Company Registration No. 11573425

JPIMedia SWP Limited

Annual Report and Financial Statements
for the 52 weeks ended
1 January 2022

JPIMedia SWP Limited

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Contents

JPIMedia SWP Limited

Company Information
For the 52 weeks ended 1 January 2022

Directors	D J Montgomery V L Vaghela
Registered office	No 1 Leeds 4th Floor 26 Whitehall Road Leeds United Kingdom LS12 1BE
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 weeks ended 1 January 2022

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 "JPIMedia Group").

Activities and results

The principal activities of the Company are to meet the wide ranging news and information needs of local communities in Scotland. The Company has a portfolio of 19 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", "the Group") from JPIMedia Limited. The Company's accounts have been consolidated into the annual financial statements of National World Plc for the 52 weeks ended 1 January 2022.

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 12. The reporting period is for the 52 weeks ended 1 January 2022, and the comparative period is for the 52 weeks ended 2 January 2021.

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 1 January 2022, the Company had net assets of £9,000 (2 January 2021: £nil). The financial position of the Company is set out in the Balance Sheet on page 14. 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 JPIMedia Group by National World, and the key principal risks are summarised as follows:

- **Strategy**

  The news publishing sector continues to face ongoing challenges with newspaper circulation volume and print advertising revenue 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 Company 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 operations of the Group will be adversely impacted by issues due to the loss of key infrastructure, weaknesses in the control environment and loss of key suppliers. The Group has established a risk management framework which will be overseen by the Risk Management Committee and chaired by the Chief Operating Officer and includes senior management representing all operations across the Group. The first meeting of the Risk Management Committee was held during March 2021. The change advisory board regularly reviews the internal risk register and updates accordingly in response to any identified issues.

  A strategic programme to migrate all existing IT infrastructure to Google's Cloud Platform is underway. As well as providing increased physical security and resilience, this migration will provide an opportunity for a review of the cyber security risks for each workload being migrated and a reduction in the total number of systems in operation.

- **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, managed DDoS protection, 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 and provides cover for cyber security-related issues until March 2022. Due to additional requirements to add multi-factor authentication ('MFA') cyber insurance is not available from 1 April 2022. The Group is in the process of implementing MFA in the second quarter of 2022 and cyber insurance cover will resume for the second half of 2022.

- **Data protection GDPR**

  Legal Counsel conducts assessments of data quality. Use of data is overseen by Legal Counsel and advice is sought by sales and marketing teams as and when data is being sourced. Implementation of GDPR is subject to ongoing monitoring, including mandatory company training, working with IT and other relevant departments as required. A Quality Manager within the Commercial team is responsible for ensuring all systems are GDPR & PCI compliant and that agents are updating the customer records in the CRM to ensure we are compliant and to ensure data is captured and managed within the ICO guidelines and GDPR requirements.

  All new supplier contracts are reviewed by Legal Counsel to ensure all required data protection provisions are included and signed up to by the supplier. All contracts are reviewed by the Legal team prior to signing.

  Intra-group data sharing agreement now complete. GDPR compliance across the Group is the subject of an ongoing improvement programme. Our newly appointed Legal Counsel will conduct a review of all policies and processes in the coming year.

  Training provided to all commercial new starters by Legal Counsel and L&D.

Going Concern

The Directors assessed the Company and the Group's prospects as a going concern at the time of the approval of National World plc's Annual Report for the period ended 1 January 2022. The Directors consider it appropriate to adopt the going concern basis of accounting in the preparation of the Group's annual consolidated financial accounts, having reconsidered the assessment made at that time. The assessment was based on review of the three year projections for the business which are considered by the Board when approving the budget for 2022. Management believes that a longer term assessment is not appropriate given the ongoing structural challenges facing print media and changing landscape for digital. Key considerations in the assessment were:

- Decline in print revenue;
- The ongoing impact of COVID-19 on revenue;
- Management's ongoing mitigating actions in place to manage costs and cash flow;
- Capital expenditure requirements, including the impact of the rationalisation of office space, migration of IT infrastructure to the Google Cloud Platform and ongoing maintenance capital expenditure requirements; and
- Investment in digital resource and development.

Sensitivity analysis was applied to the projections to determine the potential effects should the principal risks and uncertainties occur, individually or in combination. The Board also assessed the likely effectiveness of any proposed mitigating actions.

Whilst the Group strategy is to grow through acquisition and organic development, no acquisitions have been assumed in the projections as there is no certainty that acquisitions will be concluded. Prior to proceeding with any acquisition, the three-year projections will be updated to ensure there is no adverse impact on the Group prospects or going concern resulting from an acquisition

The review concluded that the Group maintained significant financial flexibility with cash of £23.0 million as at 1 January 2022. The Directors are satisfied that the Company will be able to operate with sufficient financial flexibility and headroom for the foreseeable future. The Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

JPIMedia SWP Limited

Strategic Report
For the 52 weeks ended 1 January 2022

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
25 April 2022
JPIMedia SWP Limited
Registered in England and Wales No. 11573425

JPIMedia SWP Limited

Directors' Report
For the 52 weeks ended 1 January 2022

The Directors present their report on the affairs of the Company, together with the audited Financial Statements, for the 52 week period ended 1 January 2022.

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 participation in the Government Furlough scheme until April 2021.

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

In assessing the longer-term viability of the Company, the Directors believe sufficient cash flows will be generated by the Group and the Company in order to meet the obligations required. The Directors will continue to review the operations and capital structure of the Company. National World have 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.

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 (2020: £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

Company secretary

OHS Secretaries Limited	appointed 15 January 2021, resigned 31 December 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
With the exception of the uncertainty in the trading environment because of inflationary pressures, in particular newsprint and printing costs, and the global instability as a result of the Ukraine war, there are no post balance sheet events requiring disclosure.

JPIMedia SWP Limited

Directors' Report
For the 52 weeks ended 1 January 2022

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. Vaghela

V L Vaghela
Director
25 April 2022

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 SWP Limited (the 'Company') for the year ended 1 January 2022 which comprise the Statement of comprehensive income, balance sheet, the 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 1 January 2022 and of its profit 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The directors are responsible for the other information 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

Matters on which we are required to report by exception

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

- proper 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 financial statements are not in agreement with the accounting records and returns; 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 set out on page 8, 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.

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, sample testing on the posting of journals.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected a material misstatement in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing, and cannot be expected to detect, non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

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

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
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

25 April 2022

JPIMedia SWP Limited

Income Statement
For the 52 weeks ended 1 January 2022

	Notes	52 weeks to 1 January 2022 £'000	52 weeks to 2 January 2021 £'000
Turnover	4	1,250	1,676
Cost of sales	4	(1,250)	(1,676)
Gross profit		-	-
Amortisation of intangible assets	8	-	(130)
Impairment of intangible assets	8	-	(358)
Loss before taxation		-	**(488)**
Income tax credit	7	9	79
Profit / (Loss) for the period		**9**	**(409)**

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 weeks ended 1 January 2022

	52 weeks to 1 January 2022	52 weeks to 2 January 2021
	£'000	£'000
Profit / (Loss) for the period	**9**	**(409)**
Total other comprehensive income for the period	-	-
Total comprehensive profit / (loss) for the period	**9**	**(409)**

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

JPIMedia SWP Limited

Balance Sheet
As at 1 January 2022

	Notes	As at 1 January 2022 £'000	As at 2 January 2021 £'000
Non-current assets			
Intangible assets	8	-	-
Deferred tax	9	9	-
Total assets		**9**	**-**
Net assets		**9**	**-**
Equity			
Share premium	11	540	540
Profit and loss account	12	(531)	(540)
Shareholders' equity		**9**	**-**

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 25 April 2022 and signed on their behalf by:

V. Vaghela

V L Vaghela
Director

JPIMedia SWP Limited

Statement of Changes in Equity
For the 52 weeks ended 1 January 2022

	Note	Share capital £'000	Share premium £'000	Accumulated losses £'000	Total £'000
Equity deficit as at 4 January 2020		-	-	(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	11	-	540	-	540
Equity as at 2 January 2021		**-**	**540**	**(540)**	**-**
As at 3 January 2021		-	540	**(540)**	**-**
Profit for the period		-	-	9	9
Total comprehensive profit for the period		**-**	**-**	**9**	**9**
Equity as at 1 January 2022		**-**	**540**	**(531)**	**9**

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

Notes to the Financial Statements
For the 52 weeks ended 1 January 2022

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 No 1 Leeds 4th Floor, 26 Whitehall Road, Leeds, England, LS12 1BE, United Kingdom. The Company acts as an agent for JPIMedia Publishing Limited, publishing and distributing newspapers in Scotland, 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 National World Plc ('the 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 1 January 2022, the comparative period is for 52 weeks ended 2 January 2021. The company uses 52/53 week accounting periods and has drawn up its financial statements for the 52 weeks to Saturday, 1 January 2022. The 52 weeks to 1 January 2022 and the balances at that date are referred to as 2021 in these financial statements. The comparative 52 weeks to 2 January 2021 and the balances at that date are referred to as 2020 in these financial statements.

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.

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 until April 2021. 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 National World plc annual report for 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.

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.

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

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 Note 13 of the National World Plc accounts for 2021 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 15% (2020: 17%), using the Capital Asset Pricing Method ("CAPM") with a long-term decline rate in perpetuity of 1.0% (2020: 1.0%).

4. Loss before taxation

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

		2021	**2020**
		£'000	**£'000**
Staff costs	6	1,250	1,676
Staff costs recharges		(1,250)	(1,676)
Amortisation of intangible assets	8	-	130
Impairment of intangible assets	8	-	358

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. The remuneration is detailed in the following table:

	2021	**2020**
Crowe U.K. LLP	**£'000**	**£'000**
Fees payable to Company's auditors:		
- Audit of the Company	8	8
Total	**8**	**8**

JPIMedia SWP Limited

Notes to the Financial Statements
For the 52 weeks ended 1 January 2022

6. Information regarding directors and employees

The average number of employees was:

	2021 Number	2020 Number
Editorial	39	45
Sales and Distribution	1	3
Administration	-	1
	40	**49**

Their aggregate remuneration comprised:

	2021 £'000	20 £'000
Wages and salaries	1,089	1,216
Social security costs	97	110
Other pension costs	62	70
Redundancy costs	2	280
Total staff costs	**1,250**	**1,676**

£8,000 (2020: £105,000) of furlough funding was claimed from HMRC by JPIMedia Publishing Limited on behalf of the Company.

Pension contributions

Defined contribution schemes

The Company contributes to a defined contribution schemes: the JPIMedia Publishing Limited Retirement Savings Plan, a defined contribution master trust. The plan is administered by Scottish Widows. In the period employer contributions range from 3% of qualifying earnings, for employees statutorily enrolled, through to 8% of basic salary for the majority of members on salary up to £125,000. Certain senior managers have company contributions up to 12% as these were contracted ahead of rules for all new members being agreed at a maximum of 8%. At 1 January 2022 the total pension liability of the Group amounted to £282,000 (2 January 2021: £315,000), and was paid to Scottish Widows on 21 January 2022. 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 (2020: £Nil).

Notes to the Financial Statements
For the 52 weeks ended 1 January 2022

7. Tax on loss

The income tax credit comprises:

	2021 £'000	2020 £'000
Deferred tax (Note 9)		
Credit for the period	-	(93)
(Recognition)/Derecognition of deferred tax assets	(9)	5
Increase in deferred tax rate	-	9
Total income tax credit for the period	**(9)**	**(79)**

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:

	2021 £'000	2020 £'000
Loss before tax	-	(488)
Tax at 19.0%	-	(93)
Effects of:		
Effect of increase in deferred tax rate	-	9
(Recognised)/Unrecognised tax losses	(9)	8
Total tax credit for the period	**(9)**	**(79)**

A statutory tax credit of £9,000 is recognised in the period, which includes £10,000 credit for brought forward losses.

The Company has recognised gross brought forward losses of £40,000 at the period-end as it expects the losses will be utilised by the Group over the next three years, and the tax losses can no longer be called upon by JPIMedia Limited following its liquidation on 17 May 2021. The deferred tax asset, relating to brought forward losses, of £9,000 (Note 9) has been calculated using a blended tax rate of 23%.

8. Intangible assets

	2021 £'000	2020 £'000
Cost		
Opening balance	650	650
Closing balance	**650**	**650**
Accumulated impairment losses and amortisation		
Opening balance	(650)	(162)
Amortisation for the period	-	(130)
Impairment for the period	-	(358)
Closing balance	(650)	(650)
Carrying value	-	-

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. The Company's intangible assets were fully impaired in the prior period and written down to a value of £Nil. This resulted in the recognition in the profit and loss account of an impairment charge of £0.4 million in the prior period.

Further details of the assumptions around the Group impairment can be found in Note 13 of the National World plc accounts for 2021.

9. Deferred tax

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

	Tax losses £'000	Publishing Titles £'000	Total £'000
At 4 January 2020	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	-
Deferred tax recognised/(derecognised)	10	(1)	10
At 1 January 2022	**9**	**-**	**9**

The Company has £40,000 of brought forward losses, which has been recognised as a deferred tax asset at the period end as the Group expects the losses will be utilised over the next three years, and the tax losses can no longer be called upon by JPIMedia Limited following its liquidation on 17 May 2021. The deferred tax asset, relating to the tax losses, has been calculated using a blended rate of 23%.

10. 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 1 January 2022 the total VAT liability of the Group amounted to £1.3 million (2 January 2021: £2.4 million).

Contingent liabilities
The Company has no known material contingent liabilities as at 1 January 2022 (2 January 2021: £nil).

11. Share capital and share premium

	Number of shares	Ordinary shares £'000	Share premium £'000
Authorised, issued and fully paid up			
At 4 January 2020	1	-	-
Shares issued	100	-	540
At 2 January 2021	**101**	**-**	**540**
At 1 January 2022	**101**	**-**	**540**

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.

11. Share capital and share premium (continued)

The Company has one class of ordinary shares which carry no right to fixed income and are 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 (2020: £nil).

12. Reserves

	2021 £'000	2020 £'000
Share premium	540	540
Profit and loss account	(531)	(540)
Shareholders' equity	**9**	-

Profit and loss account represents cumulative losses.

13. 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.

14. Post balance sheet events

With the exception of the uncertainty in the trading environment because of inflationary pressures, in particular newsprint and printing costs, and the global instability as a result of the Ukraine war, there are no post balance sheet events requiring disclosure.