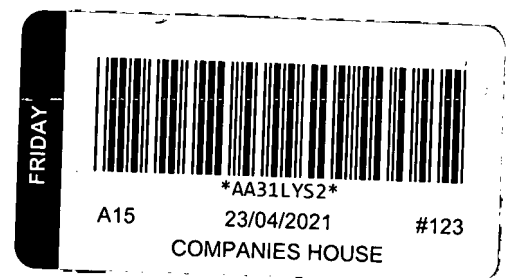


Company Registration No. 11573425

JPIMedia SWP Limited

**Annual Report and Financial Statements
for the 52 week period
5 January 2020 to 2 January 2021**



JPIMedia SWP Limited

Annual Report and Financial Statements For the 52 week period ended 2 January 2021

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JPIMedia SWP Limited

Company Information

For the 52 week period ended 2 January 2021

Directors	D J Montgomery V L Vaghela
Registered office	9 th Floor 107 Cheapside London England EC2V 6DN
Company secretary	OHS Secretaries Ltd
Solicitors	MacRoberts LLP Capella 60 York Street Glasgow United Kingdom G2 8JX Orrick Herrington & Sutcliffe (UK) LLP 107 Cheapside London United Kingdom EC2V 6DN
Bankers	Barclays Bank PLC 27 Soho Square Soho London United Kingdom W1D 3QR
Independent auditors	Crowe U.K. LLP 55 Ludgate Hill London United Kingdom EC4M 7JW

JPIMedia SWP Limited

Strategic Report For the 52 week period ended 2 January 2021

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006. JPIMedia SWP Limited (the 'Company') is a wholly owned subsidiary of JPIMedia Publishing Limited (the 'Group').

Activities and results

The principal activities of the Company are to meet the wide ranging news and information needs of local communities in the Scottish area of the United Kingdom. The Company has a portfolio of 27 print and digital publications, which have high levels of household penetration providing advertisers with a range of market access.

On 2 January 2021, the Group was acquired by National World plc ("National World") from JPIMedia Limited. The Group's accounts have not been consolidated into the annual financial statements of National World as National World's accounts for 2020 are prepared for the year ended 31 December 2020 and therefore the acquisition was post their year end. The results of the Group will be included in the consolidated financial statements of National World in future periods.

The Company's ability to continue as a going concern is dependent on the continued operation of the Group and the continued financial support of National World.

The result for the period is shown in the Income Statement on page 11. The reporting period is for the 52 weeks ended 2 January 2021, whilst the comparative period is for 68 weeks being from the date of incorporation on 17 September 2018 to 4 January 2020.

The Company operates its publishing titles as an agent of JPIMedia Publishing Limited under the terms of an Agency Agreement dated 17 November 2018. Immediately prior to entering into the Agency Agreement, the Company had granted a license to operate its titles to JPIMedia Publishing Limited, the Company's immediate parent. The Company charges a fee to JPIMedia Publishing Limited which it recognises as revenue, equal to the staff costs incurred in the period for its employees. During the reporting period the Company was dependent on JPIMedia Publishing Limited for financial and operational support delivering head office and administration, IT and marketing activities.

Net assets position

On 2 January 2021, the Company had net assets of £Nil (4 January 2020: net liabilities of £0.1 million). The financial position of the Company is set out in the Balance Sheet on page 13. The Company's ultimate parent, National World has confirmed that it will provide financial support as might be necessary to ensure that the Company is a going concern for at least 12 months from the date of signing these financial statements.

Principal risks and uncertainties

National World, the ultimate parent company of the Group, and JPIMedia Publishing Limited, the parent company, provide the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk and human resources. For this reason, the Directors believe that performance indicators and principal risks or uncertainties specific to the Company are not necessary or appropriate for an understanding of the development, performance, position or future developments of the Company. The annual report of JPIMedia Publishing Limited reviews these matters on a Group basis (see Strategic Review).

The Directors have assessed the risks on the Group's business model, following the acquisition of the Group by National World, and the key principal risks are summarised as follows:

Strategic Report

For the 52 week period ended 2 January 2021

- **Strategy**

The news publishing sector continues to face ongoing challenges with newspaper circulation volume and print advertising in structural decline, increased competition in local markets with the launch of new online news sites and the dominance of Google and Facebook impacting the monetisation of digital websites through advertising and the multiple sources of news online impacting the growth of subscription and e-commerce revenue. The National World Board ("the Board") has a clear strategy and a very experienced management team that is highly motivated to deliver against the strategy. The Board is fully engaged on the operating performance of the business and regular updates are provided to the Board on strategic initiatives.

- **COVID-19**

COVID-19 continues to impact the UK economy and the Group's trading post the end of the reporting period. The Directors are closely monitoring the commercial impact of the COVID-19 pandemic on the Group, the wider news publishing sector and the implications for the UK economy. The Group maintains significant financial flexibility considering the uncertain trading outlook and management are already taking steps to mitigate any future implications on revenues and profits.

- **Infrastructure and operations**

The Group is reliant on an effective and efficient infrastructure to support its operations. This includes a robust: IT Infrastructure, regulatory compliance framework, financial control environment and contracts with suppliers, in particular for our websites and printing of our newspapers. The Group has established a risk management framework which is overseen by the Risk Management Committee and is chaired by the Executive Chairman of National World and includes senior management representing all operations across the Group. The first meeting of the Risk Management Committee was held during March 2021.

- **Cyber security**

The Group is at risk of a cyber attack on systems and websites. In-line with industry best-practice, multiple layers of security systems are in place. These include managed firewalls, anti-virus software, single-sign-on, ransomware protection and a managed email platform that has a number of sophisticated security configurations built-in. The principal news websites are hosted independently of the main IT infrastructure on Amazon Web Services under the management of a third-party vendor. An insurance policy is in place that provides cover for cyber security-related issues. The change advisory board regularly review the internal risk register and update accordingly in response to any identified issues.

- **Loss of key senior management**

The Group's performance could be adversely impacted by the loss of key senior management. The National World Remuneration Committee will regularly review and ensure that adequate incentive schemes are in place for executive and senior management. The Board also intend to, at least annually, review succession planning to ensure there are appropriate plans in place to minimise disruption to operations arising from the loss of key personnel.

Going Concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Directors have assessed the impact of the following key factors and mitigating actions in assessing going concern:

Strategic Report

For the 52 week period ended 2 January 2021

- The COVID-19 pandemic has been a rapidly evolving situation since the initial declaration of a Health Emergency by the World Health Organisation on 30 January 2020. This has resulted in and continues to provide a high level of uncertainty nationally and internationally and has had a significant impact on the trading operations and results of the Group. The successful development and rollout of COVID-19 vaccines in the UK has provided a more positive outlook, but this is dependent on the continued success of the vaccination programme.
- The repeated lockdowns have required many of our employees to work remotely from home. Revised working protocols remain in place and we are not reliant on any critical suppliers that cannot operate as a result of COVID-19.
- Advertising and circulation revenues have been adversely impacted as a result of the pandemic and ongoing structural change facing print media. The Group has taken and continues to take appropriate cost reduction measures, including use of the UK Government's furlough scheme for employees.
- Although revenue remains under pressure as a result of COVID-19, along with pressures on the sector more generally, consistent with the UK macroeconomic position we expect an improvement in revenues as lockdown restrictions ease.
- The Group regularly monitors its cash flow requirements to ensure it has sufficient cash to meet its financial obligations. The strong financial position of the ultimate parent company, National World, and its financial support for the Group would mitigate the impact of any adverse trading conditions impacting financial headroom.

Whilst there remains uncertainty in the economic outlook and the overall impact of the COVID-19 pandemic, the Directors are satisfied it does not impact the Company's or Group's going concern position and has the financial support from its ultimate parent, National World. Accordingly, the financial statements have been prepared on a going concern basis.

Corporate Governance – S172 Statement

From the perspective of the Board, as a result of the Group governance structure, the matters that it is responsible for considering under Section 172(1) of the Companies Act 2006 ("s172") have been considered to an appropriate extent by the Board in relation both to the Group and to this Company. The Board has also considered relevant matters where appropriate. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Board has considered the matters set out in s172 (for the Group and for the Company) is set out on page 9 of the JPIMedia Publishing Group annual report, which does not form part of this report.

Section 172 compliance outlined in the JPIMedia Publishing Group Annual Report 2020 is applicable to the Company. This gives an overview of how the Company has engaged with key stakeholders during the year, including shareholders, colleagues, customers, suppliers, communities, and its impact on the environment.

Approved by the Board and signed on its behalf by:



V L Vaghela
Director

22 April 2021

JPIMedia SWP Limited

Registered in England and Wales No. 11573425

JPIMedia SWP Limited

Directors' Report For the 52 week period ended 2 January 2021

The Directors present their report on the affairs of the Company, together with the audited Financial Statements, for the 52 week period ended 2 January 2021.

Details of the Company's principal activities and risks, results and developments in the period are included in the Strategic Report.

Liquidity and going concern

These Financial Statements have been prepared on a going concern basis. The Directors consider the use of the going concern basis of accounting to be appropriate, despite facing revenue declines due to the coronavirus pandemic. The Directors have partly mitigated the impact of revenue declines on cash flows through reduced operating costs and participated in the Government Furlough scheme. The Directors have seen advertising and circulation revenues improve when the restrictions due to lockdown have been eased however a high degree of uncertainty continues to exist.

The Group has sufficient cash resources and operating headroom to support the activities of the business. Positive net operating cash flow predictions are expected to support the Group's ability to meet their obligations as and when they fall due for the foreseeable future.

In assessing the longer term viability of the Group, the Directors believe sufficient cash flows will be generated by the Group in order to meet the obligations required. Although the Company has no external debt, National World acquired the business on 2 January 2021 and funded the acquisition from its existing cash resources and the issue of £20 million convertible secured loan notes and £1 million of interest only unsecured loan notes. As set out on page 25, National World provided working capital facilities of £10.5 million to the Group. The Directors will continue to review the operations and capital structure of the Group. National World have confirmed that it will provide financial support as might be necessary to ensure that the Group is a going concern for at least 12 months from the date of signing these Financial Statements.

After making enquiries, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Dividends

No dividends were declared or paid during the period (2019: £Nil).

Directors

The Directors who have served during the period and to the date of this report are as follows:

D J Montgomery	appointed 2 January 2021
V L Vaghela	appointed 2 January 2021
D K Duggins	appointed 17 September 2018, resigned 2 January 2021

Directors' liability

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

Future developments and events after the balance sheet date

On 2 January 2021, the Group was acquired by National World. Post acquisition, National World provided a loan of £10.5 million to the Group to enable the Group to repay an outstanding inter-company balance payable to the former parent company, JPIMedia Limited (£4.7 million) and to provide working capital (£5.8 million). National World has also provided a letter of support to fund the operations of the Group.

JPIMedia SWP Limited

Directors' Report For the 52 week period ended 2 January 2021

Statement of disclosure of information to the Auditor

In accordance with Section 418 of the Companies Act 2006, the directors in office at the date the directors' report is approved confirm that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual 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 prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

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



V L Vaghela
Director
22 April 2021

Independent auditor's report to the Directors of JPIMedia SWP Limited

Report on the audit of the Financial Statements of JPIMedia SWP Limited

Opinion

We have audited the financial statements of JPIMedia South Limited (the "Company") for the year ended 2 January 2021 which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101, The Reduced Disclosure Framework, applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 January 2021 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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 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.

Independent auditor's report to the Directors of JPIMedia SWP Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Directors' responsibilities statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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:

Independent auditor's report to the Directors of JPIMedia SWP Limited

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities and reviewing accounting estimates for biases.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Leo Malkin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

22 April 2021

JPIMedia SWP Limited

Income Statement For the 52 week period ended 2 January 2021

	Notes	52 weeks to 2 January 2021 £'000	68 weeks to 4 January 2020 Restated ¹ £'000
Turnover	6	1,676	2,044
Cost of sales	6	(1,676)	(2,044)
Gross profit		-	-
Amortisation of intangible assets	8	(130)	(147)
Impairment of intangible assets	8	(358)	(15)
Impairment of goodwill	9	-	(1)
Loss before taxation		(488)	(163)
Income tax credit	7	79	32
Loss for the period		(409)	(131)

¹ Details of the prior period restatement are provided in Note 1.

The results have been derived wholly from continuing operations.

The accompanying notes are an integral part of these Financial Statements.

JPIMedia SWP Limited

Statement of Comprehensive Income For the 52 week period ended 2 January 2021

	52 weeks to 2 January 2021	68 weeks to 4 January 2020 Restated ¹
	£'000	£'000
Loss for the period	(409)	(131)
Total other comprehensive income for the period	-	-
Total comprehensive loss for the period	(409)	(131)

¹Details of the prior period restatement are provided in Note 1.

The accompanying notes are an integral part of these Financial Statements.

JPIMedia SWP Limited

Balance Sheet As at 2 January 2021

	Notes	As at 2 January 2021 £'000	As at 4 January 2020 Restated ¹ £'000
Non-current assets			
Intangible assets	8	-	488
		-	488
Total assets		-	488
Current liabilities			
Intercompany payable	10	-	(540)
		-	(540)
Non-current liabilities			
Deferred tax	11	-	(79)
		-	(79)
Total liabilities		-	(619)
Net assets/(liabilities)		-	(131)
Equity			
Share premium	13	540	-
Profit and loss account	14	(540)	(131)
Shareholders' equity/(deficit)		-	(131)

¹Details of the prior period restatement are provided in Note 1.

The accompanying notes are an integral part of these Financial Statements.

The Financial Statements of JPIMedia SWP Limited, registered number 11573425 were approved and authorised for issue by the Board of Directors on 22 April 2021 and signed on their behalf by:



V L Vaghela
Director

JPIMedia SWP Limited

Statement of Changes in Equity For the 52 week period ended 2 January 2021

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Equity deficit as at 4 January 2020 Restated ¹		-	-	(131)	(131)
Loss for the period		-	-	(409)	(409)
Total comprehensive loss for the period		-	-	(409)	(409)
Contributions by and distributions to owners:					
Issue of share capital	13	-	540	-	540
Equity as at 2 January 2021		-	540	(540)	-

	Note	Share capital £'000	Share premium £'000	Retained earnings Restated ¹ £'000	Total Restated ¹ £'000
Opening balances on incorporation		-	-	-	-
Loss for the period ¹		-	-	(131)	(131)
Total comprehensive loss for the period		-	-	(131)	(131)
Contributions by and distributions to owners:					
Issue of share capital		-	-	-	-
Equity deficit as at 4 January 2020		-	-	(131)	(131)

¹ Details of the prior period restatement are provided in Note 1.

The accompanying notes are an integral part of these Financial Statements.

**Notes to the Financial Statements
For the 52 week period ended 2 January 2021**

1. General information and basis of preparation

General information

JPIMedia SWP Limited ('the Company') is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006.

The address of the registered office is 9th Floor, 107 Cheapside, London, EC2V 6DN, United Kingdom. The Company acts as an agent for JPIMedia Publishing Limited, publishing and distributing newspapers in the Scottish area of the United Kingdom.

Basis of preparation

The Financial Statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101). The Company is a wholly-owned subsidiary of JPIMedia Publishing Limited and is included in the consolidated Financial Statements of JPIMedia Publishing Limited ('the Group'). Following the acquisition of the Group by National World on 2 January 2021, in future periods the Company will form part of the National World Group.

The Financial Statements have been prepared under the historical cost convention as modified for the fair value of certain financial assets and liabilities, and in accordance with the Companies Act 2006. These Financial Statements are presented in British pounds, which is the functional currency of all entities in the Group. All financial information has been rounded to the nearest thousand except when otherwise indicated.

The reporting period is for the 52 weeks ended 2 January 2021, whilst the comparative period is for 68 weeks being from date of incorporation on 17 September 2018 to 4 January 2020. The company uses 52/53 week accounting periods and has drawn up its financial statements for the 52 weeks to Saturday, 2 January 2021. The 52 weeks to 2 January 2021 and the balances at that date are referred to as 2020 in these financial statements. The 68 weeks (of which 9 weeks are non-trading) to Saturday, 4 January 2020 and the balances at that date are referred to as relating to 2019.

The preparation of Financial Statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 3.

Summary of disclosure exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, related party transactions, and retrospective restatement or reclassification.

Restatement of prior year

The Company's Financial Statements have been restated to reflect a change in the allocation of the consideration for the assets acquired on 17 November 2018 to individual subsidiaries which has impacted on the subsequent allocation of the impairment for 2019 between titles and goodwill.

Notes to the Financial Statements

For the 52 week period ended 2 January 2021

1. General information and basis of preparation (continued)

The intangible assets, including goodwill and publishing rights and titles, arose on the acquisition of the trade and assets in November 2018. The acquisition was structured as several acquisitions through the subsidiaries of JPIMedia Publishing Limited and the intangible assets were allocated to each entity based on the revenue that had been allocated to the titles acquired by each entity from the administrators of each Johnston Press entity. The allocation of intangible assets to subsidiaries has now been deemed to be incorrect as it did not reflect the consideration paid by each of the subsidiary entities and resulted in negative goodwill being created in a number of the subsidiaries. The allocation used did not consider the profitability of the publishing titles which is driven by their revenue mix (circulation and advertising) and synergies derived through the number of titles in each business, in particular if there was a leading daily title within the portfolio. The revenue allocation basis resulted in certain entities being allocated a higher or lower value for Publishing Rights and Titles with a consequential impact on goodwill and deferred tax associated with the unregistered titles and revisions in the amortisation and impairment charges.

Comparatives for the following items have been restated:

	As previously reported 4 January 2020 £'000	Restated 4 January 2020 £'000	Restatement £'000
Company Income Statement			
Amortisation of intangible assets	(377)	(147)	230
Impairment of intangible assets	-	(15)	(15)
Negative goodwill release	191	-	(191)
Impairment of goodwill	-	(1)	(1)
Income tax credit	71	32	(39)
Loss for the financial period	(115)	(131)	(16)
Company Balance Sheet			
Intangible assets	1,292	488	(804)
Negative goodwill	(654)	-	654
Deferred tax	(213)	(79)	134
Net liabilities and Shareholders' equity	(115)	(131)	(16)
Statement of changes in equity			
Retained earnings balance as at 4 January 2020	(115)	(131)	(16)

Liquidity and going concern

These Financial Statements have been prepared on a going concern basis. The Directors consider the use of the going concern basis of accounting appropriate, despite the declining revenues due to the coronavirus pandemic. The management of the Group have mitigated the impact of falling revenue through a reduction in operating costs and grants from the Government Furlough scheme. In addition, the Company's ultimate parent, National World, has confirmed that it will provide financial support as might be necessary to ensure that the Company is a going concern for at least 12 months from the date of signing these financial statements.

Further details of the Group liquidity and going concern position are detailed in the JPIMedia Publishing Limited annual report for 2020.

**Notes to the Financial Statements
For the 52 week period ended 2 January 2021**

2. Significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below.

Revenue recognition

Turnover represents charges to JPIMedia Publishing Limited in respect of the Company's services as an agent and is net of value added tax. Turnover is equal to the staff costs incurred for its employees. All the Company's turnover was generated in the United Kingdom. Turnover is recognised when services are rendered.

Pension costs

The Company participates in a Group operated defined contribution scheme. The costs of the Company's contributions to the defined contribution scheme are charged to the profit and loss account as they become due under the rules of the scheme. Further details regarding pension costs are provided in Note 6.

Redundancy costs

Redundancy costs are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits. All redundancy costs are incurred as part of restructuring.

Intangible assets

The Company's intangible assets are publishing titles. The Company does not capitalise internally generated publishing titles. Titles are recorded at fair value at the date of acquisition. These publishing titles have a finite life and consequently are amortised over their estimated useful economic life. The carrying value of the titles is reviewed when there are indicators that an impairment has occurred with testing undertaken to determine any diminution in the recoverable amount below carrying value. The recoverable amount is the higher of the fair value less costs to sell and the value in use which is based on the net present value of estimated future cash flows. The discount rate is post-tax and reflects current market assessments of time value of money and risks specific to the assets for which estimates of future cash flows have not been adjusted. Any impairment loss is recognised as an expense immediately. A reversal of an impairment loss is recognised immediately in the Income Statement given these assets are not carried at revalued amounts.

For the purpose of impairment testing, publishing titles are allocated to the Group's cash generating unit, which is determined by grouping assets at the lowest levels for which there are separately identifiable cash flows. Cash generating units are tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of goodwill, then to reduce the carrying value of publishing titles and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**Notes to the Financial Statements
For the 52 week period ended 2 January 2021**

2. Significant accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the period end date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Company's accounting policies

In applying the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes to the Financial Statements

For the 52 week period ended 2 January 2021

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Changes in accounting estimates, errors or misstatements

Determining if the 2019 allocation of the purchase price to the separate intangible assets held by the Group and the consequential impact on restating the amortisation and impairment of specific categories of assets and considering whether they were treated as errors or misstatements, or changes in estimates required judgement. The Directors considered their understanding of the individual items, the facts and circumstances surrounding each item as supported by documentary and other evidence, internal enquiries and the extent of estimation associated with each item at the end of the prior year and determined that the allocation had resulted in an error and that the prior period accounts should be restated in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Error. Further details are contained in Note 1.

Impairment of publishing titles and goodwill

Key areas of judgement in the value in use calculation include the identification of appropriate Cash Generating Units ("CGUs"). For the purpose of this assessment the Company's assets and liabilities are grouped with the assets (publishing titles) of its parent entity's fellow subsidiaries and are referred to as the Publishing CGU. This is considered to be the lowest level at which cash inflows generated are largely independent of the cash inflows from other groups of assets and has been consistently applied across the Group.

Details of the impairment reviews that the Group performs are provided in Note 11 of the JPIMedia Publishing Group accounts for 2020 with a summary of the approach applied set out in Note 8 to these Financial Statements.

Key sources of estimation uncertainty

Impairment of publishing titles

The Company is required to test, whether intangible assets have suffered any impairment based on the recoverable amount of its CGUs, when there are indicators for impairment. Determining whether publishing titles are impaired requires an estimation of the value in use of the CGUs to which these assets are allocated. Key sources of estimation uncertainty in the value in use calculation include the estimation of future cash flows of CGUs affected by expected changes in underlying revenues and direct costs as well as corporate and central cost allocations through the forecast period, the long-term growth rates and a suitable discount rate to apply to the aforementioned cash flows in order to calculate the net present value. The discount rate selected for the regional titles CGU was 17%, using the Capital Asset Pricing Method ("CAPM") with a long-term decline rate in perpetuity of 1.0%.

4. Loss before taxation

Loss before taxation is stated after charging / (crediting):

		2020	2019 Restated ¹
		£'000	£'000
Staff costs	6	1,676	2,044
Staff costs recharges		(1,676)	(2,044)
Amortisation of intangible assets ¹	8	130	147
Impairment of intangible assets ¹	8	358	15
Impairment of goodwill ¹	9	-	1

¹ Details of the prior period restatement are provided in Note 1.

Notes to the Financial Statements
For the 52 week period ended 2 January 2021

5. Auditors' remuneration

Crowe U.K. LLP have been appointed auditors for the current period. The fees payable to the company's auditors are borne by the parent company, JPIMedia Publishing Limited. PricewaterhouseCoopers LLP were auditors in the prior period and provide tax compliance services to the Company. The remuneration for each auditor is detailed in the following tables:

	2020	2019
	£'000	£'000
Crowe U.K. LLP		
Fees payable to Company's auditors:		
- Audit of company	8	-
Total	8	-
	2020	2019
	£'000	£'000
PricewaterhouseCoopers LLP		
Fees payable to Company's auditors:		
- Audit of company	-	8
- Tax compliance services	1	1
Total	1	9

6. Information regarding directors and employees

The average number of employees was:

	2020	2019
	Number	Number
Editorial and photographic	45	55
Sales and Distribution	3	4
Administration	1	2
	49	61

Their aggregate remuneration comprised:

	2020	2019
	£'000	£'000
Wages and salaries	1,216	1,695
Social security costs	110	156
Other pension costs	70	88
Redundancy costs	280	105
Total staff costs	1,676	2,044

£0.1 million of furlough funding was claimed from HMRC in 2020 by JPIMedia Publishing Limited on behalf of the Company.

Notes to the Financial Statements

For the 52 week period ended 2 January 2021

6. Information regarding directors and employees (continued)

Pension contributions

Defined contribution schemes

The Company contributes to two defined contribution schemes: the JPIMedia Retirement Savings Plan, a defined contribution master trust, and Scotsman Stakeholder Pension plan. Both plans are administered by Scottish Widows. In the period employer contributions range from 3% of qualifying earnings, for employees statutorily enrolled, through to 12% of basic salary for Senior Executives. At 2 January 2021 the total pension liability of the Group amounted to £315k (4 January 2020: £381k). The total pension liability of the Group is recorded in JPIMedia Publishing Limited.

Directors' remuneration

In the period, no Director received remuneration from the Company, or the Group, for services specifically for this Company (2019: £Nil).

7. Tax on loss

The income tax credit comprises:

	2020 £'000	2019 Restated' £'000
Deferred tax (Note 11)		
Credit for the period	(93)	(32)
Derecognition of deferred tax assets	5	-
Increase in deferred tax rate to 19%	9	-
Total income tax credit for the period	(79)	(32)

The standard rate of UK corporation tax applied to the reported profit is 19%. The difference between the total income tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax of 19% to the loss before tax is as follows:

	2020 £'000	2019 Restated' £'000
Loss before tax	(488)	(163)
Tax at 19.0%	(93)	(31)
Effects of:		
Effect of difference in current and deferred tax rate	-	4
Effect of increase in deferred tax rate	9	-
Unrecognised tax losses	8	-
Imputed tax expense not incurred by Company	(3)	(5)
Total tax credit for the period	(79)	(32)

Notes to the Financial Statements

For the 52 week period ended 2 January 2021

8. Intangible assets

	2020	2019 Restated ¹
	£'000	£'000
Cost		
Opening balance	650	-
At acquisition on 17 November 2018 ¹	-	650
Closing balance	650	650
Accumulated impairment losses and amortisation		
Opening balance	(162)	-
Amortisation for the period ¹	(130)	(147)
Impairment for the period ¹	(358)	(15)
Closing balance	(650)	(162)
Carrying value	-	488

¹Details of the prior period restatement are provided in Note 1.

Impairment assessment

The carrying value of publishing titles are tested for impairment where there are indicators that the carrying value is higher than the recoverable amount. The Group tests the carrying value of the CGU held within the Group for impairment annually or more frequently if there are indications that the carrying value is less than the recoverable amount. If an impairment charge is required this is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU but subject to not reducing any asset below its recoverable amount.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are:

- expected changes in underlying revenues and direct costs during the period;
- decline rates; and
- discount rate.

In assessing the valuation of intangible assets in the current period, consideration has been given to both the National World acquisition price and to the value in use of the CGU, with the intangibles impaired to the higher of these values as required by the Accounting Standards. This has resulted in a Group impairment of £24.5 million, with the Company's intangible assets being impaired and written down to a value of £Nil. This has resulted in the recognition in the profit and loss account of an impairment charge of £0.4 million in the current period (2019: £Nil).

Further details of the assumptions around the Group impairment can be found in Note 11 of the JPIMedia Publishing Group accounts for 2020.

JPIMedia SWP Limited

Notes to the Financial Statements For the 52 week period ended 2 January 2021

9. Goodwill

	2020	2019
	£'000	Restated ¹ £'000
Cost		
Opening balance	1	-
At acquisition on 17 November 2018 ¹	-	1
Closing balance	1	1
Accumulated impairment losses		
Opening balance	(1)	-
Impairment for the period ¹	-	(1)
Closing balance	(1)	(1)
Carrying value	-	-

¹ Details of the prior period restatement are provided in Note 1.

10. Intercompany payable

	2020	2019
	£'000	£'000
Intercompany payable	-	(540)
	-	(540)

11. Deferred tax

Deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. The corporation tax rate of 19%, substantively enacted by parliament and applicable for the year beginning 1 April 2020, has been used to calculate the deferred tax liability for the period ending 2 Jan 2021. The rate of 17% was used to calculate the deferred tax liability for the prior period, as this was the enacted rate applicable for that reporting period. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the reporting period.

	Tax losses £'000	Publishing Titles £'000	Total £'000
At incorporation			-
At acquisition on 17 November 2018	-	(111)	(111)
Credit to income statement	4	28	32
At 4 January 2020 ¹	4	(83)	(79)
Deferred tax not recognised	(5)	-	(5)
Credit to income statement	-	93	93
Increase in deferred tax rate to 19%	-	(9)	(9)
At 2 January 2021	(1)	1	-

¹ Details of the prior period restatement are provided in Note 1.

Notes to the Financial Statements
For the 52 week period ended 2 January 2021

11. Deferred tax (continued)

No deferred tax asset has been recognised in respect of the net accumulated amounts carried forward, totalling £8,000, (available for offset against future taxable profits) as there is uncertainty regarding the timing of when these amounts will be recovered and agreement with former parent to utilise losses for their Group:

	2 January 2021 £'000
Tax losses – unrecognised deferred tax asset	8
Total	8

12. Financial commitments and guarantees

Value added tax

The Company is registered for VAT purposes in a group of undertakings, which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the Group, and failure by other members of the Group to meet their VAT liabilities would give rise to additional liabilities for the Company. At 2 January 2021 the total VAT liability of the Group amounted to £2.4m (4 January 2020: £1.6m).

Contingent liabilities

The Company has no known material contingent liabilities as at 2 January 2021.

Securities

On 17 November 2018 the Group led by JPIMedia Holdings Limited together with its subsidiaries entered into a Note Purchase Agreement with Global Loan Agency Services Limited (as Agent), GLAS Trust Corporation Limited (as Security Agent) and various institutions, as a condition of which it (and each relevant member of its group) granted security over all of its assets (subject to certain specified exceptions). As part of the acquisition by National World on 2 January 2021, the charges over the assets held by GLAS Trust Corporation Limited (As Security Agent) for the JPIMedia Holding Group were released.

13. Share capital and share premium

	Number of shares	Ordinary shares £'000	Share premium £'000
Authorised, issued and fully paid up			
At incorporation			
Shares issued	1	-	-
At 4 January 2020	1	-	-
Shares issued	100	-	540
At 2 January 2021	101	-	540

On 17 September 2018, the date of incorporation for JPIMedia SWP Limited, 1 ordinary share with a nominal value of £0.01 was allotted.

On 2 January 2021, 100 ordinary shares with nominal values of £0.01 each were allotted as part of the acquisition of JPIMedia Publishing Limited and its subsidiaries by National World. This resulted in a share premium balance of £0.5 million.

JPIMedia SWP Limited

Notes to the Financial Statements For the 52 week period ended 2 January 2021

13. Share capital and share premium (continued)

The Company has one class of ordinary shares which carry no right to fixed income and not redeemable. Each ordinary share ranks equally for any dividend declared and distributions made on winding up on the Company. Each ordinary shareholder is entitled to one vote for one share held and shares rank equally for voting purposes.

No dividends were paid during the period (2019: £Nil).

14. Reserves

	2020	2019 Restated ¹
	£'000	£'000
Share premium	540	-
Profit and loss account	(540)	(131)
Shareholders' equity/(deficit)	-	(131)

¹ Details of the prior period restatement are provided in Note 1.

Profit and loss account represents cumulative losses.

15. Immediate and ultimate parent company

The immediate parent company is JPIMedia Publishing Limited, a company registered in England and Wales. The ultimate parent company is National World plc, a company incorporated in the United Kingdom and registered in England and Wales.

JPIMedia Publishing Limited and its subsidiaries were acquired by National World from JPIMedia Limited, a subsidiary of JPIMedia Holdings Limited on 2 January 2021. Previously the Group's results have been reported as part of the consolidated results of the JPIMedia Holdings Limited Group. With the disposal at the reporting period end, the Directors thought it appropriate to prepare consolidated Financial Statements for the JPIMedia Publishing Group for 2020, including prior period comparatives. In future periods, the Group will form part of the National World Group for reporting purposes.

16. Post balance sheet events

In January 2021, National World, the ultimate parent, provided a loan of £10.5 million to the Group to enable the Group to repay an outstanding inter-company balance payable to the former parent company, JPIMedia Limited (£4.7 million) and to provide working capital (£5.8 million).