Registered Number: 00019300

ARCHANT COMMUNITY MEDIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

ARCHANT COMMUNITY MEDIA LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2020

COMPANY NUMBER	00019300
REGISTERED OFFICE	Prospect House Rouen Road Norwich NR1 1RE
DIRECTORS	N D Steven-Jones L M Willis Gold Round Limited
SECRETARY	T Cross
AUDITOR	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

ARCHANT COMMUNITY MEDIA LIMITED

CONTENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their Strategic Report for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

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

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 group 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:

	2020	2019
Total revenue	£55.8m	£78.7m
Advertising and digital revenue	£32.7m	£46.0m
Digital revenue as a percentage of total revenue	15.0%	12.8%
Circulation revenue	£17.5m	£21.8m
Other revenues	£5.6m	£10.9m
EBITDA*	(£1.3m)	£4.0m
Net (debt)/cash	(£2.0m)	£2.6m
Web and mobile traffic (average monthly unique visitors)	11.1m	9.4m
Web and mobile page views (average monthly)	41.6m	38.0m

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

Covid 19 significantly impacted the business performance in 2020. Prior to the first national lockdown in March, year on year advertising and digital revenues were down (11%), however the impact of the pandemic resulted in a year-on-year reduction of (29%). At the height of the crisis, year on year total revenue was down (50%) in April, which improved gradually to a (24%) decline in August, until national restrictions were tightened in September resulting in a decline of (32%). The year-on-year trend improved from here until the end of the year.

As a result of the pandemic, the business found itself unable to meet its pension liability and entered a sale process in the 1st half of the year. The company was acquired by Rcapital Partners on 19 October 2020 following the completion of a CVA process, with the Pension Protection Fund ("PPF") having a 10% minority interest.

To mitigate the impact of lost revenues due to the pandemic, the company undertook a strategic review of its newspaper and magazine distribution, and as a result some titles were suspended or print runs reduced to mitigate some of the revenue impact.

Advertising and digital revenue fell by 29% on prior year caused by reductions across both newspapers (25%) and magazines (35%). Pre-pandemic, the decline in newspapers was (13%) and magazines (6%).

Revenue from digital activities was 12% ahead of prior year amounts before to the first national lockdown in March 2020, showing an increasing trend against 2019. Full year, 2020 finished down by (17%), but was back into growth in December. This is underpinned by rapid growth in the key drivers of digital presence – audience. Unique visitors to our fixed and mobile sites on a like-for-like basis grew 18% to 133m and there were, on average, 41.6 million Archant fixed and mobile site page views each

Circulation revenue fell 20% on prior year to £17.5m, with both newspapers (21%) and magazines (16%) experiencing continuing challenges in retail. This reflected the impact of retail during the pandemic with lower footfall in store. Magazine subscription levels as a percentage of total magazine circulation revenues were 67% versus 58% in 2019. Magazine subscription revenues were only down 3% year on year.

The directors continue to aim to balance investment with good cost management. **Cost of sales** were reduced by 26% on prior year amounts to £19.1m and **administrative expenses** by 10.1% on prior year amounts to £72.2m, with employment costs down by 14% on prior year amounts to £31.6m. The closure of the print centre contributed to the reduction, and ongoing employment costs were mitigated by the utilisation of the furlough scheme and tight management of vacancies during the pandemic. Printing and paper costs fell by 35% compared to the prior year following the closure and outsourcing of our print operations, as well as rationalisation of titles and print runs sizes during the height of the pandemic.

The directors have chosen to disclose the adjusted, unaudited **EBITDA** on page 14. This is because the directors consider EBITDA to be a useful measure of the Group'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 reduced by (£5.3m) on prior year amounts to a loss of (£1.3m) as revenues fell more than cost savings.

Significant action has been taken to address this position by the directors, focussing on the diversification and strengthening of revenue streams and further activity towards a more efficient and variable cost base.

The company maintains sufficient debt headroom to ensure it can meet all its financial liabilities. Since the sale, new funding arrangements (to a total of £8m) have been put in place, this delivers flexibility and the ability to invest plus further headroom in the face of a continuingly challenged market.

The sale of the title 'The New European' was in progress at the end of the year and completed in January 2021, and subsequently 'Torbay Weekly,' 'North Devon Gazette' and 'Exeter Life' were sold in August 2021.

FUTURE DEVELOPMENT

The directors are not aware, at the date of this report, of any likely major changes in the Group's activity in the next year.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Finance risk, and in particular liquidity risk is managed by the Group through committed short-term and long-term finance facilities at a level to meet the Group's anticipated funding requirements. These finance facilities require certain financial covenants to be met including profit and cash covenants.

Market risk, driven by lifestyle and attitude to spend on media is managed via the Group 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 Group's fixed web and mobile presence. The Group reviews economic, industry and other relevant data to evaluate future revenue trends and to put appropriate plans in place.

At the start of the year, the Group continued to be exposed to regulatory changes, investment market fluctuations or changes in other core assumptions via its defined benefit pension scheme deficit. As a result of the financial restructuring which took place in 2020 the Final Salary Scheme was transferred to the PPF, therefore this exposure is no longer prevalent at the year-end.

The Group is dependent on technology in particular computer networks and software. To mitigate this business continuity plans are reviewed annually. The Group has full mirroring of core systems across two sites and uses cloud-based services where appropriate. The Group 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
Monthly board meetings are held with Rcapital and the PPF (who have a right to appoint an observer at Board meetings) to review financial and operational matters. Weekly reporting between Archant and Rcapital provides an overview on live trading issues.

STAKEHOLDER ENGAGEMENT (continued)

Employees

Employees are fundamental to the long-term success of the Group. We continued to provide employees with information about the Group throughout the year 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.

For the first time in a number of years the business undertook a reader survey, both in print and online, garnering c10,000 responses from readers which have been digested and an action plan created to address points raised. Reader forums and focus groups are being created to aid with product and content development.

Previously the Group 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 year a decision had been made to change this to a Customer Happiness Score which simplifies the process for the Customers.

Suppliers

We have a limited number of large suppliers and with the closure of the printing works at Thorpe in the previous year this number has reduced. 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 PPF who also received a financial settlement. The PPF maintain a 100% stake in properties at Thorpe, Weston-super-Mare and Exeter and will receive proceeds on their sale.

S172 STATEMENT - DIRECTOR'S 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 DURING THE YEAR

At the start of this financial year in January 2020, the Company's directors (the "Directors") were implementing the Company's business transformation, turnaround and modernisation plan ('the Operational Restructuring'). While the Operational Restructuring transformation plan was expected to continue to see a decline in revenues in the short term, a restructure of the cost base and a focus on a higher margin product offering was forecast to result in EBITDA growth in 2020. The Operational Restructuring was proving effective in the period from implementation to March 2020. However, its ongoing success was severely impacted by the unprecedented COVID-19 crisis across all business lines and geographies.

Whilst the business demonstrated its ability to generate both profits and cash under the Operational Restructuring and was forecast to return to profitability in 2021, as a result of COVID-19 and notwithstanding the mitigating actions taken by the Directors, the business experienced the need for a significant funding requirement. This ultimately led to the Company proposing a company voluntary arrangement ("CVA"), which was approved by its creditors, compromising various claims, including a substantial pensions deficit and significant debt due to HMRC, and, as part of a wider restructuring, including a sale of the Company's shares, restoring the Company to a solvent position.

From a directors' duties point of view, at the start of 2020, the Company's directors acted in discharge of their duties under the Companies Act 2006, but, when it became clear that the Company would become insolvent, the Directors acted predominantly in the best interest of the Company's creditors and carried on, on that basis, until the CVA was approved and the challenge period had passed and the restructuring was complete in mid-October 2020 when they again acted in discharge of their duties under the Companies Act 2006.

Streamlined Energy and Carbon Reporting (SECR)

The Company is committed to minimising its impact on the planet and the population. In this light the Company 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 2020 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.

It is not practical for the Group to obtain the comparable data for the year ended 31 December 2019. The Group has therefore taken the exemption afforded by the SECR framework not to dislcose this information.

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 2020.

Type 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	**3,374,555**	**755**

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 = 755 tCO_2e / £55.8m = 13.5 tCO_2e / £m

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 8% of the aggregate values.

By order of the Board

N D Steven-Jones
Director
27 October 2021

The Directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2020.

DIRECTORS

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

S T Bax	Resigned 9 December 2020
M J Kelly	Resigned 25 June 2020
C N Nayman	Resigned 31 May 2020
N D Steven-Jones	
D A Willmott	Resigned 25 June 2020
L M Willis	Appointment 20 October 2020
Gold Round Limited	Appointment 20 October 2020

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £36,335,000 (2019: loss of £23,703,000).

The directors do not propose a final dividend in respect of 2020 (2019: £nil). No interim dividend was paid during the year (2019: £nil).

EVENTS SINCE THE BALANCE SHEET DATE

Subsquent to the year-end, the Company has rationalised its operations by selling several titles. Further detail is provided in Note 27 to the financial statements.

GOING CONCERN

The COVID-19 pandemic caused major disruption to businesses throughout the United Kingdom, including the Company and the Archant Group, as described in the Group Strategic Report and in Note 2 to the financial statements. The nationwide lockdown implemented by the Government in March 2020 meant that businesses that closed as a result stopped advertising in our publications, with advertising revenues in April and May 2020 between 50% and 60% down on the same period in 2019 and the closure of retail impacting circulation of both newspapers and magazines. As a consequence, the Company experienced difficulty in settling its liabilities as they fell due. The directors took appropriate cash mitigation actions and the Company benefited from the support provided by the UK Government, including the Coronavirus Job Retention Scheme, the extended time to pay for PAYE and NIC liabilities and the deferral of VAT payments. The Company also approached the Pension Scheme Trustee to request a rescheduling of the agreed deficit payments. The Company was ultimately unable to agree a reschedule of the pension deficit payments and engaged KPMG to advise on the best course of action for the Company and the Archant Group. Following this consultation it was determined that the best course of action was for Archant Limited and certain other members of the Archant Group to enter administration and/or liquidation, for the Company to enter into a Company Voluntary Arrangement (CVA), and for the Archant Group to sell the majority of the Company to a third party, TRL 2019 Limited. The principal objective of the CVA proposal was to rationalise the Company's creditor obligations, including its obligations to the Pension Scheme, in order to restore viability of the Company's business and improve the balance sheet of the Company.

The Company's CVA was approved by the Company's creditors on 18 September 2020, and the Company was sold by the Archant Group on 19 October 2020 upon expiry of the 30-day challenge period to TRL 2019 Limited. 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. Following the CVA and the subsequent accounting adjustments, the Company is now more appropriately scaled, and better able to generate cash and trade profitably.

Following the CVA, the Archant Group's existing bank facilities were removed, and the Company has put in place an invoice discounting facility and a revolving credit facility. The invoice discounting facility is with Secure Trust Bank Plc and is for a maximum sum of £5m for two years ending in October 2022. The revolving credit facility is provided by JCP Three Limited and is for a maximum of £3m for an initial term of 360 days. This facility has subsequently been extended to 31 August 2023. Covenants exist on the Secure Trust Bank Plc lending facility based on the company's EBITDA performance.

The new finance facilities taken out in October 2020 following the CVA mean that the Group has adequate financial resources and facilities available, together with secure long term contracts with principal suppliers. The Group's budgeting and forecasting processes include the preparation of forecast cash flows, based on expected trading results, the Group's overall working capital requirements and other non trading cash items, including capital expenditure, interest, debt and taxation.

As a result of the second national lockdown in November 2020 and the third national lockdown in the first quarter of 2021, the Company has modelled a number of scenarios in relation to the impact of the temporary shutdowns and back to work scenarios for the 2021 and 2022 expectations. In addition, the Company continues to monitor the impact of macro-economic factors influencing both the trajectory revenue generation and our supply chain. All of these sensitivities show sufficient headroom within the Company's existing facilities to meet its forecast cash requirements for a period of at least twelve months from the date of this report. Cash forecasts have been prepared up until 31 December 2022.

GOING CONCERN (CONTINUED)
The group had net current liabilities of £3,811,000 at 31 December 2020. The Directors have prepared forecasts which indicate that the group will generate sufficient cash to fund this liabilities position, through a mixture of trading and the utilisation of both the invoice discounting and revolving credit facilities.

As a consequence, notwithstanding the net liabilities position at the balance sheet date, the directors believe that the Company is well placed to manage its business risks successfully and the directors have continued to adopt the going concern basis in preparing the accompanying financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

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.

Following an internal survey which showed 80% of staff wanted more frequent time with their manager, we replaced the annual appraisal exercise with structured 'Check In' meetings each quarter, enabling meaningful and tangible goal setting objectives to be set. In addition, we have produced 90 minute engagement sessions for managers to enrich interpersonal skills at team level.

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. The company manages 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. The Company monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash and available borrowing facilities to meet operational needs. At 31 December 2020 and at the date of approval of these financial statements, the Company had access to undrawn facilities and the Company considers that it should be able to operate within the level of its current facilities.

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Group 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 group and company 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 group and company and of the profit or loss of the group 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MATTERS COVERED IN THE STRATEGIC REPORT THAT WOULD OTHERWISE BE INCLUDED IN THE DIRECTORS' REPORT

Details as to the future developments of the group have been included in the Group strategic report.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving this report are listed on page 2. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirm that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the Company's auditor is unaware: and

- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board,

N D Steven-Jones
Director
27 October 2021

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements of Archant Community Media Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 Group and the Parent 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 Group's and Parent 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 Group Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Statement of Directors' responsibilities , 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 Group's and the Parent 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 Group or the Parent 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:

- We obtained an understanding of the legal and regulatory framework applicable to the group and parent company, through discussions with the Directors and management and from our general commercial experience. We determined which laws and regulations were of most significance in the context of the group and parent company and which are directly relevant to specific assertions in the financial statements, being United Kingdom Accounting Standards (Financial Reporting Standard 102), and applicable law (the Companies Act 2006 and tax legislation).

- We understood how the group and parent company is complying with those legal and regulatory frameworks, by making enquiries of management and the Directors, of known or suspected instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes and legal expenses incurred during the period. We reviewed the financial statement disclosures to assess compliance with the relevant laws and regulations discussed above. We remained alert to any indications of non-compliance throughout the audit.

- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur, by discussing with management and the Directors to understand where it is considered there was a susceptibility of fraud.

- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

- In addressing the risk of fraud through management override of controls, we tested 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, including exceptional items.

Other audit procedures performed in response to the assessment above included: Discussions with management of known or suspected instances of fraud; Evaluation of management's controls designed to prevent and detect irregularities; Challenging assumptions made by management in their significant accounting estimates including, but not limited to; an impairment review performed in relation to intangible assets, whether leases entered into by the group are operating or finance leases, and the recognition of any deferred tax asset.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent 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: 29 October 2021

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

ARCHANT COMMUNITY MEDIA LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
TURNOVER	3	55,845	78,733
Cost of Sales		(19,050)	(25,915)
Gross profit		36,795	52,818
Other operating income	4	2,080	434
Administrative expenses (including Exceptional items of £23,570k (2019: £3,988k) - Note 10)		(72,212)	(80,334)
OPERATING LOSS		**(33,337)**	**(27,082)**
Interest receivable and similar income		-	528
Interest payable and similar charges	9	(96)	(22)
Other finance expense	25	(229)	(686)
LOSS BEFORE TAXATION		**(33,662)**	**(27,262)**
Tax on loss	11	(2,673)	3,559
LOSS FOR THE YEAR		**(36,335)**	**(23,703)**
Attributable to:			
Equity shareholders of the Company		(36,335)	(23,703)

All amounts relate to continuing activities.

NON-GAAP MEASURE

Earnings before interest, depreciation, amortisation, impairment, revaluation gains and losses and exceptional items ('EDITDA') for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Operating loss		(33,337)	(27,082)
Depreciation		384	1,655
Impairment of tangible fixed assets		160	1,069
Amortisation		5,386	7,935
Impairment of intangible fixed assets		1,751	16,426
Revaluation of freehold property		791	-
Exceptional items	10	23,570	3,988
EBITDA		(1,294)	3,991

The notes on pages 20 to 51 form part of these financial statements.

ARCHANT COMMUNITY MEDIA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Loss on ordinary activities after taxation		**(36,335)**	**(23,703)**
Other comprehensive income:			
Items not to be reclassified to the consolidated income statement in subsequent periods:			
Actuarial gains and losses recognised on pension liability	25	-	7,514
Tax in respect of items of other comprehensive income/expense	11	490	169
Total comprehensive expense		**(35,845)**	**(16,020)**
Attributable to:			
Equity shareholders of the Company		(35,845)	(16,020)

ARCHANT COMMUNITY MEDIA LIMITED
REGISTERED NUMBER: 00019300

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	GROUP 2020 £'000	GROUP 2019 £'000	COMPANY 2020 £'000	COMPANY 2019 £'000
NON-CURRENT ASSETS					
Intangible assets	12	25,455	30,992	25,455	30,992
Tangible fixed assets	13	6,200	11,862	6,200	11,862
Investments	14	-	-	52	52
		31,655	42,854	31,707	42,906
CURRENT ASSETS					
Stocks	15	115	265	115	265
Debtors	17	7,940	40,491	8,263	41,136
Cash and cash equivalents	16	1,749	2,601	1,743	2,593
		9,804	43,357	10,121	43,994
Creditors: amounts falling due within one year	18	13,615	13,940	13,362	13,671
Net current (liabilities)/assets		(3,811)	29,417	(3,241)	30,323
Creditors: amounts falling due after more than one year	19	7,857	-	7,857	-
Provisions for liabilities	20	463	1,305	463	1,305
		8,320	1,305	8,320	1,305
Net assets excluding pension liability		19,524	70,966	20,146	71,924
Pension liability	25	-	15,342	-	15,342
NET ASSETS		19,524	55,624	20,146	56,582
EQUITY					
Called up share capital	22	5,000	5,000	5,000	5,000
Share premium account	23	-	-	-	-
Other reserves	23	392	3,456	17	34
Profit and loss account	23	14,132	47,168	15,129	51,548
TOTAL EQUITY		19,524	55,624	20,146	56,582

As permitted by Section 408 of the Companies Act 2006, Archant Community Media Limited has not presented its own income statement or statement of comprehensive expense. The loss dealt with in the financial statements of the parent company was £36,419,000 (2019: loss £25,794,000).

Approved by the Board on 27 October 2021.

N D Steven-Jones

The notes on pages 20 to 51 form part of these financial statements.

ARCHANT COMMUNITY MEDIA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Share premium £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2019	30	112,044	5,369	5,281	(48,986)	73,708
Loss for the year		-	-	-	(23,703)	(23,703)
Other comprehensive income:						
Actuarial gains on pension liability		-	-	-	7,514	7,514
Tax in respect of items of other comprehensive income/expense		-	-	-	87	87
Revaluation of freehold property				(82)	82	-
Foreign currency translation		-	-	9	-	9
Other comprehensive income/(expense)		-	-	(73)	7,683	7,610
Total comprehensive income/(expense)		-	-	(73)	(16,020)	(16,093)
Revaluation of freehold property		-	-	(1,991)	-	(1,991)
Deferred tax on revaluation of land and buildings		-	-	358	(358)	-
Depreciation transfer for freehold property		-	-	(119)	119	-
Capital reduction 18 December 2019		(107,044)	(5,369)	-	112,413	-
At 31 December 2019		5,000	-	3,456	47,168	55,624
Loss for the year		-	-	-	(36,335)	(36,335)
Other comprehensive income:						
Tax on pension liability	21	-	-	-	490	490
Foreign currency translation	23	-	-	(12)	-	(12)
Debit to equity for share based payment		-	-	(17)	-	(17)
Write down value of Print Centre				(226)	-	(226)
Realised on disposal of freehold property				(2,800)	2,800	-
Other comprehensive income/(expense)		-	-	(3,055)	3,290	235
Total comprehensive income/(expense)		-	-	(3,055)	(33,045)	(36,100)
Deferred tax on revaluation of land and buildings				2	(2)	-
Depreciation transfer for freehold property		-	-	(11)	11	-
At 31 December 2020		5,000	-	392	14,132	19,524

ARCHANT COMMUNITY MEDIA LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Share premium £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2019	30	112,044	5,369	34	(41,695)	75,752
Loss for the year		-	-	-	(25,794)	(25,794)
Other comprehensive income:						
Actuarial gains on pension liability		-	-	-	7,514	7,514
Tax in respect of items of other comprehensive income/expense		-	-	-	(890)	(890)
Other comprehensive income/(expense)		-	-	-	6,624	6,624
Total comprehensive income/(expense)		-	-		(19,170)	(19,170)
Capital reduction 18 December 2019		(107,044)	(5,369)	-	112,413	-
At 31 December 2019		5,000	-	34	51,548	56,582
Loss for the year		-	-	-	(36,419)	(36,419)
Other comprehensive income:						
Tax on pension liability	22	-	-	-	-	-
Debit to equity for share based payment		-	-	(17)	-	(17)
Other comprehensive income/(expense)		-	-	(17)	-	(17)
Total comprehensive income/(expense)		-	-	(17)	(36,419)	(36,436)
At 31 December 2020		5,000	-	17	15,129	20,146

ARCHANT COMMUNITY MEDIA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Operating loss for the year		(33,337)	(27,082)
Adjustments for:			
Depreciation of property, plant and equipment	13	384	1,655
Impairment of property, plant and equipment	13	160	1,069
Revaluation of freehold property		792	-
Amortisation of intangible fixed assets	12	5,386	7,935
Impairment of intangible fixed assets	12	1,751	16,426
Loss on disposals of tangible fixed assets		334	117
Increase in amounts due from other group companies		(560)	(1,404)
Decrease in stocks		150	398
Decrease in trade and other debtors		2,493	2,240
Increase in trade and other creditors		4,459	1,002
Movements in provisions		(315)	64
Exchange differences on translation of foreign operations		-	10
Pension costs charged against operating profit	25	-	414
Cash contributions to pension liability	25	(9,230)	(3,533)
Exceptional items	10	20,431	-
Interest received		-	528
Interest paid		(67)	(526)
Net cash (used in) operating activities		**(7,169)**	**(687)**
Cash flows from investing activities			
Purchase of intangible assets	12	(1,601)	(1,231)
Purchase of property, plant and equipment	13	(1,228)	(92)
Net proceeds from sale of freehold property		4,586	-
Net cash generated/(used in) investing activities		**1,757**	**(1,323)**
Cash flows from financing activities			
Grants received		1,000	895
Draw down on invoice discounting facility	18	1,684	-
Draw down on Group company loan facility	19	2,200	-
Facility costs paid	18 & 19	(107)	-
Payment to compromised creditors		(217)	
Net cash used in financing activities		**4,560**	**895**
Net cash outflow from activities		**(852)**	**(1,115)**
Opening cash and cash equivalents		2,601	3,716
Closing cash and cash equivalents		**1,749**	**2,601**

NET DEBT RECONCILIATION

	At 1 January 2020 £0	Cash flow £0	Other non-cash changes £0	At 31 December 2020 £0
Cash and cash equivalents	1,476	(342)	-	1,134
Restricted funds	1,125	(510)	-	615
Invoice discounting facility	-	(1,684)	72	(1,612)
Loan facility from related company	-	(2,177)	-	(2,177)
Net debt	**2,601**	**(4,713)**	**72**	**(2,040)**

1 GENERAL INFORMATION

Archant Community Media Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act, registration number 00019300. The registered office is Prospect House, Rouen Road, Norwich, NR1 1RE.

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 disclosures required concerning the transition from IFRS to FRS 102 are given in the Note 30. The date of transition is 1 January 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. Details of the significant judgements and estimates are provided in note 2.

Parent company disclosure exemptions
In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:
- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- Disclosures in respect of the details of the parent company's share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation
The consolidated financial statements present the results of Archant Community Media Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2019. Therefore, no adjustment has been made for past business combinations under UK GAAP or IFRS as applied at that time.

2 ACCOUNTING POLICIES (CONTINUED)

Going concern

The COVID-19 pandemic caused major disruption to businesses throughout the United Kingdom, including the Company and the Archant Group, as described in the Group Strategic Report to the financial statements. The nationwide lockdown implemented by the Government in March 2020 meant that businesses that closed as a result stopped advertising in our publications, with advertising revenues in April and May 2020 between 50% and 60% down on the same period in 2019 and the closure of retail impacting circulation of both newspapers and magazines. As a consequence, the Company experienced difficulty in settling its liabilities as they fell due. The directors took appropriate cash mitigation actions and the Company benefited from the support provided by the UK Government, including the Coronavirus Job Retention Scheme, the extended time to pay for PAYE and NIC liabilities and the deferral of VAT payments. The Company also approached the Pension Scheme Trustee to request a rescheduling of the agreed deficit payments. The Company was ultimately unable to agree a reschedule of the pension deficit payments and engaged KPMG to advise on the best course of action for the Company and the Archant Group. Following this consultation it was determined that the best course of action was for Archant Limited and certain other members of the Archant Group to enter administration and/or liquidation, for the Company to enter into a Company Voluntary Arrangement (CVA), and for the Archant Group to sell the majority of the Company to a third party, TRL 2019 Limited. The principal objective of the CVA proposal was to rationalise the Company's creditor obligations, including its obligations to the Pension Scheme, in order to restore viability of the Company's business and improve the balance sheet of the Company.

The Company's CVA was approved by the Company's creditors on 18 September 2020, and the Company was sold by the Archant Group on 19 October 2020 upon expiry of the 30-day challenge period to TRL 2019 Limited. 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. Following the CVA and the subsequent accounting adjustments, the Company is now more appropriately scaled, and better able to generate cash and trade profitably.

Following the CVA, the Archant Group's existing bank facilities were removed, and the Company has put in place an invoice discounting facility and a revolving credit facility. The invoice discounting facility is with Secure Trust Bank Plc and is for a maximum sum of £5m for two years ending in October 2022. The revolving credit facility is provided by JCP Three Limited and is for a maximum of £3m for an initial term of 360 days. This facility has subsequently been extended to 31 August 2023. Covenants exist on the Secure Trust Bank Plc lending facility based on the company's EBITDA performance.

The new finance facilities taken out in October 2020 following the CVA mean that the Group has adequate financial resources and facilities available, together with secure long term contracts with principal suppliers. The Group's budgeting and forecasting processes include the preparation of forecast cash flows, based on expected trading results, the Group's overall working capital requirements and other non trading cash items, including capital expenditure, interest, debt and taxation.

As a result of the second national lockdown in November 2020 and the third national lockdown in the first quarter of 2021, the Company has modelled a number of scenarios in relation to the impact of the temporary shutdowns and back to work scenarios for the 2021 and 2022 expectations. In addition, the Company continues to monitor the impact of macro-economic factors influencing both the trajectory revenue generation and our supply chain. All of these sensitivities show sufficient headroom within the Company's existing facilities to meet its forecast cash requirements for a period of at least twelve months from the date of this report. Cash forecasts have been prepared up until 31 December 2022.

The group had net current liabilities of £3,811,000 at 31 December 2020. The Directors have prepared forecasts which indicate that the group will generate sufficient cash to fund this liabilities position, through a mixture of trading and the utilisation of both the invoice discounting and revolving credit facilities.

As a consequence, notwithstanding the net liabilities position at the balance sheet date, the directors believe that the Company is well placed to manage its business risks successfully and the directors have continued to adopt the going concern basis in preparing the accompanying financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

2 ACCOUNTING POLICIES (continued)

Revenue recognition
Revenue from the sales of goods and services is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Group 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.

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 to the profit and loss account 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 group 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 of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the company's functional and the group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

(b) Transactions and balances

Foreign currency transactions are translated into the group entity's 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 year-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'.

Share-based payments
The former Archant Group operated the Archant Long Term Incentive Plan and the Archant Share Incentive Plan. Under both schemes, eligible employees of the Company may have received part of their remuneration in the form of shares in the former parent company ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted using an appropriate valuation model.

That cost is recognised in staff costs together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate, at the balance sheet date, of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period and is recognised in staff costs (Note 6).

2 ACCOUNTING POLICIES (continued)

Intangible fixed assets

(a) ***Newspaper and magazine titles***

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 20 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 the income statement. 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 the statement of 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 group'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.

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.

(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.

2 ACCOUNTING POLICIES (continued)

(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.

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 buildings	-	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, 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 the statement of comprehensive income.

Valuation of investments
In the company's individual accounts, 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% (2019: 9.99%) on a post-tax basis. Cash flows for 2021 have been projected based upon management's most recent business forecast. Cash flows beyond 2021 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 recognised in prior periods may no longer exist or may have decreased, except for goodwill where impairment losses previously recognised are not reversed.

2 ACCOUNTING POLICIES (continued)

The remaining amortisation periods for the Company's intangible assets are:

Newspaper titles	5 years
Magazine titles	up to 5 years
Software	3 years
Assets in course of construction	3 years from date of capitalisation

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.

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.

On transition to FRS 102, the group took advantage of the optional transition exemption available which allowed lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the shorter period to the first market rent review rather than the term of lease. For leases entered into on or after 1 January 2019, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Where the Group 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 year the group has received rent concessions on a number of the leased properties. In accordance with the amendment to FRS 102 the group 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;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no significant change to other terms and conditions of the lease.

2 ACCOUNTING POLICIES (continued)

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.

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 Group.

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 balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet 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 balance sheet 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's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 group 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 year 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 Consolidated 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 year by the discount rate, adjusted for the effect on the fair value of Scheme assets of contributions received and benefits paid during the year. 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.

2 ACCOUNTING POLICIES (continued)

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 group 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 group'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 25. 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.

3 TURNOVER

	2020 £'000	2019 £'000
Turnover arises from:		
Advertising revenue	24,318	35,884
Circulation revenue	17,548	21,824
Digital revenues	8,375	10,106
Other revenues	5,604	10,919
Group turnover	55,845	78,733

Turnover is analysed by geographical market as follows:

United Kingdom	53,225	75,934
Europe	1,542	1,836
United States of America & Canada	820	838
Other	258	125
	55,845	78,733

The company considers the geographical analysis of turnover to be commercially sensitive and hence has taken advantage of Companies Act provisions and not provided any further disclosure of amounts included above as 'other.'

4 OTHER OPERATING INCOME

	2020 £'000	2019 £'000
Government grants receivable	1,310	-
Other grants receivable	770	159
Shared services recharges	-	275
	2,080	434

Government grants receivable represents claims to cover wages and salaries for the Group's employees placed on temporary leave ('furlough') under the Coronavirus Job Retention Scheme and other grants received as funding towards specific projects.

5 OPERATING LOSS

Operating loss is stated after charging/(crediting):

	Note	2020 £'000	2019 £'000
Fees payable for the audit of the financial statements		62	39
Fees payable to the Company's auditors for other services to the Group:			
Accounts preparation assistance		5	-
Depreciation of tangible fixed assets	13	384	1,655
Impairment of tangible fixed assets	13	160	1,069
Loss on disposal of tangible fixed assets including associated costs	13	334	117
Amortisation of intangible fixed assets	12	5,386	7,935
Impairment of intangible fixed assets	12	1,751	16,426
Operating lease rentals:			
plant and machinery		726	1,095
land and buildings		1,268	1,653
Net loss on conversion of foreign currency transactions and balances		19	19

6 STAFF COSTS

Staff costs, including Directors remuneration, were as follows:

	GROUP		COMPANY	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Wages and salaries	26,632	31,091	26,533	31,091
Social security costs	2,547	2,983	2,538	2,983
Pension costs (Note 25)	2,461	2,859	2,458	2,859
	31,640	36,933	31,529	36,933

Staff costs of £413,000 (2019: £307,000) 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 year was:

	2020 No.	2019 No.	2020 No.	2019 No.
Publishing, printing and media activities	978	1,196	972	1,196

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £1,049,000 (2019 - £2,335,000).

7 DIRECTORS' REMUNERATION

	2020 £'000	2019 £'000
Directors' remuneration paid by the Company:		
Salaries, bonuses and other benefits	502	322
Termination payment	49	-
Pension contributions:		
defined contribution scheme	28	2
self invested personal pension	17	24
	596	348

During the year retirement benefits were accruing to 3 directors (2019: 1) in respect of defined contribution pension schemes.

Remuneration of the highest paid director were:	2020 £'000	2019 £'000
Aggregate Remuneration	137	206
Defined contribution scheme pension contributions	13	2

Remuneration of directors paid by other group companies:
Each of Ms D A Willmott, Mr S T Bax, Mr N D Steven-Jones, Mr J L Henry and Mr B G McCarthy were also directors or senior executives of, and paid by, the former holding company for the year ended 31 December 2019.

The total remuneration for the year ended 31 December 2019 paid by the holding company for Ms D A Willmott, Mr S T Bax, Mr N D Steven-Jones, Mr J L Henry and Mr B G McCarthy including defined contribution pension contributions and pension supplements was £1,306,000. The directors do not believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors or executives of the former holding and fellow subsidiary companies. None of the remuneration for directors of the Company paid by the holding company or fellow subsidiaries is included in the tables above.

8 SHARE-BASED PAYMENTS

The Archant Group operated a Long-term Incentive Plan (LTIP), a Joint Share Ownership Plan (JSOP) and a Share Incentive Plan (SIP) all of which may have resulted in eligible employees of the Company receiving part of their remuneration in the form of shares in Archant Limited ('equity-settled transactions'). No awards have been made to employees of the Company under the JSOP, and no awards have been made to employees of the Company under the SIP since 2008.

The credit recognised in wages and salaries for share-based payments in respect of employee services received during the year ended 31 December 2020 is £nil (2019: credit £nil).

Following the completion of the CVA, all options lapsed.

	Approved share options		Unapproved share options	
	Number of shares	Weighted average exercise price £	Number of shares	Weighted average exercise price £
Outstanding at 31 December 2019	152,856	0.72	11,666	0.00
Lapsed during the year	(152,856)		(11,666)	
Outstanding at 31 December 2020	-	0.00	-	0.00

9 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £'000	2019 £'000
Bank and finance facility interest	79	-
Finance cost on Newspaper Society penison deficit funding	17	22
	96	22

10 EXCEPTIONAL ITEMS

	2020 £'000	2019 £'000
Pension scheme related costs	363	856
Restructuring costs	1,176	1,039
Print Centre closure	(8)	2,022
Property portfolio rationalisation	508	8
Professional fees incurred in relation to pension strategy	-	46
Exceptional corporate legal fees	-	17
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	-
	23,570	3,988

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.

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.

As disclosed in the Strategic Report, 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 TAX ON LOSS ON ORDINARY ACTIVITIES

	2020 £'000	2019 £'000
Current tax:		
UK corporation tax on profit/loss for the year	-	-
Tax (over)/under provided in prior years	-	(14)
	-	(14)
Deferred taxation:		
Origination and reversal of timing differences on intangible assets	(1,134)	(4,431)
Origination and reversal of pension scheme timing differences	1,740	462
Origination and reversal of other timing differences	422	(72)
Adjustment in respect of prior years	-	148
Adjustment for change in rate of corporation tax	-	348
Adjustment to de-recognise deferred tax asset	1,645	-
Total deferred tax	2,673	(3,545)
Total tax charge/(credit)	2,673	(3,559)

Analysis of tax charged/(credited) in the statement of comprehensive income

	2020 £'000	2019 £'000
Deferred tax:		
Movement on deferred tax asset in respect of actuarial gains and losses on pension liability recognised in other comprehensive income	-	1,428
Change in deferred tax asset on pension liability arising from a change in the rate of corporation tax	-	(456)
Deferred tax on revaluation of freehold property	(490)	(1,059)
Deferred tax on revaluation of freehold property due to change in rate of corporation tax	-	(82)
	(490)	(169)

Reconciliation of the total tax charge

The differences between the total current tax shown above and the amount calculated by applying the effective standard rate of UK corporation tax of 19% (2019: 19%) to the loss before tax are as follows:

	2020	2019
Loss on ordinary activities before tax	(33,662)	(27,262)
Loss on ordinary activities multiplied by effective standard rate of corporation tax in the UK	(6,396)	(5,180)
Adjustment to current tax in respect of prior years	-	(14)
Adjustment to deferred tax in respect of prior years	-	148
CVA transactions not deductible/allowable for tax purposes	3,877	-
Other expenses not deductible for tax purposes	175	112
Pension payments deferred to future periods	802	-
Adjustment for change in rate on deferred tax on intangible assets and fixed asset timing differences	-	348
Corporation tax loss not recognised	2,661	1,040
Adjustment to de-recognise deferred tax asset	1,645	-
Other	(91)	(13)
Total tax charge/(credit) above	2,673	(3,559)

Factors that may affect future tax charges

The Finance Act 2016 enacted on 15 September 2016 reduced the rate from 1 April 2020 to 17%. As a result of the impact of the COVID-19 pandemic, the Finance Act 2020 enacted on 22 July 2020 increased the rate to 19% for the years commencing 1 April 2020 and 2021. Accordingly, deferred tax adjustments have been calculated at this rate.

The above change to the rate of corporation tax will impact the amount of future cash tax payments to be made by the Company.

The Company has trading tax losses arising in the UK of approximately £21,100,000 (2019: £7,000,000) 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.

Detail of the unprovided deferred tax asset and the movements in the year is provided in Note 21.

12 INTANGIBLE ASSETS

GROUP AND COMPANY

	Goodwill	Newspaper titles	Magazine titles	Software	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 31 December 2019	1,657	99,441	33,103	6,696	975	141,872
Additions	-	-	-	85	1,516	1,601
Reclassification	-	-	-	922	(922)	-
Disposals	-	-	-	(5,093)	-	(5,093)
At 31 December 2020	1,657	99,441	33,103	2,610	1,569	138,380
Amortisation						
At 31 December 2019	1,657	75,533	27,594	6,096	-	110,880
Amortisation in the year	-	3,985	986	415	-	5,386
Impairment	-	-	1,629	122	-	1,751
Disposals	-	-	-	(5,092)	-	(5,092)
At 31 December 2020	1,657	79,518	30,209	1,541	-	112,925
Net book value						
At 31 December 2020	-	19,923	2,894	1,069	1,569	25,455
At 31 December 2019	-	23,908	5,509	600	975	30,992

13 TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold property £'000	Leasehold improvements £'000	Plant and machinery £'000	Other equipment £'000	Total £'000
Cost or valuation					
At 31 December 2019	11,148	3,077	14,306	8,119	36,650
Additions	-	1,190	-	38	1,228
Disposals	(5,133)	(2,849)	(14,306)	(5,760)	(28,048)
Revaluation	(1,018)	-	-	-	(1,018)
At 31 December 2020	4,997	1,418	-	2,397	8,812
Depreciation					
At 31 December 2019	168	2,881	14,306	7,433	24,788
Charge for year	18	112	49	205	384
Impairment	-	77	-	83	160
Disposals	-	(2,810)	(14,355)	(5,555)	(22,720)
At 31 December 2020	186	260	-	2,166	2,612
Net book amount					
At 31 December 2020	4,811	1,158	-	231	6,200
At 31 December 2019	10,980	196	-	686	11,862

An independent valuation of the Group's freehold property was performed by valuers to determine the fair value of the freehold property as at 30 November 2016. The revaluation surplus, net of applicable deferred income taxes was credited to other comprehensive income and is shown in other reserves in shareholders' equity.

The Company exchanged contracts for the sale of Prospect House on 24 December 2019, and completed the sale on 30 January 2020 for proceeds, net of transaction costs, of £5,133,000.

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 is 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.

In the opinion of the directors, the current valuations of the two remaining freehold properties are not significantly different to their carrying values.

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

	2020 £0	2019 £0
Cost	464	9,747
Aggregate depreciation	(233)	(3,953)
Net carrying amount	231	5,794

Depreciation for the year on the Group's freehold properties has been based on their revalued amounts. Based on cost the consolidated charge would have been lower by £10,000 (2019: £21,000).

14 INVESTMENTS

COMPANY

	Subsidiary undertakings £'000
At cost or fair value:	
At 31 December 2019 and 2020	128
Amounts provided:	
At 31 December 2019 and 2020	76
Net book value:	
At 31 December 2020	52
At 31 December 2019	52

The Company's subsidiary undertakings are:

Company	*Registered office*	*Holding ordinary shares*	*Administrator/liquidator appointed*	*date*
The British Connection, Inc	United States of America	100%		
Archant Devon & Cornwall Holdings Limited +	England	90%	administrator	23/12/2020
Archant Devon & Cornwall Limited *+	England	90%	administrator	29/12/2020
Torbay Media Limited	England	90%		
Archant Properties Limited +	England	100%	liquidator	06/10/2021
PlanningFinder Limited (dissloved 16 March 2021) +	England	100%		

* held indirectly
+ The results of these subsidiaries have been excluded from the consolidated results of Archant Community Media Limited as they are wholly immaterial to The Group.

15 STOCKS

	GROUP		COMPANY	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Newsprint, paper, inks and printing materials	115	265	115	265

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

16 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,134	1,476	1,128	1,468
Restricted deposits	615	1,125	615	1,125
	1,749	2,601	1,743	2,593

17 DEBTORS

	GROUP		COMPANY	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade receivables	5,749	8,516	5,736	8,508
Other debtors	564	603	564	595
Prepayments and accrued income	1,550	1,611	1,492	1,556
Amounts due from group companies	76	27,578	471	27,804
Deferred tax asset (Note 21)	-	2,183	-	2,673
	7,940	40,491	8,263	41,136

For both group and company, all amounts shown under debtors fall due for payment within one year except:

Vehicle fleet deposits in other debtors £64,000 (2019: £8,000).

Amounts due from group companies £Nil (2019: £27,572,000).

The deferred tax asset recognised in the prior year arose from timing differences in respect of the defined benefit pension scheme, accelerated capital allowances and other timing differences. The reversal of these timing differences in future periods is uncertain, therefore the deferred tax asset has been derecognised in the current year.

The impairment loss recognised in the Group and Company profit or loss for the year in respect of bad and doubtful trade debtors was £45,000 (2019: £69,000).

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	3,111	4,900	3,129	4,900
Other taxation and social security	1,843	1,234	1,843	1,234
Other creditors	789	1,049	789	1,049
Grant funding	1,996	1,766	1,996	1,766
Accruals	2,021	3,074	2,021	3,074
Amounts due to group companies	-	316	-	316
Subscriptions in advance	1,743	1,601	1,472	1,332
Invoice discounting facility net of facility arrangement fees	1,612	-	1,612	-
Deferred pension payment	500	-	500	-
	13,615	13,940	13,362	13,671

Details of the Receivables Finance Agreement (invoice discounting facility) with Secure Trust Bank Plc is disclosed in Note 19.

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Loan facility from related company, net of facility arrangement fees	2,177	-	2,177	-
Deferred pension payments	5,666	-	5,666	-
Ex gratia pensions	14	-	14	-
	7,857	-	7,857	-

The former Archant Group had a bank overdraft facility of £2m and a term revolving advances facility with the maximum amount available of £3m. Both facilities were with HSBC Bank Plc. No amounts were drawn under either facility in 2020. Any amounts drawn under either facility were secured by a fixed and floating charge over the undertaking, property, assets and rights of certain companies in the Group, together with cross guarantees from certain companies in the Group.

Also throughout the year, 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, fixed plant & machinery.

Both of these charges were 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 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.

Following the acquisition of the Company by TRL 2019 Limited, 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 is for an initial term of 360 days expiring in August 2021. In September 2021 the facility has been extended to 31 August 2023.

Following the Company's Company Voluntary Arrangement, 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.

20 PROVISIONS FOR LIABILITIES

GROUP AND COMPANY

	Print Centre closure	Property provisions	Newspaper Society pension scheme deficit	Share-based payment	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020	354	763	185	3	1,305
Arising during the year	-	262	-	-	262
Utilised during the year	(354)	(221)	-	-	(575)
Compromised under Company Voluntary Arrangement	-	(341)	(185)	(3)	(529)
Balance at 31 December 2020	-	463	-	-	463

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.

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. Liabilities for dilapidations on certain properties were compromised under the Company Voluntary Arrangement.

The Company committed to make contributions in respect of the Newspaper Society Pension and Life Assurance Scheme deficit prior to the incorporation of the society in April 2014. This liability was compromised under the Company Voluntary Arrangement.

The provision for share-based payment comprises national insurance on the cost of share options granted under the Long Term Incentive Plan, recognised in equity. This liability was extinguished following Archant Limited entering into administration.

21 DEFERRED TAXATION

Deferred tax recognised in the financial statements is as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Non-current asset	-	2,183	-	2,673

For the year ended 31 December 2020 the deferred tax asset has been de-recognised as it does not satisfy the recognition criteria for deferred tax under FRS 102. The impact of this de-recognition is included in the taxation charge in the income statement and other comprehensive income for the year.

21 DEFERRED TAXATION (CONTINUED)

GROUP

The movements in deferred taxation are as follows:

	Pension temporary differences £'000	Revaluation of land and buildings £'000	Fixed asset timing differences £'000	Short-term timing differences £'000	Intangible assets £'000	Total £'000
At 1 January 2020	2,916	(490)	5,048	65	(5,356)	2,183
Origination and reversal of timing differences credited/(charged) to:						
Income statement	(1,740)	-	(403)	(19)	1,134	(1,028)
Other comprehensive income	-	490	-	-	-	490
	1,176	-	4,645	46	(4,222)	1,645
Deferred tax assets/liabilities de-recognised	(1,176)	-	(4,645)	(46)	4,222	(1,645)
At 31 December 2020	-	-	-	-	-	-

COMPANY

The movements in deferred taxation are as follows:

	Pension temporary differences £'000	Revaluation of land and buildings £'000	Fixed asset timing differences £'000	Short-term timing differences £'000	Intangible assets £'000	Total £'000
At 1 January 2020	2,916	-	5,048	65	(5,356)	2,673
Origination and reversal of timing differences credited/(charged) to:						
Income statement	(1,740)	-	(403)	(19)	1,134	(1,028)
Other comprehensive income	-	-	-	-	-	-
	1,176	-	4,645	46	(4,222)	1,645
Deferred tax assets/liabilities de-recognised	(1,176)	-	(4,645)	(46)	4,222	(1,645)
At 31 December 2020	-	-	-	-	-	-

The deferred tax assets not recognised as they do not satisfy the recognition criteria for deferred tax assets under FRS 102 are as follows:

COMPANY AND GROUP	2020 £'000	2019 £'000
Losses carried forward	4,000	1,338
Net timing differences not recognised	1,645	-

22 CALLED UP SHARE CAPITAL

	2020 £'000	2019 £'000
Allotted, called up and fully paid		
Ordinary shares (22,500,000 (2019: 25,000,000) shares of 20p each)	4,500	5,000
A ordinary shares (2,500,000 (2019: Nil) shares of 20p each)	500	-
	5,000	5,000

Following the Company's CVA, 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 distributiion and voting.

23 RESERVES

The following reserve accounts are included within "Other Reserves" in the consolidated statement of changes in equity.

Revaluation reserve
The revaluation reserve includes all gains and losses on freehold property in the current and prior periods.

Share-based payments reserve
The share-based payments reserve includes movements in the valuation and exercise of the equity-settled schemes in note 7.

Translation reserve
The translation reserve includes exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate.

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*	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Operating leases which expire:				
No later than one year	498	712	567	452
Later than one year and no later than five years	1,312	1,866	1,144	638
Later than five years	60	878	-	-
	1,870	3,456	1,711	1,090
Lessor				
Operating leases which expire:				
Later than one year and no later than five years	-	28	-	-

25 PENSION LIABILITY

GROUP AND COMPANY

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 contributions for December 2020 of £203,000 were settled in January 2021.

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 has agreed to make further contributions of £500,000 at or before 29 October 2021 and £850,000 at or before 28 October 2022. The payments made, and due to be made, 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.

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.

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.

25 PENSION LIABILITY (continued)

Defined benefit pension scheme

The Company has incorporated the pension scheme deficit in full on the grounds that the share of the assets and liabilities for Archant Limited, the only other participating company, would not be material in relation to the overall deficit.

A full actuarial valuation of the defined benefit scheme was carried out at 1 January 2017 and updated to 31 December 2019 by a qualified independent actuary. Contributions to the scheme are made by the Company based on a funding plan agreed with the Trustee Directors with the aim of making good the deficit over a period of eleven years and five months from the date of the actuarial valuation.

Following the Company Voluntary Arrangement, 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.

	Assets £'000	Liabilities £'000	Net liability £'000
Reconciliation of net pension scheme liability			
At 1 January 2020	164,963	(180,305)	(15,342)
Current service cost	-	-	-
Interest income on plan assets / (cost)	2,407	(2,636)	(229)
Administrative expenses	(300)	-	(300)
Benefits paid	(5,759)	5,759	-
Contributions by Company	9,430	5	9,435
Transfer ex gratia pensions to creditors due in more than one year	-	14	14
Company Voluntary Arrangement	(170,741)	170,997	256
Transfer residual pension liability to creditors due within and after more than one year	-	6,166	6,166
At 31 December 2020	-	-	-

The actual return on plan assets was:	2020 £'000	2019 £'000
Return on plan assets excluding interest income	-	8,398
Interest income on plan assets	2,407	3,948
Actual return on plan assets	2,407	12,346

25 PENSION LIABILITY (continued)

	2020 £'000	2019 £'000
Composition of plan assets		
Equity instruments	-	27,500
Debt instruments	-	38,843
Investment funds	-	56,935
Assets held by insurance company	-	37,495
Bank and cash balances	-	4,190
Total plan assets	-	164,963

Amounts recognised in the profit and loss amount are as follows:

	2020 £'000	2019 £'000
Administrative expenses	300	414
Other finance expense	229	686
	529	1,100

Analysis of actuarial gain recognised in Other Comprehensive Income

	2020 £'000	2019 £'000
Actual return less interest income included in net interest income	-	8,398
Experience gains and losses arising on the scheme liabilities	-	1,377
Changes in assumptions underlying the present value of the scheme liabilities	-	(2,261)
	-	7,514

		2020 %	2019 %
Principal actuarial assumptions used at the balance sheet date			
Discount rates		-	2.21
Future salary increases		-	-
Future pension increases		-	2.02
Inflation assumption		-	2.72
Mortality rates			
	for a male aged 65 now	-	20.60
	at 65 for a male member aged 40 now	-	21.60
	for a female aged 65 now	-	22.30
	at 65 for a female member aged 40 now	-	23.50

26 RELATED PARTY TRANSACTIONS

The company had the following transactions with Archant Limited, the Company's former ultimate parent undertaking for the years ended 31 December 2019 and 2020.

	2020 £'000	2019 £'000
Management charges payable	-	1,175
Recharges	491	-
Interest receivable on inter company loan account	-	524
Balances with companies in Archant Limited group	-	27,233

As a result of the CVA and the sale of the Company to TRL 2019 Limited, amounts receivable from the Archant Group totalling £27,724,000 have been written off.

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.

Payments to the Pension Scheme	9,430
Payments by the company to Dalriada Trustees Limited for services provided	58

At 31 December 2020, the company had the following liabilities to Dalriada Trustees Limited:

Cash obligations	1,350
Estimated proceeds for properties charged to Dalriada Trustees Limited	4,816
	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 year ended 31 December 2020.

	2020 £'000	2019 £'000
Management charges payable	79	-
Interest payable on related party loan account	64	-
Balance on related party loan at 31 December	2,200	-

27 POST BALANCE SHEET EVENTS

On 31 January 2021 the Company sold The New European newspaper for cash consideration £357,000 net of legal costs incurred. The net liabilities disposed were £110,000 resulting in a profit on disposal of £467,000.

On 11 August 2021 the Company sold Torbay Weekly and North Devon Gazette & Advertiser newspapers and Exeter Life magazine. The net assets disposed were £nil and disposal costs were £248,000 resulting in a loss on disposal of £248,000.

On 24 February 2021, Dalriada Trustees Limited appointed receivers under charges registered on 1 September 2020 to dispose of the Company's freehold property in Norwich and Weston-super-Mare, and the Company's virtual freehold property in Exeter.

28 CAPITAL COMMITMENTS

Contracts entered into, but not provided for, for software development projects amounted to £230,000 (2019: £nil).

29 ULTIMATE PARENT UNDERTAKING

At the balance sheet 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.

30 FRS102 TRANSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 1 JANUARY 2019

	Note	IFRS	ADOPTION IFRS 16	UK GAAP RECLASSIFICATIONS	UK GAAP REMEASUREMENTS	UK GAAP
NON-CURRENT ASSETS						
Intangible assets		53,907				53,907
Tangible assets		16,817				16,817
Leases	i		4,742		(4,742)	-
Other receivables	ii	25,955		(25,955)		-
		96,679	4,742	(25,955)	(4,742)	70,724
CURRENT ASSETS						
Stocks		663				663
Debtors	ii	12,214		25,955		38,169
Cash and cash equivalents		3,716				3,716
		16,593	-	25,955	-	42,548
TOTAL ASSETS		113,272	4,742	-	(4,742)	113,272
CURRENT LIABILITIES						
Trade and other payables		11,584				11,584
Provisions	ii	161		(161)		-
		11,745	-	(161)	-	11,584
NON-CURRENT LIABILITIES						
Leases	i	-	4,168		(4,168)	-
Provisions	i, ii	729	351	161		1,241
Deferred tax		1,451				1,451
Pension liability		25,288				25,288
		27,468	4,519	161	(4,168)	27,980
TOTAL LIABILITIES		39,213	4,519	-	(4,168)	39,564
NET ASSETS		74,059	223	-	(574)	73,708
EQUITY						
Called up share capital		112,044				112,044
Share premium account		5,369				5,369
Other reserves		5,281				5,281
Profit and loss account	i	(48,635)	223		(574)	(48,986)
TOTAL EQUITY		74,059	223	-	(574)	73,708

30 FRS102 TRANSITION (CONTINUED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2019

	Note	IFRS	ADOPTION IFRS 16	UK GAAP RE-CLASSIFICATIONS	UK GAAP RE-MEASUREMENTS	UK GAAP
NON-CURRENT ASSETS						
Intangible assets		30,992				30,992
Tangible assets	iii	6,729		5,133		11,862
Leases	i	4,014			(4,014)	-
Deferred tax	ii	2,183		(2,183)		-
Other receivables	ii	27,586		(27,586)		-
		71,504	-	(24,636)	(4,014)	42,854
CURRENT ASSETS						
Stocks		265				265
Debtors		10,722		29,769		40,491
Restricted deposits		1,125				1,125
Cash and cash equivalents		1,476				1,476
		13,588	-	29,769	-	43,357
Assets classified as held-for-sale	iii	5,133		(5,133)		-
		18,721	-	24,636	-	43,357
TOTAL ASSETS		90,225	-	-	(4,014)	86,211
CURRENT LIABILITIES						
Trade and other payables		13,940				13,940
Leases	i	801			(801)	-
Provisions	ii	642		(642)		-
		15,383	-	(642)	(801)	13,940
NON-CURRENT LIABILITIES						
Leases	i	2,761			(2,761)	-
Provisions	ii	663		642		1,305
Pension liability		15,342				15,342
		18,766	-	642	(2,761)	16,647
TOTAL LIABILITIES		34,149	-	-	(3,562)	30,587
NET ASSETS		56,076	-	-	(452)	55,624
EQUITY						
Called up share capital		5,000				5,000
Other reserves		3,458				3,458
Profit and loss account	ii	47,618	-		(452)	47,166
TOTAL EQUITY		56,076	-	-	(452)	55,624

30 FRS102 TRANSITION (CONTINUED)

COMPANY STATEMENT OF FINANCIAL POSITION - 1 JANUARY 2019

	Note	IFRS	ADOPTION IFRS 16	UK GAAP RE-CLASSIFICATIONS	UK GAAP RE-MEASUREMENTS	UK GAAP
NON-CURRENT ASSETS						
Intangible assets		53,907				53,907
Tangible assets		16,817				16,817
Leases	i		4,742		(4,742)	-
Investments		52				52
Deferred tax	ii	98		(98)		-
Other receivables	ii	26,191		(26,191)		-
		97,065	4,742	(26,289)	(4,742)	70,776
CURRENT ASSETS						
Stocks		663				663
Debtors	ii	12,136		26,289		38,425
Cash and cash equivalents		3,699				3,699
		16,498	-	26,289	-	42,787
TOTAL ASSETS		113,563	4,742	-	(4,742)	113,563
CURRENT LIABILITIES						
Trade and other payables		11,282				11,282
Provisions	ii	161		(161)		-
		11,443	-	(161)	-	11,282
NON-CURRENT LIABILITIES						
Leases	i	-	4,168		(4,168)	-
Provisions	i, ii	729	351	161		1,241
Pension liability		25,288				25,288
		26,017	4,519	161	(4,168)	26,529
TOTAL LIABILITIES		37,460	4,519	-	(4,168)	37,811
NET ASSETS		76,103	223	-	(574)	75,752
EQUITY						
Called up share capital		112,044				112,044
Share premium account		5,369				5,369
Other reserves		34				34
Profit and loss account	i	(41,344)	223		(574)	(41,695)
TOTAL EQUITY		76,103	223	-	(574)	75,752

30 FRS102 TRANSITION (CONTINUED)

COMPANY STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2019

	Note	IFRS	ADOPTION IFRS 16	UK GAAP RE-CLASSIFICATIONS	UK GAAP RE-MEASUREMENTS	UK GAAP
NON-CURRENT ASSETS						
Intangible assets		30,992				30,992
Tangible assets	iii	6,729		5,133		11,862
Leases	i	4,014			(4,014)	-
Investments		52				52
Deferred tax	ii	2,673		(2,673)		-
Other receivables	ii	27,812		(27,812)		-
		72,272	-	(25,352)	(4,014)	42,906
CURRENT ASSETS						
Stocks		265				265
Debtors	ii	10,651		30,485		41,136
Restricted deposits		1,125				1,125
Cash and cash equivalents		1,468				1,468
		13,509	-	30,485	-	43,994
Assets classified as held-for-sale	iii	5,133		(5,133)		-
		18,642	-	25,352	-	43,994
TOTAL ASSETS		90,914	-	-	(4,014)	86,900
CURRENT LIABILITIES						
Trade and other payables		13,671				13,671
Leases	i	801			(801)	-
Provisions	ii	642		(642)		-
		15,114	-	(642)	(801)	13,671
NON-CURRENT LIABILITIES						
Leases	i	2,761			(2,761)	-
Provisions	ii	663		642		1,305
Pension liability		15,342				15,342
		18,766	-	642	(2,761)	16,647
TOTAL LIABILITIES		33,880	-	-	(3,562)	30,318
NET ASSETS		57,034	-	-	(452)	56,582
EQUITY						
Called up share capital		5,000				5,000
Other reserves		34				34
Profit and loss account	i	52,000	-		(452)	51,548
TOTAL EQUITY		57,034	-	-	(452)	56,582

30 FRS102 TRANSITION (CONTINUED)

Reconciliation of consolidated loss for the year ended 31 December 2019

Loss for the year as previously reported		(23,828)
Adjustments on transition from IFRS to FRS 102:		
removal of depreciation on lease assets	i	1,530
removal of loss on disposal of lease assets		80
removal of finance cost on lease liabilities		102
recognition of operating lease expense	i	(1,587)
Loss for the year as restated		(23,703)

i For the year ended 31 December 2019 the Group and Company adopted IFRS 16 for the first time, with effect from 1 January 2019. This resulted in the recognition of lease assets of £4,742,000, lease liabilities of £4,168,000 and an adjustment to retained earnings of £223,000.

On adoption of FRS102 the impacts of these adjustments have been reversed as at 1 January 2019.

The equivalent adjustments have then been applied to de-recognise lease assets and lease liabilities for the Group and Company as at 31 December 2019. Depreciation incurred on these assets of £1,530,000 has been reversed and expenditure relating to operating leases of £1,587,000 has been recognised in the Income Statement.

ii Other receivables, deferred tax and provisions have been reclassified between Non-current and Current assets/liabilities in line with presentational requirements under FRS102.

iii Assets classified as held-for-sale under IFRS have been reclassified to tangible fixed assets in line with presentational requirements under FRS102.