to Newsquest Media Group Limited.

Scheme assets and liabilities

The Scheme holds a globally diversified portfolio of investments to maintain a wide range of diversification and to reduce volatility. At the end of 2023, the scheme held 22.7% (2022 – 16.1%) in passive equities, 34.7% (2022 – 23.3%) in UK indexed linked bonds; 39.9% (2022 – 40.9%) in property of which 19.3% (2022 – 20.2%) was held in the UK, 12.0% (2022 – 12.7%) in infrastructure and 8.6% (2022 – 8.0%) in loans secured against commercial real estate; 0.5% (2022 – 7.4%) insurance linked securities and 2.2% (2022 – 12.3%) in cash.

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

23. PENSIONS (CONTINUED)

The assets and liabilities of the schemes at 31 December 2023 and 31 December 2022 are as follows:

Scheme assets at fair value

At 31 December 2023	Newsquest £'000	Orr Pollock £'000	Total £'000
Insurance securities	-	1,492	1,492
Equity securities	123,168	-	123,168
Debt securities	189,189	2,240	191,429
Property	216,870	-	216,870
Insurance linked securities	2,524	-	2,524
Cash and other	11,734	110	11,844
Total fair value of scheme assets	**543,485**	**3,842**	**547,327**
Present value of scheme liabilities	(505,883)	(3,267)	(509,150)
Irrecoverable surplus	-	(575)	(575)
Defined benefit pension plan surplus	**37,602**	-	**37,602**

At 31 December 2022	Newsquest £'000	Orr Pollock £'000	Total £'000
Insurance securities	-	-	-
Equity securities	88,082	-	88,082
Debt securities	126,940	-	126,940
Property	223,352	-	223,352
Debt securities	40,576	-	40,576
Other	66,954	-	66,954
Total fair value of scheme assets	**545,904**	**-**	**545,904**
Present value of scheme liabilities	(492,934)	-	(492,934)
Irrecoverable surplus	-	-	-
Defined benefit pension plan surplus	**52,970**	-	**52,970**

The amounts recognised in the Income Statement and in the Statement of Comprehensive Income for the year ended 31 December 2023 are analysed as follows:

Recognised in the Income Statement

Period ended 31 December 2023	Newsquest £'000	Orr Pollock £'000	Total £'000
Finance credit	(2,622)	-	(2,622)
	(2,622)	-	(2,622)

Taken to the Statement of Comprehensive Income

Period ended 31 December 2023	Newsquest £'000	Orr Pollock £'000	Total £'000
Actuarial loss due to liability experience	(7,079)	(1)	(7,080)
Actuarial gain arising from changes in pension liability	(6,227)	(29)	(6,256)
Return on plan assets (excluding amounts included in net interest expense)	(4,684)	53	(4,631)
Change in irrecoverable surplus	-	(23)	(23)
Recognised in Statement of Comprehensive Income	(17,990)	-	(17,990)

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

23. PENSIONS (CONTINUED)

The amounts recognised in the Income Statement and in the Statement of Comprehensive Income for the year ended 31 December 2022 are analysed as follows:

Recognised in the Income Statement		Orr	
	Newsquest	**Pollock**	**Total**
Period ended 31 December 2022	**£'000**	**£'000**	**£'000**
Net finance income	(2,136)	-	(2,136)
Recognised in arriving at operating profit	(2,136)	-	(2,136)

Taken to the Statement of Comprehensive Income		Orr	
	Newsquest	**Pollock**	**Total**
Period ended 31 December 2022	**£'000**	**£'000**	**£'000**
Actuarial loss due to liability experience	(36,866)	-	(36,866)
Actuarial gain arising from changes in pension liability	302,011	-	302,011
Return on plan assets (excluding amounts included in net interest expense)	(329,494)	-	(329,494)
Recognised in Statement of Comprehensive Income	(64,349)	-	(64,349)

Changes in the present value of the defined benefit pension obligations are analysed as follows:

	Newsquest £'000	**Orr Pollock £'000**	**Total £'000**
Defined benefit obligations at 31 December 2021	767,936	-	767,936
Interest on benefit obligation	14,348	-	14,348
Actuarial gain due to demographic and financial assumptions	(302,011)	-	(302,011)
Actuarial loss due to liability experience	36,866	-	36,866
Benefits paid	(24,205)	-	(24,205)
Defined benefit obligations at 31 December 2022	492,934	-	492,934
Interest on benefit obligation	23,786	64	23,850
Actuarial gain due to demographic and financial assumptions	6,227	29	6,256
Actuarial loss due to liability experience	7,079	1	7,080
Benefits paid	(24,143)	(96)	(24,239)
Transfer from group undertaking	-	3,269	3,269
Defined benefit obligations at 31 December 2023	**505,883**	**3,267**	**509,150**

Changes in fair value of plan assets are analysed as follows:

	Newsquest £'000	**Orr Pollock £'000**	**Total £'000**
Fair value of plan assets at 31 December 2021	878,071	-	878,071
Interest income on plan assets	16,484	-	16,484
Return on plan assets greater than discount rate	(329,494)	-	(329,494)
Employer contributions	5,048	-	5,048
Benefits paid	(24,205)	-	(24,205)
Fair value of plan assets at 31 December 2022	**545,904**	**-**	**545,904**
Interest income on plan assets	26,408	74	26,482
Return on plan assets greater than discount rate	(4,684)	53	(4,631)
Employer contributions	-	-	-
Benefits paid	(24,143)	(96)	(24,239)
Transfer from group undertaking	-	3,811	3,811
Fair value of plan assets at 31 December 2023	**543,485**	**3,842**	**547,327**

23. PENSIONS (CONTINUED)

Changes in irrecoverable surplus are analysed as follows:

	Newsquest £'000	Orr Pollock £'000	Total £'000
Irrecoverable surplus at 31 December 2022 and 31 December 2021	**-**	-	-
Interest on irrecoverable surplus	-	10	10
Change during the period	-	23	23
Transfer from group undertaking	-	542	542
Irrecoverable surplus at 31 December 2023	**-**	575	575

Analysis of financial assumptions:

The principal assumptions used in determining pension benefit obligations for the two schemes are shown below:

	2023 %	2022 %
Discount rate	4.70	4.95
Price inflation	2.95	3.05
Pension increases for in-payment benefits	2.50	2.55
Pension increases for deferred benefits	2.50	2.55

	Number of years	Number of years
Future life expectancy for a pensioner currently aged 65		
- Male	20.9	21.2
- Female	23.4	23.6
Future life expectancy from age 65 for a pensioner who retires in 15 years and is currently aged 50		
- Male	21.4	21.8
- Female	24.2	24.5

Sensitivity analysis of significant assumptions

The following tables present a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation would have been affected, by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

Sensitivity analysis on defined benefit obligation ('DBO')

The price inflation sensitivity takes into account the effect of deferred revaluation and pension increases in payment. The sensitivities have been calculated using a consistent method to that used to calculate the DBO (i.e. they are based on a roll forward and change basis of the results of the most recent triennial valuations).

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Newsquest Effect on defined benefit obligation	Orr Pollock Effect on defined benefit obligation
Discount rate – 0.5% decrease	+7.0%	+7.8%
Inflation assumption – 0.5 % increase	+6.6%	+1.1%

NOTES TO THE ACCOUNTS
Year ended 31 December 2023

23. PENSIONS (CONTINUED)

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit plan obligation at the end of the reporting period for Newsquest is 14.2 years (2022: 14.2 years) and Orr Pollock is 15.7 years (2022: 15.7 years). Expected benefits payable are as follows:

	Newsquest	Orr Pollock
	£'000	£'000
Year ended December 2023	23,839	237
Year ended December 2024	24,435	183
Year ended December 2025	25,046	188
Year ended December 2026	25,672	192
Year ended December 2027	26,314	197
Year ended December 2028 to 31 December 2032	172,289	1,291

24. SHARE-BASED PAYMENTS

Restricted stock

Restricted stock grants are discretionary shares awarded to certain individuals out of the Incentive Compensation Plans. On the 5 June 2023 the 2023 Stock Incentive Plan ((the "2023 Incentive Plan") was approved by the Gannett's stockholders and became effective. This Plan replaced the 2020 Omnibus Incentive Compensation Plan (the "2020 Incentive Plan"), which had replaced the 2015 Omnibus Incentive Compensation Plan (the "2015 Incentive Plan"), such that no further awards were or will be granted pursuant to the 2020 Incentive Plan and the 2015 Incentive 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 years after the grant date.

With respect to restricted stock awards ("RSAs") granted pursuant to award agreements under the Incentive Plan, if service terminates for certain specified conditions, all unvested shares of restricted stock may be forfeited. During the period prior to the lapse and removal of the vesting restrictions, a grantee of a RSA will have all the rights of a stockholder, including without limitation, the right to vote and the right to receive dividends or other distributions, if any. Any dividends or other distributions that are declared with respect to the shares of restricted stock will be paid at the time such shares vest.

The value of the RSAs on the date of issuance is recognised in wages and salaries within administrative expenses over the vesting period, based on the fair market value of the award as of the grant date, with a corresponding increase to retained earnings. Beginning in 2023, RSAs granted generally vest in equal annual instalments over a three-year period subject to the participants' continued employment with the company and the terms of the applicable award agreements. RSAs granted prior to 2023 vest 33.3% on the first and second anniversary of the date of grant, and 33.4% on the third anniversary of the date of grant, subject to the participants' continued employment with the company and the terms of the applicable award agreement.

Included in wages and salaries in the income statement is a total expense for these employee share awards of £1,097,000 (2022 - £1,228,000). Recharges for the intrinsic value of shares vested in 2023 of £750,000 (2022 - £1,236,000) have been taken directly to reserves.

	2023 No.	2023 WASP*	2022 No.	2022 WASP*
Outstanding at 1 January 2023 and 1 January 2022	830,031	$4.66	657,428	$5.70
Granted during the year[1]	150,273	$1.83	546,058	$4.16
Forfeited during the year	(8,879)	$4.79	(56,418)	$5.11
Settled[2]	(376,506)	$4.96	(330,851)	$5.86
Transfer from group company	-	-	13,814	$5.83
Outstanding at 31 December 2023 and 31 December 2022	594,919	$3.75	830,031	$4.66

*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 2023 was $1.83 (2022 - $4.16).

24. SHARE-BASED PAYMENTS (CONTINUED)

[2] The weighted average share price at the date of settlement of the Restricted stock was $1.99 (2022 - $3.73).

Performance shares ("PSUs")

Performance shares are discretionary shares awarded to certain individuals out of the 2020 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 vest 3 years after the grant date.

Performance stock units ("PSUs") are subject to the achievement of certain performance goals over the eligible period. Share based payment charge ultimately recognised for these PSUs will equal the grant-date fair market value of the unit that coincides with the actual outcome of the performance conditions. On an interim basis, a share-based payment cost is recorded to the income statement based on the expected level of achievement of the performance conditions.

Included in wages and salaries in the income statement is a total expense for performance shares of £7,000 (2022 - £nil). Recharges for the intrinsic value of PSUs exercised in 2023 of £nil (2022 - £139,000) have been taken directly to reserves.

	2023 No.	2023 WASP*	2022 No.	2022 WASP*
Outstanding at 1 January 2023 and 1 January 2022	-	-	34,875	$6.28
Settled[1]	-	-	(34,875)	$6.28
Granted	19,798	1.83	19,798	$4.63
Forfeited during the year	(4,394)	1.83	(19,798)	$4.63
Outstanding at 31 December 2023 and 31 December 2022	15,404	1.83	-	-

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

[1] The weighted average share price at the date of settlement of the Performance shares was $nil (2022 - $3.98).

25. RIGHT OF USE ASSETS AND LEASES LIABILITIES

Carrying value of right-of-use assets

	Plant & Machinery £'000	Property £'000	Total £'000
At 1 January 2023	137	6,894	7,031
Additions	19	373	392
Depreciation expense (note 3)	(132)	(1,183)	(1,315)
Disposals	-	(305)	(305)
At 31 December 2023	24	5,779	5,803

Carrying value of lease liabilities

	2023 £'000	2022 £'000
At 1 January 2023	5,146	5,751
Additions	392	626
Accretion of interest (note 8)	405	487
Payments	(1,408)	(1,433)
Disposals	(354)	(285)
At 31 December 2023	4,181	5,146
Current	1,080	1,012
Non-current	3,101	4,134
	4,181	5,146

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Year ended 31 December 2023

25. RIGHT OF USE ASSETS AND LEASES LIABILITIES (CONTINUED)

	2023	2022
Lease liability maturity analysis – contractual undiscounted cash flows	**£'000**	**£'000**
Less than one year	1,419	1,400
One to five years	3,258	3,863
More than five years	639	970
Total undiscounted lease liabilities at 31 December 2023 and 31 December 2022	5,316	6,233

Amounts recognised in income statement

	2023	2022
	£'000	**£'000**
Depreciation expense of right of use assets (note 3)	1,315	1,334
Interest expense on lease liabilities (note 8)	405	487
Expense relating to short term leases	89	28
Total amount recognised in P&L	1,809	1,849

26. 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 due from or due to group companies at the balance sheet date are shown in notes 14 and 15 and 16 respectively.

Directors' emoluments are disclosed in note 5 and matters relating to the Newsquest Pension Scheme in note 23.

27. 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 International Holdings LLP, a limited liability partnership incorporated in Great Britain and registered in England and Wales. The immediate parent is Newsquest Capital Limited. The consolidated financial statements of Gannett Co., Inc., comprise the smallest and 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., 1675 Broadway, 23rd Floor New York, NY 10019, USA or online at https://www.gannett.com, see investor relations page.

28. SUBSEQUENT EVENTS

On 1 January 2024 the trade, assets and liabilities of a subsidiary entity, Newsquest (Clyde & Forth Press) Limited, were transferred to Newsquest Media Group Limited. The assets and liabilities were transferred at book value.

On 12 January 2024 the Company paid a £5,000,000 pension contribution to the Newsquest Pension Scheme in accordance with the Schedule of Contributions.

On 9 April 2024, 26 June 2024 and 23 August 2024, Newsquest Media Group Limited, paid dividends of £10,000,000, £5,000,000 and £7,500,000 respectively, to the company's ultimate parent company, Gannett Co., Inc.

There are no other events subsequent to the year end to report.