Archant Community Media Limited

Annual Report and Financial Statements

Period Ended

2 January 2022

Company Number 00019300

Archant Community Media Limited

Company Information

Directors	H K Faure Walker P A Hunter V H Boni
Company secretary	N E Carpenter S A Westrop
Registered number	00019300
Registered office	Loudwater Mill Station Road Loudwater High Wycombe HP10 9TY
Independent auditor	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

Archant Community Media Limited

Contents

Archant Community Media Limited

Strategic Report
For the Period Ended 2 January 2022

The directors present their Strategic Report for the period ended 2 January 2022. The directors have chosen to prepare accounts to this date as it represents the end of the 52nd trading week. The comparative period represents the year to 31 December 2020.

Principal activities

The Company's principal activity during the period continued to be primarily UK based and comprise a single trade of publishing content, predominantly in print, online, through mobile technologies and events.

Business review and key performance indicators

The business continues to operate in an increasingly fragmented media landscape; its localness and understanding of its communities, audiences and customers, together with its trusted relationship with these groups, remains a key strength.

The key financial and non-financial performance indicators for the Company are focused on driving and harnessing these communities, leveraging local and regional audiences to engage with audiences via all forms of media in light of the continuing decline in print:

	Period ended 2 January 2022	Year ended 31 December 2020
Total revenue	£54.3m	£55.3m
Advertising and digital revenue	£32.3m	£32.5m
Digital revenue as a percentage of total revenue	17%	15%
Circulation revenue	£15.4m	£17.3m
Other revenues	£6.6m	£5.5m
EBITDA*	£1.3m	(£1.4m)
Net (debt)/cash	(£4.0m)	(£2.0m)
Web and mobile traffic (average monthly unique visitors)	9.5m	11.1m
Web and mobile page views (average monthly)	41.1m	41.6m

**excluding depreciation, amortisation, impairment, revaluation gains and losses and exceptional items*

The Company continued to be impacted by the challenging macro-economic environment. 2021 began with the country in lockdown once again, and even as those restrictions began to ease in March 2021, the Company's trading performance was closely aligned to that of its commercial customers. In light of the testing conditions for advertising and digital revenues, the directors were pleased to achieve consistency year-on-year.

Circulation revenue fell 9% on prior year to £15.4m, with both newspapers and magazines experiencing continuing challenges as audiences continue to migrate to digital solutions.

In the context of challenges in growing revenues, good cost management has been essential in ensuring the ongoing sustainable of the Company. The difficulty of that has been exacerbated by significant cost inflation in print, with the price of paper rising 57% across the year.

Gross margins have been improved slightly from 66% to 67%, and administrative expenses (excluding exceptional items) have fallen dramatically from £48.5m to £41.9m. A key area of focus has been employment costs, which contributed £2.9m to that reduction.

Business review and key performance indicators (continued)

The directors have chosen to disclose the adjusted, unaudited EBITDA on page 16. This is because the directors consider EBITDA to be a useful measure of the Company's operating performance and reflects the underlying operating cash generation, and is obtained by eliminating depreciation, amortisation, impairment, revaluation gains and losses and exceptional items from the operating profit or loss. Since this is a non-UK GAAP measure, it may not be directly comparable to the EBITDA of other companies, as they may define it differently.

EBITDA swung from a £1.4m loss in the prior year amounts to a surplus of £1.3m, driven by close cost control and moving towards a more efficient and variable cost base.

Notwithstanding this, the net debt position at the period-end worsened to £4.0m. This meant the Company continued to maintain sufficient debt headroom to ensure it could meet all its financial liabilities.

Subsequent to the period-end, the group of which the Company is a part was acquired by Newsquest Media Group Limited ("Newquest") on 18th March 2022. This led to all debt obligations being repaid, and replaced by flexible support from Newquest.

Future developments

On 18th March 2022 the parent company, TRL 2019 Limited, was acquired by Newsquest Media Group Limited ("Newsquest"). The acquisition provides the opportunity for the combined group to access more economies of scale to assist in delivering the Company's strategy, which is focused on driving audience growth and engagement by delivering deeper content experiences to our customers. The execution of this strategy is expected to enable the Company to continue its evolution from a traditional print media business to a digitally-focused content platform.

On 3rd January 2022 the Dialogue business unit was hived down into a wholly owned subsidiary, then on 18th March 2022 that entity was sold to Dialogue HoldCo Limited immediately prior to the acquisition of the remainder of the group by Newsquest. No assets or liabilities were hived down or subsequently sold and no consideration was paid.

The Company has also divested a number of business units subsequent to the period-end:

- On 23rd February 2022 seven specialist titles in the Rural and Boating sectors were sold to Kelsey Publishing Limited.
- On 31st March 2022 three specialist titles relating to France were sold to France Media Limited.
- On 30th June 2022 five specialist titles in the Shooting sector were sold to Fieldsports Press Limited.

The total proceeds on the above sales were approximately £1,675,000.

In addition to acquiring the publishing rights attached to the titles, in each case the purchasing entity also took on responsibility for the subscriptions liabilities and related staff.

These divestments streamlined the ongoing business enabling the Company to focus on its core local news products. The continued weakness of the UK economy will necessitate continuing robust cost control and reengineering of the business. These measures are essential to ensure the viability of the Company.

Principal risks and uncertainties

There is an ongoing process for the identification, evaluation and management of the significant risks faced by the Company. The management and mitigation of any adverse impact of the key risks identified are:

Following the acquisition by Newsquest, the Company is a subsidiary undertaking within the group. Cash funds of the group are managed at a group level. Interest is received and paid by the Company on certain loans with other group companies.

Market risk, driven by lifestyle and attitude to spend on media is managed via the Company aiming to provide high quality editorial content in all its products to provide appropriate quality and value for its audience to encourage repeat purchases. Investment is continuing in digital brands, and in strengthening the Company's fixed web and mobile presence. The Company reviews economic, industry and other relevant data to evaluate future revenue trends and to put appropriate plans in place.

The Company is dependent on technology in particular computer networks and software. To mitigate this business continuity plans are reviewed annually. The Company has full mirroring of core systems across two sites and uses cloud-based services where appropriate. The Company also maintains adequate Business Interruption insurance cover in the event of financial loss as a result of failures in key systems.

Stakeholder engagement

Detailed below are the Key Stakeholders identified by the Board and how the Board engages with them.

Owners
Throughout the period monthly board meetings were held with Rcapital and the PPF (who had a right to appoint an observer at board meetings) to review financial and operational matters. Following the acquisition by Newsquest 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 updating on business developments takes place.

Employees
Employees are fundamental to the long-term success of the Company. We continued to provide employees with information about the Company throughout the period and encourage employee involvement. In addition to any local initiatives' communication has been via "Archant Hive", our employee intranet, and by email. Regular staff-surveys are conducted with focus groups established to reflect any specific initiatives or actions.

Archant managers are encouraged to hold regular 1-1 meetings with their teams to take on board feedback and listen to any concerns they may have. Issues are escalated through the business if they require resolution.

Customers
Engagement with our customers is undertaken in many ways. For our digital readers, the success of any content is monitored by views/time spent on any page to identify the most successful stories which can then drive editorial content most suitable for the audience.

Previously the Company looked at its relationship with advertisers using Net Promoter Scores which is a tool used to gauge the loyalty of customer and measures whether a customer is likely to be a promoter of the business and in turn more loyal. Having reviewed this during the period a decision had been made to change this to a Customer Happiness Score which simplifies the process for the customers.

Stakeholder engagement (continued)

Suppliers
We have a limited number of large suppliers. It is important to maintain good relationships with all suppliers as they are fundamental to the quality of our products. All key suppliers will have a named individual within the organisation with whom any concerns can be raised. Careful attention is paid to supplier terms and a clear payment policy is in place.

Pension Scheme
As a result of the financial restructuring which took place in 2020 the Final Salary Scheme was transferred to the Pensions Protection Fund (PPF) who also received a financial settlement. The PPF also retained beneficial ownership in properties at Thorpe, Weston-super-Mare and Exeter. Subsequent to the period-end on 18th March 2022 all three properties were sold to JCP Four Limited, and all liabilities to the PPF were settled. As such the PPF are no longer considered a key stakeholder.

S172 statement - Directors' duties

Section 172(1) of the Companies Act 2006 provides that a director of a company must act in a way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

1. the likely consequences of any decision in the long term;
2. the interests of the Company's employees;
3. the need to foster the Company's business relationships with suppliers, customers and others;
4. the impact of the Company's operations on the community and the environment;
5. the desirability of the Company maintaining a reputation for high standards of business conduct; and
6. the need to act fairly between members of the Company.

Principal decisions taken during the period

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

In November 2021 the decision was taken to rationalise the Company's property portfolio. A significant shift in working patterns was observed post-COVID with the utilisation of several offices reducing. Given the lower usage it no longer represented value for money to continue to occupy, therefore the decision was made to maintain offices only in the Company's four key locations, Norwich, Ipswich, Huntingdon and Exeter.

Archant Community Media Limited

Streamlined Energy and Carbon Reporting (SECR)

Archant Community Media Limited is committed to minimising its impact on the planet and the population. In this light Archant has been following a number of initiatives which have reduced energy consumption and pollution across the business for a number of years. The primary changes in the period ended 2 January 2022 (hereby referred to as 2021) have been the reduction in office space (through closing offices and downsizing) and the continued replacement of vehicles in the Company car fleet with less polluting newer models.

Due to the major changes in Archant's consumption of energy which took place during late 2019 and 2020, the 'baseline' year for SECR reporting has been set as 2020, coinciding with Archant's fiscal year. It is intended that comparisons between years and evaluation of improvement options can be implemented during 2021.

The boundaries of the reporting are Archant's office operation, i.e. Scope 1 and 2 consumption, plus consumption of fuels for company, rental and employee's personal vehicles where the fuel was paid for by the Company. The approach taken largely excluding Scope 3 consumption / emissions (i.e. that from the supply chain) is based on Archant's subcontractors and suppliers being generally large companies who report these consumption / emission figures already and the Archant specific activities being a small fraction of the supplier's total figures.

The following table details the totals of consumption and emission required to be declared in compliance with SECR for the year ended 31 December 2020.

Types of source	**kWh**	**equivalent tonnes of CO2**
Gas	1,685,341	393
Electricity	1,040,964	212
Transport	648,150	150
Aggregate of the above	**3,374,455**	**755**

The following table details the totals of consumption and emission required to be declared in compliance with SECR for the period ended 2 January 2022.

Type of source	**kWh**	**equivalent tonnes of CO2**
Gas	154,889	32
Electricity	886,573	207
Transport	460,878	113
Aggregate of the above	**1,502,340**	**352**

Archant has selected the following intensity measure to be reported:

tCO_2e (Scope 1, 2 and fuel for company required personal vehicle mileage) / £m (revenue).

Intensity ratio = 352 tCO_2e / £54.3m = 6.48 tCO_2e / £m (2020: 13.5TCO_2e / £m)

Archant Community Media Limited

Streamlined Energy and Carbon Reporting (SECR) (continued)

Archant's greenhouse gas emissions methodology was based on the use of Government issued conversion factors for each energy / fuel type. Reasonable effort was employed to obtain accurate original data (electricity and gas meter readings, business miles and fuel purchased); the figures in the table include best estimates (where exact figures could not be obtained) equating to 7% (2020: 8%) of the aggregate values.

During the period the primary action taken to reduce pollution was continuing the replacement of older, less energy efficient diesel cars with less polluting petrol vehicles. By the end of 2020 over three quarters of the business car fleet were less than 2 years old, so this in turn contributed to the decreased CO2 usage over 2021. Direct comparison of this improvement is not possible as the older cars had manufacturer's over-optimistic CO2 per km and consumption figures, compared to the WLTP approved figures for the newer cars. The number of vehicles used by Archant in 2021 in comparison to 2020 has decreased due to changing business needs, and a need to reduce the effect on the environment.

The other main change in direct consumption is the reduction of the number of offices and a concomitant reduction in electricity and gas usage billed to Archant. During 2021 Archant vacated some offices and the previous print centre, which resulted in a significant drop in energy usage.

The nature of these changes means that it is difficult to make meaningful comparisons between 2021 and the baseline year of 2020. We have reduced our energy consumption significantly, but this is partly a result of changing business needs and the vacation of several locations, so the drastic drop in usage is not something that can be considered an ongoing trend, however Archant is committed to the continuing reduction of energy consumption.

By order of the Board

DocuSigned by:
Paul Hunter
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P A Hunter
Director

Date: 9/8/2022 | 3:58 AM EDT

Archant Community Media Limited

Directors' Report
For the Period Ended 2 January 2022

The directors present their annual report together with the audited financial statements of the Company for the period ended 2 January 2022. The comparatives are for the year ended 31 December 2020.

Directors

The names of the directors who served during the period and up to the date of approval of these financial statements are set out below.

N D Steven-Jones (resigned 30 April 2022)
L M Willis (resigned 30 April 2022)
Gold Round Limited (resigned 18 March 2022)
H K Faure Walker (appointed 18 March 2022)
P A Hunter (appointed 18 March 2022)
V H Boni (appointed 30 April 2022)

Results and dividends

The loss for the period after taxation amounted to £5,491,000 (year ended 31 December 2020: £36,419,000).

The directors do not propose a final dividend in respect of the period ended 2 January 2022 (year ended 31 December 2020: £Nil). No interim dividend was paid during the period (year ended 31 December 2020: £Nil).

Events since the statement of financial position date

On 18th March 2022 the parent company, TRL 2019 Limited, was acquired by Newsquest Media Group Limited ("Newquest"). The acquisition provides the opportunity for the combined group to access more economies of scale to assist in delivering the Company's strategy, which is focused on driving audience growth and engagement by delivering deeper content experiences to our customers. The execution of this strategy is expected to enable the Company to continue its evolution from a traditional print media business to a digitally-focused content platform.

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The total proceeds on the above sales were approximately £1,675,000.

In addition to acquiring the publishing rights attached to the titles, in each case the purchasing entity also took on responsibility for the subscriptions liabilities and related staff.

These divestments streamlined the ongoing business enabling the Company to focus on the profitable core products. The continued weakness of the UK economy will necessitate continuing robust cost control and reengineering of the business. These measures are essential to protect the Company during this challenging time.

Going concern

The COVID-19 pandemic continued to cause major disruption to businesses throughout the United Kingdom, including the Company. The Tier 4 restrictions implemented by the UK government in December 2021 only started to ease in mid-March and resulted in Q1 revenues being down 23% on the prior year. While the Company continued to utilise government support via the Coronavirus Job Retention Scheme, and trading improved over the course of 2021, the continuing economic effect of the pandemic on a wide range of business sectors stunted the prospect of growth in revenues, particularly in the advertising and digital space. In Q3 the Company started to experience significant cost inflation in print and paper, with the increase in paper prices hitting 57% from the start of the period at its peak.

While improved trading a tight cost control enabled the Company to return EBITDA to profit, the net debt position was increased to £4.0m (2020: net debt of £2.0m) by the period end, and net current liabilities were £6.0m (2020: Net current liabilities of £3.2m). A significant portion of this is made up of the liability due on the invoice discounting facility £3.0m (2020: £1.6m). Subsequent to the period-end, the group of which the Company is a part was acquired by Newsquest Media Group Limited ("Newsquest") on 18th March 2022. This led to all debt obligations, including the invoice discounting facility, being repaid and replaced by flexible support from the new parent company. While the net current liability position remains, the acquisition has provided the Company with financial stability for the foreseeable future.

The Directors have prepared forecasts which indicate that the Company, will generate sufficient cash to fund the reduced net liability position and future operations. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with Newsquest. The directors have received assurances from Newsquest that they will not enforce repayment of the group support facility, unless funds are available to allow repayment without jeopardising the Company's ability to continue in operation and meet its liabilities as they fall due. In addition to this Newsquest have confirmed their willingness and intention to continue to provide on-going financial support to the Company, in order to meet its liabilities as they fall due for a period of at least twelve months from the date the financial statements are approved.

On the basis of their assessment of the Company's financial position, forecast trading performance and the confirmation received from Newsquest, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Employee involvement

Staff engagement remains critical to business success. We maintain strong communications with employees to ensure they feel included, informed and enabled. This includes regular roadshows to update on progress and performance and the continued success of our internal social media channel where ideas can be exchanged, questions answered and successes celebrated in real time.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Financial risk

At the date of the Statement of Financial Position, the Company's principal financial risk was liquidity risk. The Company's senior management oversee the management of this risk within an overall risk strategy which seeks to minimise potential adverse effects on the Company's performance.

Liquidity risk results from having insufficient financial resources to meet day-to-day working capital and cash flow requirements. During the period the Company managed this risk through an invoice discounting facility at a fixed rate of discount and a loan facility from a group company at a fixed rate of interest. Subsequent to the period-end, the group of which the Company is a part was acquired by Newsquest Media Group on 18th March 2022. This led to all debt obligations being repaid, and replaced by flexible support from the new parent company.

The Company had limited exposure to interest rate risk, foreign exchange risk, credit risk and commodity price risk.

Directors' liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

Matters covered in the Strategic Report

Details as to the future developments of the Company and Stakeholder Engagement have been included in the Strategic Report.

Research and development activities

Research and Development activity related to the development of a customer portal. Our Marketing Services product proposition requires multiple tech stacks to deliver, monitor and report on service performance. The portal sought to create a single platform for clients to access to measure the success and performance of their marketing across all platforms. Their data was more transparent than ever before, the success and performance of their campaigns was much easier to measure, and digital marketing services were more accessible to a wider range of clients.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the Board

DocuSigned by:
Paul Hunter
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P A Hunter
Director

Date: 9/8/2022 | 3:58 AM EDT

Directors' Responsibilities Statement
For the Period Ended 2 January 2022

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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.

Archant Community Media Limited

Independent Auditor's Report to the Members of Archant Community Media Limited

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Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 January 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Archant Community Media Limited ("the Company") for the period ended 2 January 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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 directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 course of 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 this gives rise to 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.

Other Companies Act 2006 reporting

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 period 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.

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.

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 Statement, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- *Enquiring of those charged with governance and management, including obtaining and reviewing* supporting documentation, concerning the Company's internal policies and procedures relating to:

    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- Obtaining an understanding, as gathered from accumulated knowledge of the Company and the industry, of the legal and regulatory (including reporting framework) environment that the Company operates in, focusing on those laws and regulations that could reasonably be expected to have a direct effect on the financial statements or a fundamental effect on the operations of the Company. For Archant Community Media Limited, we consider these to include; Companies Act 2006, UK GAAP, Employment Law, Health and Safety, Data Protection and standard UK tax legislation.

- Where available and provided, reviewing all correspondence with regulatory authorities.

- Undertaking analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

- Additionally, we reviewed the revenue recognition policy for consistency with prior year and ensured the adopted policy was in line with UK GAAP requirements, we tested the application of this policy throughout our substantive audit procedures over revenue.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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.

DocuSigned by:
Keith Ferguson
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Keith Ferguson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Ipswich

Date: 08 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Archant Community Media Limited

Income Statement
For the Period Ended 2 January 2022

	Note	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Turnover	4	**54,328**	55,310
Cost of sales		**(17,739)**	(18,755)
Gross profit		**36,589**	36,555
Other operating income	5	**2,079**	2,076
Administrative expenses - including exceptional items of £2,364k (2020: £23,670k)		**(43,804)**	(72,052)
Operating loss	6	**(5,136)**	(33,421)
Interest payable and similar charges	9	**(385)**	(96)
Other finance expense		**-**	(229)
Loss before taxation		**(5,521)**	(33,746)
Tax on loss	11	**30**	(2,673)
Loss for the period/year		**(5,491)**	(36,419)

All amounts relate to continuing activities.

Non-Gaap Measure

Earnings before interest, depreciation, amortisation, impairment, revaluation gains and losses and exceptional items ('EBITDA') for the period ended 2 January 2022.

	Note	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Operating loss		**(5,136)**	(33,421)
Depreciation	13	**359**	384
Impairment of tangible fixed assets	13	**-**	160
Amortisation	12	**3,086**	5,386
Impairment of intangible fixed assets	12	**606**	1,751
Revaluation of freehold property		**-**	791
Exceptional items	10	**2,364**	23,570
EBITDA		**1,279**	(1,379)

The notes on pages 20 to 49 form part of these financial statements.

Archant Community Media Limited

Statement of Comprehensive Income
For the Period Ended 2 January 2022

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Loss on ordinary activities after taxation	**(5,491)**	(36,419)
Other comprehensive income:		
Debit to equity for share based payment	-	(17)
Total comprehensive income for the period/year	**(5,491)**	(36,436)

The notes on pages 20 to 49 form part of these financial statements.

Archant Community Media Limited
Registered number: 00019300

Statement of Financial Position
As at 2 January 2022

	Note		2 January 2022 £000		31 December 2020 £000
Fixed assets					
Intangible assets	12		**22,366**		25,455
Tangible fixed assets	13		**4,179**		6,200
Investments	14		**52**		52
			26,597		31,707
Current assets					
Stocks	15	**176**		115	
Debtors	16	**8,589**		8,263	
Cash and cash equivalents	17	**1,322**		1,743	
		10,087		10,121	
Creditors: amounts falling due within one year	18	**(16,065)**		(13,362)	
Net current liabilities			**(5,978)**		(3,241)
Total assets less current liabilities			**20,619**		28,466
Creditors: amounts falling due after more than one year	19		**(5,335)**		(7,857)
Provisions for liabilities					
Other provisions	20		**(629)**		(463)
Net assets			**14,655**		20,146
Capital and reserves					
Called up share capital	21		**5,000**		5,000
Other reserves	22		**17**		17
Profit and loss account	22		**9,638**		15,129
Total equity			**14,655**		20,146

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 9/8/2022 | 3:58 AM EDT

DocuSigned by:

Paul Hunter

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P A Hunter
Director

The notes on pages 20 to 49 form part of these financial statements.

Archant Community Media Limited

Statement of Changes in Equity
For the Period Ended 2 January 2022

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	5,000	17	15,129	20,146
Comprehensive income for the period				
Loss for the period	-	-	(5,491)	(5,491)
Total comprehensive income for the period	-	-	(5,491)	(5,491)
At 2 January 2022	5,000	17	9,638	14,655

Statement of Changes in Equity
For the Year Ended 31 December 2020

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	5,000	34	51,548	56,582
Comprehensive income for the year				
Loss for the year	-	-	(36,419)	(36,419)
Other comprehensive income:				
Debit to equity for share based payment	-	(17)	-	(17)
Other comprehensive income for the year	-	(17)	-	(17)
Total comprehensive income for the year	-	(17)	(36,419)	(36,436)
At 31 December 2020	5,000	17	15,129	20,146

The notes on pages 20 to 49 form part of these financial statements.

Archant Community Media Limited

Notes to the Financial Statements
For the Period Ended 2 January 2022

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1. General information

Archant Community Media Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and principal activity are set out in the strategic report.

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in GBP Sterling, which is the functional currency of the Company, and are rounded to the nearest £'000.

The financial statements have been prepared to the Sunday falling closest to the year end.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the Company's accounting policies. Details of the significant judgements and estimates are provided in note 3.

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of TRL 2019 Limited as at 2 January 2022 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2. Accounting policies (continued)

Going concern

The COVID-19 pandemic continued to cause major disruption to businesses throughout the United Kingdom, including the Company. The Tier 4 restrictions implemented by the UK government in December 2021 only started to ease in mid-March, and resulted in Q1 revenues being down 23% on the prior year. While the Company continued to utilise government support via the Coronavirus Job Retention Scheme, and trading improved over the course of 2021, the continuing economic effect of the pandemic on a wide range of business sectors stunted the prospect of growth in revenues, particularly in the advertising and digital space. In Q3 the Company started to experience significant cost inflation in print and paper, with the increase in paper prices hitting 57% from the start of the period at its peak.

While improved trading a tight cost control enabled the Company to return EBITDA to profit, the net debt position was increased to £4.0m (2020: net debt of £2.0m) by the period end, and net current liabilities were £6.0m (2020: Net current liabilities of £3.2m). A significant portion of this is made up of the liability due on the invoice discounting facility £3.0m (2020: £1.6m). Subsequent to the period-end, the group of which the Company is a part was acquired by Newsquest Media Group Limited ("Newsquest") on 18th March 2022. This led to all debt obligations, including the invoice discounting facility, being repaid and replaced by flexible support from the new parent company. While the net current liability position remains, the acquisition has provided the Company with financial stability for the foreseeable future.

The directors have prepared forecasts which indicate that the Company, will generate sufficient cash to fund the reduced net liability position and future operations. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with Newsquest. The directors have received assurances from Newsquest that they will not enforce repayment of the group support facility, unless funds are available to allow repayment without jeopardising the Company's ability to continue in operation and meet its liabilities as they fall due. In addition to this Newsquest have confirmed their willingness and intention to continue to provide on-going financial support to the Company, in order to meet its liabilities as they fall due for a period of at least twelve months from the date the financial statements are approved.

On the basis of their assessment of the Company's financial position, forecast trading performance and the confirmation received from Newsquest, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Revenue from the sales of goods and services is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Company will receive the previously agreed upon payment. These criteria are considered to be met when the goods and services are delivered to the buyer. Where high volumes of publications are made to established customers, revenue is recognised in the period where the publications are delivered less an appropriate provision for returns based on past experience.

The specific criteria for revenue recognition are as follows:

Advertising and circulation revenues are recognised on publication or display.
Subscription revenues are recognised over the periods to which the subscriptions relate.
Printing and contract publishing revenues are recognised on delivery of the publication.
Other revenues are recognised when the goods or services have been supplied or provided to the customer, and there is a contractual obligation for the customer to pay for those goods or services.

2. Accounting policies (continued)

Government and other grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on intangible fixed assets are credited in profit and loss at the same rate as the amortisation on the assets to which the grant relates. The deferred element of grants is included in creditors as grant funding liabilities.

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough') and business rates relief.

The Company has not directly benefited from any other forms of government assistance.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

2. Accounting policies (continued)

Intangible assets

(a) Newspaper and magazine titles

Newspaper and magazine titles acquired prior to 31 December 1997 were classified as goodwill and written off directly to reserves.

Newspaper and magazine titles acquired separately are measured on initial recognition at cost. The cost of newspaper and magazine titles acquired in a business combination is their fair value at the date of acquisition. Newspaper and magazine titles have finite useful lives, and following initial recognition, newspaper and magazine titles are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated newspaper and magazine titles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Newspaper and magazine titles are amortised on a straight line basis over their useful economic lives, subject to a maximum of 10 years, and assessed for impairment at the end of the first full year following acquisition and in other periods whenever there is an indication that the titles may be impaired. All amortisation and impairment charges in the year have been charged through operating costs in profit or loss. The amortisation period and the amortisation method for newspaper and magazine titles are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of newspaper and magazine titles are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(b) Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of joint ventures and associates is included in the related equity accounted investment value.

Goodwill arising on acquisition prior to 31 December 1997 was set off directly against reserves and was reinstated on implementation of FRS 10. The Company also elected to take advantage of the exemption under IFRS 1 not to restate all business combinations prior to 1 January 2014, and accordingly the value of goodwill reported under UK GAAP at 1 January 2014 was frozen on transition to IFRS.

The Company elected to take advantage of the exemption under FRS 102 from applying Section 19 to business combinations prior to 1 January 2019, and accordingly the value of goodwill reported under IFRS at 1 January 2019 was frozen on transition to FRS 102.

2. *Accounting policies (continued)*

Intangible assets (continued)

(c) Research and development costs
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. Intangible assets are recognised 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 be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives, which range from 3 to 5 years. Amortisation begins when the intangible asset is available for use, ie when it is in the location and condition necessary for it to be usable in the manner intended by management.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

(d) Website development costs
Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset and amortised over 3 years. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred. Development costs that are capitalised in accordance with the requirements of FRS 102 are not treated, for dividend purposes, as a realised loss.

Tangible fixed assets
Tangible fixed assets other than Land and Buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are stated at fair value comprising periodic valuations by an external independent valuer, with subsequent additions stated at cost. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent of any existing surplus in respect of that asset in the revaluation reserve in other comprehensive income.

An annual transfer is made from the revaluation reserve to retained earnings for the difference between depreciation based on the carrying amount of the revalued assets and that based on the revalued assets' original cost. Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

2. Accounting policies (continued)

Tangible fixed assets (continued)

Depreciation

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold property	- 35 years
Leasehold improvements	- term of lease
Plant and machinery	- 5 to 15 years
Motor vehicles, equipment, furniture and fittings	- 3 to 7 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in profit or loss.

Valuation of investments
Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment of tangible and intangible fixed assets
Tangible and intangible fixed assets, including goodwill, are assessed at each reporting date to determine whether there is any indication that the assets are impaired Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. The value in use has been derived from discounted cash flow projections using a discount rate of 9.07% (2020: 9.07%) on a post-tax basis. Cash flow for 2022 have been projected based upon management's most recent business forecast. Cash flows beyond 2022 assume an annual increase of 2.5% in revenues and costs and no underlying growth. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Tangible and intangible fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognise in prior periods may not reversed.

The useful economic life of the Company's intangible assets are:

Newspaper titles	10 years from 1 January 2021*
Magazines titles	10 years from 1 January 2021*
Software	3 years
Asset in course of construction	3 years from date of capitalisation as software

*On 1 January 2021, prior to the acquisition of the Company by Newsquest, the directors and management reviewed the amortisation policy being applied to Newspaper and Magazine titles as the remaining useful economic life of 5 years was considered to be too short. The useful economic life of the Newspaper and Magazine titles was extended to a further 10 years from 1 January 2021. The directors believe that this is the best estimate as to the maximum period that can be reliably estimated, for which these assets will be available for use.

2. Accounting policies (continued)

Leased assets: lessor
Assets leased to third parties are treated as operating leases. Their annual rentals are credited to profit or loss on a straight-line basis over the term of the lease, less allowances for situations where recovery is doubtful.

Operating leases: the Company as lessee
Rentals paid under operating leases are charged to profit or loss on a straigh-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Leased assets: lessee
All leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Where the Company has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued and expensed in profit or loss as the 'wear and tear' occurs.

During the prior year the Company has received rent concessions on a number of the leased properties. In accordance with the amendment to FRS 102 the Company has recognised the change in lease payments over the period that the change is intended to compensate where the following conditions are met:
- the change in lease payments results in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change; and
- there is no significant change to other terms and conditions of the lease.

Sale and leaseback (as lessee)
When a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are deferred and presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

Stocks
Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. Accounting policies (continued)

Financial assets
Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand and restricted funds where the funds are not readily available for use by the Company.

Financial liabilities and equity
Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Finance costs
Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Provisions
Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Contingent liabilities are not recognised, but are disclosed unless an outflow of resources is remote. Contingent assets are not recognised, but are disclosed where an inflow of economic benefit is probable.

2. Accounting policies (continued)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Company can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pensions

The Company operates a defined contribution pension scheme, the Archant Pension Plan, which is open to eligible employees. The Company's contributions are charged to the Income Statement in the period in which they are payable.

The defined benefit pension scheme ("the Scheme") operated by the Company was closed to new members in February 1998 and for future accrual from 31 May 2016.

On a periodic basis the fair value of the Scheme assets, the present value of the Scheme obligations and the amounts recognised in the Income Statement and the Statement of Comprehensive Income are determined by independent actuarial advice. This was last undertaken at 31 December 2019. For the year ended 31 December 2020, the movements on Scheme assets and Scheme obligations prior to the Company's Company Voluntary Arrangement in September 2020 have been estimated by the directors of the Company.

The interest cost of the Scheme obligations is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The interest income on Scheme assets is determined by multiplying the fair value of Scheme assets at the beginning of the period by the discount rate, adjusted for the effect on the fair value of Scheme assets of contributions received and benefits paid during the period. The difference between the interest income on Scheme assets and the interest cost on Scheme obligations is recognised in the Income Statement as other finance income or expense.

The Company also makes provision for the capital value of unfunded pensions to certain current and former employees and their dependents.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the Company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Pensions*
  Pension accounting requires certain assumptions to be made in order to value our obligations and to determine the charges to be made to the Income Statement. These figures are particularly sensitive to assumptions for discount rates, mortality, inflation rates and expected long-term rates of return on assets. Details of assumptions are given in Note 23. For the year ended 31 December 2020, the movements in Scheme assets and Scheme obligations prior to the Company's Company Voluntary Arrangement in September 2020 have been estimated by the directors of the Company.

- *Provisions*
  Provisions recognised at the date of the Statement of Financial Position are detailed in Note 20 and include amounts for the closure of the Print Centre in Norwich and for dilapidations and onerous property lease costs.

  Although provisions and liabilities are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided.

- *Tangible and intangible fixed assets*
  Tangible and intangible fixed assets are depreciated or amortised 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. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Turnover arises from:		
Advertising revenue	**23,309**	24,132
Circulation revenue	**15,431**	17,266
Digital revenues	**9,028**	8,371
Other revenues	**6,560**	5,541
	54,328	55,310

Turnover is analysed by geographical market as follows:

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
United Kingdom	**53,232**	52,978
Europe	**347**	1,542
United States of America and Canada	**568**	532
Other	**181**	258
	54,328	55,310

5. Other operating income

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Government grants receivable	**893**	1,306
Other grants receivable	**1,186**	770
	2,079	2,076

Government grants receivable represents claims to cover wages and salaries for the Company's employees placed on temporary leave ('furlough') under the Coronavirus Job Retention Scheme.

Other grants receivable represent amounts recognised in relation to a funding agreement for a collaborative project with Google. Grants receivable are recognised as income as the related expenditure is incurred.

6. Operating loss

The operating loss is stated after charging:

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Fees payable for the audit of the financial statements	**50**	62
Fees payable to the Company's auditor for other services to the Group:		
- Accounts preparation assistance	**7**	5
Depreciation of tangible fixed assets	**359**	384
Impairment of tangible fixed assets	**-**	160
Loss on disposal of tangible fixed assets including associated costs	**227**	334
Amortisation of intangible fixed assets	**3,086**	5,386
Impairment of intangible fixed assets	**606**	1,751
Operating lease rentals:		
- Plant and machinery	**857**	726
- Land and buildings	**756**	1,268
Net loss on conversion of foreign currency transactions and balances	**24**	19
Research and development	**43**	-

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Wages and salaries	**24,869**	26,533
Social security costs	**2,487**	2,538
Pension costs	**2,314**	2,458
	29,670	31,529

Staff costs of £122,000 (year ended 31 December 2020: £413,000) were capitalised in software development projects included in Assets in Course of Construction within intangible assets (Note 12).

The average number of employees, including the directors, during the period/year was:

	Period ended 2 January 2022 No.	Year ended 31 December 2020 No.
Publishing, printing and media activities	**905**	972

Archant Community Media Limited

Notes to the Financial Statements
For the Period Ended 2 January 2022

8. Directors' remuneration

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Salaries, bonuses and other benefits	**337**	502
Termination payment	**-**	49
Pension contributions:		
Defined contribution scheme	**35**	28
Self invested personal pension	**-**	17
	372	596

During the period retirement benefits were accruing to 2 directors (year ended 31 December 2020: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £174,000 (year ended 31 December 2020: £137,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £17,000 (year ended 31 December 2020: £13,000).

9. Interest payable and similar charges

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Bank and finance facility interest	**385**	79
Finance cost on Newspaper Society pension deficit funding	**-**	17
	385	96

Archant Community Media Limited

10. Exceptional items

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Pension scheme related costs	-	363
Restructuring costs	**1,261**	1,176
Print Centre closure	**209**	(8)
Property portfolio rationalisation	**42**	508
System rationalisation	**210**	-
Photocopier onerous lease costs	**190**	-
Energy surcharges	**214**	-
Acquisition related costs	**238**	-
Corporate restructuring and Company Voluntary Arrangement	-	1,210
Sale of art collection	-	(110)
Liabilities written off following a CVA on 18 September 2020	-	(7,293)
Inter company balances with members of the Archant Limited group of companies following those companies entering into administration or liquidation	-	27,724
	2,364	23,570

The pension scheme related costs comprise the Pension Scheme Pension Protection Fund levy, life assurance, permanent health insurance and contributions to the Pension Scheme administration expenses.

The restructuring costs arise from redundancies and related costs resulting from a number of initiatives to improve the productivity of the operating divisions.

The Company closed the Print Centre at Thorpe in November 2019 and provided all costs associated with the closure, including impairment of plant and machinery, stock write downs, contract terminations and site decommissioning costs. During the period ended 2 January 2022 the Company continued to incur costs for general utilities on the site.

The Company's property portfolio rationalisation has been accelerated by the COVID pandemic, and the Company has incurred costs in relation to the exits from a number of properties and further costs in sourcing and acquiring replacement rented accommodation.

During the period several systems were reviewed and replaced. This process incorporated significant periods of time where licences and other costs were being incurred across multiple systems during migration, as well as costs associated with exiting contracts with existing suppliers.

The Company has a lease contract for photocopiers, however following a review and reduction in the premises the Company operates from, the majority of the photocopiers leased are no longer used. Those which remain in use are operated at far lesser volumes that anticipated when the lease was entered into. As such the lease has been assigned as an onerous lease, and the full cost of the lease has been provided for and recognised within exceptional costs.

10. Exceptional items (continued)

The Energy Surcharges represent temporary surcharges charged by suppliers in response to the volatile energy prices through November and December 2021.

Acquisition related costs represent professional and legal fees associated with the acquisition of the company by TRL 2019 Limited.

The Company entered into a Company Voluntary Arrangement on 18 September 2020, and the former Archant Group underwent a corporate restructuring. The Company incurred legal and professional fees in respect of these items.

The Company's art collection was sold by auction in October 2020.

As a result of the CVA and the sale of the Company to TRL 2019 Limited, certain creditors of the Company, including the Pension Scheme and HMRC, were compromised and will be settled at less than full value. In addition, amounts receivable from the Archant Group have been written off, and the carrying values of tangible and intangible fixed assets have been reviewed and written down to their recoverable amounts.

11. Taxation

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Corporation tax		
Adjustment in respect of previous periods	**(30)**	-
Total current tax	**(30)**	-
Deferred tax		
Origination and reversal of timing differences on intangible assets	-	(1,134)
Origination and reversal of pension scheme timing differences	-	1,740
Origination and reversal of other timing differences	-	422
Adjustment to de-recognise deferred tax asset	-	1,645
Total deferred tax	-	2,673
Taxation on loss on ordinary activities	**(30)**	2,673

The deferred tax asset was de-recognised at 31 December 2020 as it does not satisfy the recognition criteria for deferred tax under FRS102.

11. Taxation (continued)

Factors affecting tax (credit)/charge for the period/year

The tax assessed for the period is higher than (year ended 31 December 2020: higher than) the standard rate of corporation tax in the UK of 19% (year ended 31 December 2020: 19%). The differences are explained below:

	Period ended 2 January 2022 £000	Year ended 31 December 2020 £000
Loss on ordinary activities before tax	**(5,521)**	(33,746)
Loss on ordinary activities multiplied by standard rate of corporation tax *in the UK of 19% (year ended 31 December 2020: 19%)*	**(1,049)**	(6,412)
Effects of:		
CVA transactions not deductible/allowable for tax purposes	**-**	3,877
Other expenses not deductible for tax purposes	**252**	175
Pension payments (relief)/deferral	**(267)**	802
Corporation tax loss not recognised	**1,064**	2,661
Adjustment to de-recognise deferred tax asset	**-**	1,645
Other tax adjustments	**-**	(75)
Adjustment in respect of previous periods	**(30)**	-
Total tax (credit)/charge for the period/year	**(30)**	2,673

Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the Company's future tax charge accordingly.

The Company has trading tax losses arising in the UK of approximately £26,694,000 (2020: £21,100,000) that may be available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses carried forward as they do not satisfy the recognition criteria for deferred tax assets under FRS 102.

Archant Community Media Limited

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12. Intangible assets

	Goodwill £000	Newspaper titles £000	Magazine titles £000	Software £000	Assets in course of construction £000	Total £000
Cost						
At 1 January 2021	**1,657**	**99,441**	**33,103**	**2,610**	**1,569**	**138,380**
Additions	**-**	**-**	**-**	**71**	**551**	**622**
Transfer between classes	**-**	**-**	**-**	**1,856**	**(1,856)**	**-**
Disposals	**-**	**(255)**	**-**	**(2,024)**	**-**	**(2,279)**
At 2 January 2022	**1,657**	**99,186**	**33,103**	**2,513**	**264**	**136,723**
Amortisation						
At 1 January 2021	**1,657**	**79,518**	**30,209**	**1,541**	**-**	**112,925**
Charge for the period	**-**	**1,992**	**289**	**805**	**-**	**3,086**
Disposals	**-**	**(255)**	**-**	**(2,005)**	**-**	**(2,260)**
Impairment	**-**	**-**	**-**	**606**	**-**	**606**
At 2 January 2022	**1,657**	**81,255**	**30,498**	**947**	**-**	**114,357**
Net book value						
At 2 January 2022	**-**	**17,931**	**2,605**	**1,566**	**264**	**22,366**
At 31 December 2020	-	19,923	2,894	1,069	1,569	25,455

On the 1 January 2021, prior to the acquisition of the Company by Newsquest, the directors and management reviewed the amortisation policy being applied to Newspaper and Magazine titles as the remaining useful economic life of 5 years was considered too be too short. The useful economic life of the Newspaper and Magazine titles was extended to a further 10 years from 1 January 2021. The directors believe that this is the best estimate as to the maximum period that can be reliably estimated, for which these assets will be available for use.

By increasing the estimated useful economic life of these intangible assets, for the period ended 2 January 2022, the amortisation charge is reduced and operating profits increased by £2,334,000 compared to the amount that would have been charged and recognised under the previous amortisation method.

13. Tangible fixed assets

	Freehold property £000	Leasehold improvements £000	Other equipment £000	Total £000
Cost or valuation				
At 1 January 2021	**4,997**	**1,418**	**2,397**	**8,812**
Additions	**-**	**149**	**66**	**215**
Disposals	**-**	**(121)**	**(1,898)**	**(2,019)**
At 2 January 2022	**4,997**	**1,446**	**565**	**7,008**
Depreciation				
At 1 January 2021	**186**	**260**	**2,166**	**2,612**
Charge for the period	**18**	**225**	**116**	**359**
Disposals	**-**	**(41)**	**(1,894)**	**(1,935)**
Impairment	**1,793**	**-**	**-**	**1,793**
At 2 January 2022	**1,997**	**444**	**388**	**2,829**
Net book value				
At 2 January 2022	**3,000**	**1,002**	**177**	**4,179**
At 31 December 2020	4,811	1,158	231	6,200

Following the closure of the Print Centre in November 2019, the site was cleared during 2020. The site was revalued in June 2020 by an external valuer, and was included at estimated sales proceeds. On 1 September 2020, Dalriada Trustees Limited, as trustee of the Archant Pension & Life Assurance Scheme, registered a legal charge over the Print Centre, prior to the Company entering into a Company Voluntary Arrangement. On 24 February 2021, Dalriada Trustees Limited appointed receivers under the legal charge to dispose of the property.

The Company's freehold properties at the Thorpe Print Centre and Weston Super-Mare and the leasehold property in Exeter were sold after the period end with the proceeds received by Dalriada Trustees Limited in satisfaction of the charges. Further information is provided in note 26. An impairment charge has been recognised at 2 January 2021 as the consideration for these properties was less than the valuation they were held at. As the proceeds are due to Dalradia Trustees Limited the deferred pension liability is reduced by the same amount. Therefore the impairment charge does not impact the Income Statement and is not included within operating profit or the calculation of EBITDA.

13. Tangible fixed assets (continued)

The historical cost of freehold land and buildings is as follows:

	2 January 2022 £000	31 December 2020 £000
Cost	**464**	464
Aggregate depreciation	**(251)**	(233)
Net carrying amount	**213**	231

14. Fixed asset investments

	Subsidiary undertakings £000
Cost or valuation	
At 31 December 2020 and 2 January 2022	**128**
Impairment	
At 31 December 2020 and 2 January 2022	**76**
Net book value	
At 2 January 2022	**52**
At 31 December 2020	52

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Company	*Registered office*	*Holding ordinary shares*	*Administrator/liquidator appointed date*
The British Connection, Inc	2 Corporate Drive, Suite 945, Shelton, CT 06484	100%	
Archant Devon & Cornwall Holdings Limited (dissolved 22 March 2022)+	2 Lace Market Square, Nottingham, NG1 1PB	90%	administrator 23/12/2020
Archant Devon & Cornwall Limited (dissolved 22 March 2022)*+	2 Lace Market Square, Nottingham, NG1 1PB	90%	administrator 29/12/2020
Torbay Media Limited*	Senate Court, Southernhay Gardens, Exeter, England, EX1 1NT	90%	
Archant Properties Limited+	2 Lace Market Square, Nottingham, NG1 1PB	100%	liquidator 06/10/2021
Planningfinder Ltd (dissolved 16 March 2021)+	Prospect House, Rouen Road, Norwich, NR1 1RE	100%	

*held indirectly
+ The results of these subsidiaries have been excluded from the consolidated results of TRL 2019 Limited as they are wholly immaterial to the group.

15. Stocks

	2 January 2022 £000	**31 December 2020 £000**
Newsprint, paper, inks and printing materials	**176**	115

There is no material difference between the replacement cost of stocks and the amounts stated above.

16. Debtors

	2 January 2022 £000	31 December 2020 £000
Trade receivables	**6,351**	5,736
Other debtors	**477**	564
Prepayments and accrued income	**1,335**	1,492
Amounts due from group companies	**426**	471
	8,589	8,263

All amounts shown under debtors fall due for payment within one year, except vehicle fleet deposits in other debtors of £63,000 (2020: £64,000).

The impairment loss recognised in the Company's profit or loss for the period in respect of bad and doubtful trade debtors was £75,000 (2020: £45,000).

17. Cash and cash equivalents

	2 January 2022 £000	31 December 2020 £000
Cash at bank and in hand	**674**	1,128
Restricted deposits	**648**	615
	1,322	1,743

18. *Creditors: amounts falling due within one year*

	2 January 2022 £000	31 December 2020 £000
Trade creditors	**2,666**	3,129
Other taxation and social security	**3,540**	1,843
Other creditors	**362**	789
Grant funding	**1,810**	1,996
Accruals	**2,661**	2,021
Subscriptions in advance	**1,179**	1,472
Invoice discounting facility net of facility arrangement fees	**2,997**	1,612
Deferred pension payment	**850**	500
	16,065	13,362

Details of the Receivables Finance Agreement (invoice discounting facility) with Secure Trust Bank Plc and the deferred pension payment are disclosed in Note 19.

19. Creditors: amounts falling due after more than one year

	2 January 2022 £000	31 December 2020 £000
Loan facility from related company, net of facility arrangement fees	**2,300**	2,177
Deferred pension payments	**3,035**	5,680
	5,335	7,857

The deficit in the Archant Pension & Life Assurance Scheme was secured by a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant & machinery. This charge was satisfied on 8 January 2021.

On 1 September 2020, Dalriada Trustees Limited, as trustee of the Archant Pension & Life Assurance Scheme, registered a legal charge over the Company's freehold property at the Thorpe Print Centre and in Weston-super-Mare and the Company's leasehold property in Exeter, prior to the Company entering into a Company Voluntary Arrangement. Also on 1 September 2020, Dalriada Trustees Limited registered a floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery, but excluding the properties at Thorpe, Weston-super-Mare and Exeter. On 24 February 2021, Dalriada Trustees Limited appointed receivers to dispose of the properties at Thorpe, Weston-super-Mare and Exeter.

The deferred pension payments comprise the agreed deferred cash payment of £850,000 falling due within one year (2020 - £500,000) and £Nil falling due after more than one year (2020 - £850,000) and the estimated sales proceeds on the Company's freehold and leasehold properties subject to the charges in favour of Dalriada Trustees Limited. The estimated sales proceeds due to Dalriada Trustees Limited have been treated as due after more than one year to match the treatment of the properties in Tangible Fixed Assets. The Company's freehold properties at the Thorpe Print Centre and Weston Super-Mare and the leasehold property in Exeter were sold after the period end with the proceeds received by Dalriada Trustees Limited in satisfaction of the charges. Further information is provided in Note 26.

Following the acquisition of the Company by TRL 2019 Limited in October 2020, a loan facility of a maximum of £3m was made available to the Company by JCP Three Limited, a related company by virtue of having the same recorded persons of significant control. Interest is charged at 10% per annum on the total facility. The facility had an initial term of 360 days expiring in August 2021. In September 2021 the facility has been extended to 31 August 2023. The facility was fully repaid after the period end as part of the acquisition of the Company by Newsquest. Further information is provided in Note 26.

Following the Company's Company Voluntary Arrangement in September 2020, the Company entered into a Receivables Finance Agreement with Secure Trust Bank Plc. The facility is for a maximum amount of £5m for a minimum term of 2 years expiring in October 2022, with discount calculated at 3% over bank base rate.

On 20 October 2020, Secure Trust Bank Plc registered a fixed charge over the book debts of the Company. On the same date, Secure Trust Bank Plc and JCP Three Limited, registered fixed and floating charges over the undertaking and all property and assets present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant & machinery, but excluding the properties at Thorpe, Weston-super-Mare and Exeter and the book debts covered by the fixed charge in favour of Secure Trust Bank Plc.

Archant Community Media Limited

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20. Provisions

	Property provisions £000	Onerous lease provision £000	Total £000
At 1 January 2021	463	-	463
Charged to profit or loss	-	190	190
Utilised in period	(23)	(1)	(24)
At 2 January 2022	**440**	**189**	**629**

Property provisions are made in accordance with independent professional advice. For provisions for dilapidations, if the leases run to expiry, without earlier break clauses being exercised, or without the leases being renewed for a further term, these obligations will be settled within five years.

The Company has a lease contract for photocopiers, however following a review and reduction in the premises the Company operates from, the majority of the photocopiers leased are no longer used. Those which remain in use are operated at far lesser volumes that anticipated when the lease was entered into. As such the lease has been assigned as an onerous lease, and the full cost of the lease has been provided for in the period.

21. Share capital

	2 January 2022 £000	31 December 2020 £000
Allotted, called up and fully paid		
Ordinary shares 22,500,000 shares of 20p each	**4,500**	4,500
A ordinary shares 2,500,000 shares of 20p each	**500**	500
	5,000	5,000

Following the Company's CVA in September 2020, 2,500,000 ordinary shares were redesignated as A ordinary shares, and transferred to Dalriada Trustees Limited, as trustee for the Archant Pension & Life Assurance Scheme. The ordinary shares and A ordinary shares rank pari passu for distribution and voting.

22. Reserves

The Company's reserves are as follows:

Called up share capital

Called up share capital reserve represents the nominal value of the shares issued.

Other reserves

Other reserves includes movements in the valuation and exercise of the equity-settled schemes.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

23. Pension liability

Defined contribution pension provision

The Company operates a defined contribution scheme, the Archant Pension Plan ("the APP"), which is open to eligible employees.

The Company cost of defined contribution pensions is disclosed in Note 7. The amount outstanding at the period end is £193,000 (2020 - £203,000) and is included within other creditors.

Defined benefit pension provision

The Company provided defined benefit pensions through the Archant Pension and Life Assurance Scheme ("the Scheme"). The Scheme was closed to new entrants in February 1998 and to future accrual on 31 May 2016.

The Scheme assets were held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees.

Contribution rates to the Scheme were calculated on the basis of the most recent actuarial valuation and with the advice of independent actuaries, using the projected unit method.

Under the Company Voluntary Arrangement dated 18 September 2020, the Company made payments to the Scheme totalling £8,691,000 in October 2020. The Scheme registered a legal charge over the Company's freehold and virtual freehold properties in September 2020, and appointed receivers to dispose of the properties in March 2021. The Company paid a £500,000 contribution on 29 October 2021 and is committed to make further contributions of £850,000 at or before 28 October 2022. The outstanding payments, together with the proceeds from the disposal of the Company's properties, are in full and final settlement of any and all liability owed by the Company to the Scheme. These liabilities were all settled as part of the acquisition arrangements with Newsquest.

The amounts owing to the Scheme at 2 January 2022, comprising the estimated proceeds on property disposals and the agreed future cash payments, have been classified in creditors falling due within one year and creditors falling due after more than one year.

Archant Community Media Limited

23. Pension liability (continued)

Other pension provision

The Company also pays ex gratia pensions on an unfunded basis to certain former employees and their dependents and, accordingly, provides for this liability in the financial statements.

Defined benefit pension scheme

Following the Company Voluntary Arrangement in September 2020, the net Scheme liability has been eliminated, and the amounts owing to the Scheme at 31 December 2020, comprising the estimated proceeds on property disposals and the agreed future cash payments, have been classified in creditors falling due within one year and creditors falling due after more than one year.

The actual return on plan assets was:

	2 January 2022 £000	31 December 2020 £000
Return on plan assets excluding interest income	-	-
Interest income on plan assets	-	2,407
Actual return on plan assets	-	2,407

Amounts recognised in the profit and loss amount are as follows

	2 January 2022 £000	31 December 2020 £000
Administrative expenses	-	300
Other finance expense	-	229
	-	529

24. Operating lease rentals

Lessee

The Company leases various properties and equipment under non-cancellable operating lease agreements. The total future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings		*Plant, equipment and vehicles*	
	2 January 2022 £000	31 December 2020 £000	**2 January 2022 £000**	31 December 2020 £000
Operating leases which expire:				
Not later than one year	**482**	498	**526**	567
Later than one year and not later than five years	**886**	1,312	**210**	1,144
Later than five years	**-**	60	**-**	-
	1,368	1,870	**736**	1,711

25. Related party transactions

The Company had the following transactions with Archant Limited, the Company's former ultimate parent undertaking for the year ended 31 December 2020 and period ended 2 January 2022.

	2 January 2022 £000	**31 December 2020 £000**
Recharges	-	491

The Company had the following transactions with Dalriada Trustees Limited, the trustee for the Pension Scheme, and from 19 October 2020, a minority shareholder in the Company.

	2 January 2022 £000	**31 December 2020 £000**
Payments to the Pension Scheme	**500**	9,430
Payments by the Company to Dalriada Trustees Limited for services provided	**52**	58

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Notes to the Financial Statements
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25. Related party transactions (continued)

The Company had the following liabilities due to Dalriada Trustees Limited:

	2 January 2022 £000	31 December 2020 £000
Cash obligations	**850**	1,350
Estimated proceeds for properties charged to Dalriada Trustees Limited	**3,035**	4,816
	3,885	6,166

The Company had the following transactions with JCP Three Limited, a related company by virtue of having the same recorded persons of significant control, for the period ended 2 January 2022.

	2 January 2022 £000	31 December 2020 £000
Management charges payable	**174**	79
Interest payable on related party loan accounts	**303**	64
Balance on related party loan	**2,300**	2,200

26. Post statement of financial position events

On 18th March 2022 the parent company, TRL 2019 Limited, was acquired by Newsquest. The acquisition provides the opportunity for the combined group to access more economies of scale to assist in delivering the Company's strategy, which is focused on driving audience growth and engagement by delivering deeper content experiences to our customers. The execution of this strategy is expected to enable the Company to continue its evolution from a traditional print media business to a digitally-focused content platform.

On 3rd January 2022 the Dialogue business unit was hived down into a wholly owned subsidiary, then on 18th March 2022 that entity was sold to Dialogue HoldCo Limited immediately prior to the acquisition of the remainder of the group by Newsquest. No assets or liabilities were hived down or subsequently sold and no consideration was paid.

The Company has also divested a number of business units subsequent to the period-end:

- On 23th February 2022 seven specialist titles in the Rural and Boating sectors were sold to Kelsey Publishing Limited.
- On 31st March 2022 three specialist titles relating to France were sold to France Media Limited.
- On 30th June 2022 five specialist titles in the Shooting sector were sold to Fieldsports Press Limited.

The total proceeds on the above sales were approximately £1,675,000.

In addition to acquiring the publishing rights attached to the titles, in each case the purchasing entity also took on responsibility for the subscriptions liabilities and related staff.

These divestments streamlined the ongoing business enabling the Company to focus on the profitable core products. The continued weakness of the UK economy will necessitate continuing robust cost control and reengineering of the business. These measures are essential to protect the Company during this challenging time.

27. Capital commitments

Contracts entered into, but not provided for, for software development projects amounted to £Nil (2020: £230,000).

28. Controlling party

At the reporting date, the Company's immediate parent undertaking was TRL 2019 Limited who acquired 90% of the issued share capital of the Company on 19 October 2020, with the remaining 10% acquired by Dalriada Trustees Limited as trustee for the Archant Pension & Life Assurance Scheme. TRL 2019 Limited have recorded Gold Round Limited and Jamie Christopher Constable as Persons of Significant Control.

The largest and smallest group in which the result of Archant Community Media Limited are consolidated is that headed by TRL 2019 Limited.

As described further in Note 26, on 18th March 2022 the parent company, TRL 2019 Limited, was acquired by Newsquest. From this date the controlling UK company entity is Gannett U.K. Limited. The ultimate controlling party of the worldwide group is Gannett Co., Inc., a company registered in the United States of America and listed on the New York Stock Exchange.