

THOMSON REGIONAL NEWSPAPERS LIMITED
(Registered Number: 06393144)

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2017

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THOMSON REGIONAL NEWSPAPERS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2017

The Directors present their report and the financial statements of Thomson Regional Newspapers Limited ('the Company') for the year ended 31 December 2017.

Business environment

The Company's primary activity is to act as the sponsor of Thomson Regional Newspapers Pension Fund ("the Scheme"). The Company was acquired by Citigroup Financial Products Inc., a company incorporated in the state of Delaware, United States of America on 8 October 2007. Through the acquisition, Citigroup Inc. assumed the risk and reward that the pension fund incurred.

The Scheme purchased an asset, in the form of bulk insurance policies, from third party insurance providers in 2008 and 2009. The purpose of these policies was to convert the Scheme's liability into individual annuities in each individual member's name, thereby fully insuring the Scheme's liabilities.

From 2010 to 2013 the Company undertook a Scheme data review exercise to properly dimension all scheme liabilities, prior to their transfer to the third party providers.

As at August 2013, the third party insurance provider confirmed that it had completed the issuance of individual annuities thereby discharging all liabilities of the Scheme after which the Scheme could be wound up.

The Scheme was wound up in May 2015 and the Scheme's trustee company, Thomson Regional Newspaper Pension Trust Limited (TRNPT), was placed into liquidation in September 2015.

Going concern basis

The financial statements have been prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions. Looking forward, the Directors are considering multiple strategic options for the Company, including liquidation.

Business review

Profit and loss

The Company made a loss after taxation for the year of £14,236 compared to the loss after tax of £14,240 in the previous year.

The loss was caused by the current year audit fee of £13,955 for the 2017 financial statements is borne and paid by another group company (2016: £14,240).

Balance sheet

Total net assets as at 31 December 2017 of the Company amounted to £2,590,000 (2016: £2,604,000).

Due to the completion of the transfer of scheme liabilities to a third party during 2013, the Company's Defined Benefit pension plan no longer has any asset or liability with respect to its legacy defined benefit pension investments or obligations. The Scheme was wound up in May 2015.

The Scheme's trustee company, Thomson Regional Newspaper Pension Trust Limited (TRNPT), was placed into liquidation in September 2015 and dissolved on 4 April 2017. The amounts owed to group undertakings were fully repaid.

THOMSON REGIONAL NEWSPAPERS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2017

Dividends

No dividend was paid during the year and the Directors do not recommend the payment of a final dividend in respect of the year (2016: £nil).

Directors

The Directors who held office during the year ended 31 December 2017 and since year end were:

D S J Minarik
M M Ruhdorfer

Directors' indemnity

The Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues.

Employee involvement

There were no persons employed by the Company during the year and no persons have been employed by the Company since the year end.

Strategic Report

Section 414B of the Companies Act 2006 states that a company is entitled to the small companies; exemption in relation to the strategic report for a financial year if it would be so entitled but for being or having been a member of an ineligible group. As such, the Company has elected to exercise this exemption in relation to the preparation of a Strategic Report for this financial year.

THOMSON REGIONAL NEWSPAPERS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2017

Statement of Directors' responsibilities in respect of the Directors' report and the Financial Statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 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 estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Political and charitable contributions

There were no charitable donations or any contributions for political purpose made by the Company during the year (2016: £nil).

Principal risks and uncertainties

Following the Scheme liability transfer during 2013 the Company is no longer exposed to any principal risks or uncertainties.

Disclosure of information to the auditor

In accordance with section 418, Companies Act 2006 and subject to all the provisions of section 418, the Directors who held office at the date of approval of this Directors' Report that:

- so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that he / she ought to have taken as a Director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

THOMSON REGIONAL NEWSPAPERS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2017

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



M M Ruhdorfer
Director

5 September 2018

Incorporated in England and Wales
Registered Office: Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
Registered Number: 06393144

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THOMSON REGIONAL NEWSPAPERS LIMITED

Opinion

We have audited the financial statements of Thomson Regional Newspapers Limited ("the Company") for the year ended 31 December 2017 which comprise the income statement, balance sheet, statement of changes in equity and related notes, including the principal accounting policies in Note 1.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the Directors were not entitled to take advantage of the small companies exemption or from the requirement to prepare a strategic report.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THOMSON REGIONAL NEWSPAPERS LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Paul Furneaux (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL
5 September 2018

THOMSON REGIONAL NEWSPAPERS LIMITED

INCOME STATEMENT

for the year ended 31 December 2017

| | Note | 2017 £'000 | 2016 £'000 |
|------------------------------------|------|--------------------|--------------------|
| Operating (expenses)/income | 2 | (14) | (14) |
| Loss before taxation | | <u>(14)</u> | <u>(14)</u> |
| Income tax | 3 | - | - |
| Loss for the financial year | | <u><u>(14)</u></u> | <u><u>(14)</u></u> |

There was no other comprehensive income or losses for 2017 or 2016 other than those included in the Income Statement.

The accompanying notes on pages 10 to 12 form an integral part of these financial statements.

THOMSON REGIONAL NEWSPAPERS LIMITED

BALANCE SHEET

as at 31 December 2017

| | Note | 2017 £'000 | 2016 £'000 |
|--|------|---------------|---------------|
| Current assets | | | |
| Cash at bank and in hand | | 2,723 | 2,723 |
| | | <u>2,723</u> | <u>2,723</u> |
| Creditors: amount falling due within one year | 5 | (133) | (119) |
| | | <u>2,590</u> | <u>2,604</u> |
| Net assets | | | |
| | | <u>2,590</u> | <u>2,604</u> |
| Equity shareholder funds | | | |
| Share capital | 7 | 10,000 | 10,000 |
| Profit and loss account | | (7,410) | (7,396) |
| | | <u>2,590</u> | <u>2,604</u> |
| Total equity shareholder funds | | <u>2,590</u> | <u>2,604</u> |

The accompanying notes on pages 10 to 12 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 5 September 2018.



M M Ruhdorfer
Director

Registered Number: 06393144

THOMSON REGIONAL NEWSPAPERS LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

| | Share capital | Profit and loss account | Total |
|------------------------|----------------------|------------------------------------|--------------|
| | £'000 | £'000 | £'000 |
| As at 1 January 2016 | 10,000 | (7,382) | 2,618 |
| Loss for the year | - | (14) | (14) |
| As at 1 January 2017 | 10,000 | (7,396) | 2,604 |
| Loss for the year | - | (14) | (14) |
| As at 31 December 2017 | 10,000 | (7,410) | 2,590 |

The accompanying notes on pages 10 to 12 form an integral part of these financial statements.

THOMSON REGIONAL NEWSPAPERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Basis of presentation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken exemption available under FRS 101 not to disclose all transactions with other group companies and investees of the group qualifying as related parties. It has also taken the exemption available under FRS 101 not to prepare a cash flow statement and the effects of new but not yet effective IFRSs and Capital Management disclosures.

These financial statements have been prepared under the historical cost convention. The functional and financial statements presentational currency of the Company is Pound Sterling ("£") and all values are rounded to the nearest pound, except where otherwise indicated.

The Directors have satisfied themselves that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The Company's results are consolidated in the financial statements of its ultimate parent company, Citigroup Inc., which are made available to the public annually.

The accounting policy set out below has, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

b) Taxation

Income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise. The tax effects of income tax losses available for carry-forward are recognised as a deferred tax asset if it is probable that future taxable profit will be available against which the losses can be utilised.

Deferred tax assets and liabilities are recognised for taxable and deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that there will be suitable profits available against which these differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Current and deferred taxes are recognised as income tax benefit or expense in the income statement

THOMSON REGIONAL NEWSPAPERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. Operating (expenses) / income

Operating expenses is comprised of the following:

| | 2017 £'000 | 2016 £'000 |
|---|---------------|---------------|
| Fees payable for the audit of the Company's annual accounts | 14 | 14 |

3. Taxation

Factors affecting tax credit for the year:

| | 2017 £'000 | 2016* £'000 |
|--|---------------|----------------|
| Current tax: | | |
| Loss before tax | (14) | (14) |
| Loss multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20.25%) | (3) | (3) |
| Effects of: | | |
| Group relief for nil consideration | 3 | 3 |
| | - | - |

The standard rate of Corporation Tax in the UK decreased to 19% on the 1 April 2017. Finance Act 2016 provides that the corporation tax rate will reduce further to 17% from 1 April 2020.

The deferred tax at 31 December 2017 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

The company has not recognised a deferred tax asset of £169,171 (2016: £169,171) in relation to losses carried forward. This has not been recognised on the grounds that there is insufficient evidence that it is probable that future taxable profits will be available against which the tax losses can be utilised.

4. Directors' emoluments

None of the Directors received any emoluments for their services to the Company during the current and preceding year. The Directors benefit from qualifying third party indemnity provisions in place during the year and at the date of this report.

5. Creditors

| | 2017 £'000 | 2016 £'000 |
|--|---------------|---------------|
| Amounts falling due within one year | | |
| Amounts owed to group undertakings | 133 | 119 |

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NOTES TO THE FINANCIAL STATEMENTS

6. Pensions

In 2013 the Company completed the conversion of its Scheme liabilities to insurance policies that exactly match the amount and timing of the benefits payable. As insurance assets have been purchased to match the total obligation and the funded status of the defined benefits scheme, as at year ended 31 December 2013 onwards, the Company no longer had any liability with respect to its legacy defined benefit pension investments or obligations. The Scheme was wound up in May 2015.

The Scheme's trustee company, Thomson Regional Newspaper Pension Trust Limited (TRNPT), was placed into liquidation in September 2015 and dissolved on 4 April 2017. The amounts owed to group undertakings were fully repaid.

7. Share capital

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | £ | £ |
| Authorised, Allotted, called up and fully paid | | |
| 1 Golden share of £1 | 1 | 1 |
| 10,000,001 Ordinary shares of £1 each | 10,000,001 | 10,000,001 |
| | <u>10,000,002</u> | <u>10,000,002</u> |

Citigroup Financial Products Inc. holds a golden share in the entity. The golden share gives the Citigroup Financial Products Inc. certain powers of veto over the activities of the Company. It does not entitle the holder to dividends or capital distributions in excess of par value.

8. Group structure

The Company's immediate parent undertaking is Citigroup Financial Products Inc., incorporated in United States of America. The audited financial statements of the immediate parent are available to the public annually and may be obtained from its registered office at 388 Greenwich Street, New York, New York, NY, 10013, United States.

The Company's ultimate parent company and ultimate controlling party is Citigroup Inc., incorporated in United States of America for which the audited consolidated financial statements are made available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from its registered office at 1209 Orange Street, Wilmington, New Castle, DE, 19810, United States of America and www.citigroup.com/citi/corporategovernance/ar.htm.