National World plc
Annual Results 2022

Contents

Directors & Advisers

Directors

David Montgomery	Executive Chairman
Mark Hollinshead	Chief Commercial Officer
John Rowe	Non-Executive Director (appointed as Executive Director on 24 February 2023)
Daniel Cammiade	Non-Executive Director
David Fordham	Non-Executive Director
David Lindsay	Non-Executive Director (appointed 14 September 2022)
Vijay Vaghela	Chief Operating Officer (resigned 14 September 2022)
Stephen Barber	Non-Executive Director (resigned 22 July 2022)

Company Secretary
Douglas Easton (appointed 30 November 2022)
ONE Advisory Limited (resigned 30 November 2022)

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4th Floor
26 Whitehall Road
Leeds
LS12 1BE

Company number
12021298 (England and Wales)

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London
EC4A 1BW

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

Solicitors
Orrick Herrington & Sutcliffe (UK) LLP
107 Cheapside
London
EC2V 6DN

Registrars
Link Market Services
Central Square
10th Floor
29 Wellington Street
Leeds
England
LS1 4DL

PR Advisers
Montfort Communications
2nd Floor Berkeley Square House
Berkeley Square
London
W1J 6BD

Company Website
www.nationalworldplc.com

Adjusted Results*

Revenue
£84.1m
2021: £86.0m

Operating profit
£9.3m
2021: £9.3m

Profit before tax
£9.3m
2021: £8.6m

EBITDA
£9.7m
2021: £10.1m

Earnings per share (basic)
2.9 pence
2021: 3.7 pence

Statutory Results

Revenue
£84.1m
2021: £86.0m

Operating profit
£5.2m
2021: £2.1m

Profit before tax
£5.1m
2021: £1.2m

EBITDA
£6.8m
2021: £5.7m

Earnings per share (basic)
2.0 pence
2021: 2.8 pence

Strong financial position

Cash balance
£27.0m
2021: £23.0m

Borrowings
£1.0m
2021: £1.0m

Deferred consideration payable on JPIMedia Group acquisition
£2.5m
2021: £5.0m

* Adjusted results are before non-recurring items, amortisation of intangible assets and implementation of IFRS 16. Note 31 to the financial statements provides a reconciliation between Statutory and Adjusted results.

National World is a leading customer driven content business, delivering multimedia experiences for global, national, regional and local audiences.

Operating from a fully digitised infrastructure, National World seeks to build market leading positions from highly specialised content. The group holds market leading positions in many geographical and vertical segments, and overall is the third largest local media player in the UK.

The principal activities of the Group are to meet the wide-ranging news, information and entertainment needs of customers across the United Kingdom. The Group creates content in article, video, audio and face-to-face formats, delivered through a portfolio of digital, newspaper and event brands, providing advertisers with customer engagement across a range of market access points and providing customers with trusted content.

Key new acquisitions and partnerships • Partnership with The News Movement to accelerate development of content for 'Gen Z' via growth platforms such as TikTok • Digital acquisitions completed in December 2022 of independent digital football websites owned by publisher ScoopDragon and video-first content innovator, NewsChain • Heritage newspapers Newry Reporter acquired in January 2023, and Banbridge Chronicle in February 2023 to strengthen the depth and breadth of our Northern Ireland portfolio	**Investment for growth** • Google Cloud Platform migration of all of our core system has been completed providing a modern and flexible IT infrastructure. • Continued investment in digital infrastructure to support content creation and distribution across all formats and devices • New digital content, development and launches to deliver further growth in 2023
Local and UK reach • The Group distributed 31.3 million paid for newspaper copies and 2.7 million free copies (2021: 37.7 million paid, 4.0 million frees) • Digital network; 111 million average monthly page views in 2022, a marginal improvement from the 110 million page views in 2021. • 110 million page views in December 2022, compared to 106 million in December 2021. • 42 million average monthly unique users in 2022, compared to 37 million in 2021 • 357 million video views in 2022, 43% growth from 2021.	**New products and initiatives** • Creation of an expanded exclusively online City World division to 16 sites in early 2023, providing full coverage of the key cities in England and Scotland. • The launch of Your World an online portal allowing slick customer and community content contribution. • The launch of 3AddedMinutes.com a vibrant, fan-focused football website. • The launch of PeopleWorld.co.uk which offers a totally new approach to personality-led content. • The launch of a US edition of NationalWorld.com • The relaunch in the employment market of The Smartlist as Smart Hire.

Our brands - targeting the customer with premium content

In its short history National World plc has taken a regional newspaper business with a limited footprint and expanded its reach to all UK markets and beyond.

It has launched and grown its online only City World brand portfolio to cover all major metropolitan centres and has launched or acquired vertical online businesses in sport and celebrity content.

The major heritage or national brands, The Scotsman, Yorkshire Post and NewsLetter are being developed as multi-platform providers of premium content.

All brands are targeted on specific audiences and middle market consumer content reducing dependency on news and avoiding the over-served red-top segment.

National Brands

THE SCOTSMAN

THE YORKSHIRE POST

News Letter

Scotland on Sunday

Video & Audio

NationalWorld TV

SCRAN THE SCOTSMAN

THE SCOTSMAN THE STEAMIE

SCREEN BABBLE

UNCOVERED

THE CHRIS WHEATLEY SHOW

THE SCOTSMAN Sessions

BRAGGING RIGHTS

City Worlds

NottinghamWorld

ManchesterWorld

The News

The Star

LiverpoolWorld

LondonWorld

Yorkshire Evening Post

Lancashire Post

NewcastleWorld

BristolWorld

The Gazette Since 1873

Edinburgh Evening News

GlasgowWorld

BirminghamWorld

Sunderland Echo

The Shields Gazette

Daily Press

The Gazette Since 1873

The News

The Star

The Shields Gazette

Edinburgh Evening News

Sunderland Echo

Lancashire Post

Yorkshire Evening Post

Vertical Brands

NationalWorld

NewsChain

AddedMinutes

People World

Farming Life

Northern Ireland World

WWS World of Women's Sport

Man U News

Warwickshire World

Sussex World

Lincolnshire World

Gooner News

Chelsea News

City Weeklies

Bedford Borough Edition Times & Citizen Since 1845
bedfordtoday.co.uk Visit us online for breaking news

Banbridge Chronicle

Bridlington Free Press .co.uk Serving the community since 1859
Visit us online for breaking news

The Berwickshire News
Since 1869

Banbury Guardian .co.uk Since 1838
Visit us online for breaking news

Eastbourne & Hailsham Herald
Sussex World sussexworld.co.uk Visit us online for breaking news

The Bucks Herald

Harrogate Advertiser .co.uk
Visit us online for breaking news
SINCE 1836

Dewsbury & Mirfield Reporter
DEWSBURYREPORTER.CO.UK

Crawley & Horley Observer Since 1881
sussexworld.co.uk Visit us online for breaking news

Leamington & Warwick The Courier Since 1828
warwickshireworld.com Visit us online for breaking news

Luton News & Dunstable Gazette Since 1891
lutontoday.co.uk Visit us online for breaking news

Larne Times Since 1891
northernirelandworld.com Visit us online for breaking news

Fife Free Press Since 1871
fifetoday.co.uk Visit us online for breaking news

Derbyshire Times
incorporating Ilkeston Advertiser, Ripley & Heanor News, Belper News
TRUSTED NEWS SINCE 1854

Wakefield Express .co.uk Since 1852
VISIT US ONLINE FOR BREAKING NEWS

Wigan Observer Since 1853
wigantoday.net Visit us online for breaking news

Worthing Herald Since 1920
Incorporating Shoreham, Lancing & Steyning
sussexworld.co.uk Visit us online for breaking news

Leader & Times
Covering Nelson, Colne and Barnoldswick & Earby
pendletoday.co.uk Visit us online for breaking news

Portadown Times

The Scarborough News

Northampton Chronicle & Echo
northamptonchron.co.uk Register today for Northampton news alerts

West Sussex County Times Since 1869
sussexworld.co.uk Visit us online for breaking news

Sheffield Telegraph .co.uk Since 1855
Visit us online for breaking news

Lanark Gazette
YOUR PAPER, YOUR VOICE

Rugby Advertiser Since 1846
warwickshireworld.com Visit us online for breaking news

Fife Herald Since 1822
fifetoday.co.uk Visit us online for breaking news

Pontefract & Castleford Express Since 1880
Incorporating Hemsworth & South Elmsall

Sussex Express Since 1837
FOR LEWES - RINGMER - CHAILEY - NEWICK
sussexworld.co.uk Visit us online for breaking news

Falkirk Herald .co.uk Since 1845
Visit us online for breaking news

Southern Reporter .co.uk Since 1855
Visit us online for breaking news

Northamptonshire Telegraph
northantstelegraph.co.uk Register today for Northamptonshire news alerts

Newry Reporter

Doncaster Free Press
TRUSTED NEWS SINCE 1925

Peterborough Telegraph

Mid Sussex Times Since 1881
sussexworld.co.uk Visit us online for breaking news

Whitby Gazette .co.uk Since 1854
Visit us online for breaking news

Worksop Guardian

Northumberland Gazette .co.uk Since 1854
Visit us online for breaking news

Chad
chad.co.uk

MK Citizen .co.uk Lite
Visit us online for breaking news

Lytham St Annes Express .co.uk Since 1899
Visit us online for breaking news

Lancaster Guardian
lancasterguardian.co.uk Visit us online for breaking news

Derry Journal .com Since 1772
Visit us online for breaking news

Hastings, St Leonards & Rye Observer Since 1859
sussexworld.co.uk Visit us online for breaking news

Burnley Express

Hartlepool Mail .co.uk
Register today for Hartlepool news alerts

Halifax Courier .co.uk Since 1853
VISIT US ONLINE FOR BREAKING NEWS

The Clitheroe Advertiser and Times Since 1868
clitheroeadvertiser.co.uk Visit us online for breaking news

Chichester Observer Since 1887
sussexworld.co.uk Visit us online for breaking news

Buxton Advertiser
buxtonadvertiser.co.uk Visit us online for breaking news

Chorley Guardian .co.uk Since 1871
Incorporating the Leyland Guardian
Visit us online for breaking news

Berwick Advertiser .co.uk Since 1808
Visit us online for breaking news

Community Media

Fraserburgh Herald
Since 1884

Buckingham and Winslow Advertiser
Since 1853
buckinghamtoday.co.uk Visit us online for breaking news

Hucknall Dispatch
TRUSTED NEWS SINCE 1904

The Buchanie
SINCE 1863

Gazette & Express
hemeltoday.co.uk Visit us online for breaking news
Serving Hemel Hempstead, Berkhamsted & Tring since 1858

Biggleswade Chronicle

Deeside & Donside Piper and Herald
SINCE 1986

Leighton Buzzard Observer
Since 1861
leightonbuzzardonline.co.uk Visit us online for breaking news

Eastwood & Kimberley Advertiser
SINCE 1894

Mid-Ulster Mail
Since 1891
northernirelandworld.com Visit us online for breaking news

Linlithgow GAZETTE
EDITION OF THE LINLITHGOWSHIRE JOURNAL & GAZETTE
falkirkherald.co.uk Visit us online for breaking news

News Post Leader .co.uk
SINCE 1874
Visit us online for breaking news
TO ADVERTISE, CONTACT EMMA ON 07803 506173

Pocklington Post
Since 1997
SERVING MARKET WEIGHTON, STAMFORD BRIDGE AND SURROUNDING VILLAGES

Angus County Press

Cumbernauld NEWS & Kilsyth CHRONICLE

Stornoway Gazette

Lurgan Mail
Since 1891
INCORPORATING THE CRAIGAVON TIMES
northernirelandworld.com Visit us online for breaking news

The Visitor .co.uk
Since 1874
Visit us online for breaking news

Midlothian ADVERTISER
Since 1854
edinburghnews.scotsman.com Visit us online for breaking news

Skegness Standard

Ulster Star
Incorporating The Leader
northernirelandworld.com Visit us online for breaking news

Wigan Post Weekly
wigantoday.net
Register now for Wigan news alerts

Matlock Mercury

The Courier & News
Covering Garstang & Longridge
garstangcourier.co.uk Visit us online for breaking news

Milngavie & Bearsden HERALD
Since 1901
milngavieherald.co.uk Visit us online for breaking news

TODMORDEN NEWS

Motherwell TIMES & Bellshill SPEAKER
Since 1883
glasgowworld.com Visit us online for breaking news

Brighouse ECHO

Melton Times .co.uk
Since 1859
Visit us online for breaking news

LONDONDERRY & ROE VALLEY SENTINEL
Est. 1829
northernirelandworld.com Visit us online for breaking news

Mearns LEADER & Kincardineshire OBSERVER
Since 1913

Glenrothes Gazette
Since 1962
fifetoday.co.uk Visit us online for breaking news

Harborough Mail .co.uk
Since 1854
Visit us online for breaking news
incorporating the Lutterworth Mail

The Herald
Since 1883
Serving Kirkintilloch & Bishopbriggs
glasgowworld.com Visit us online for breaking news

GAINSBOROUGH STANDARD

The ELLON TIMES & INVERURIE HERALD

West Sussex Gazette

FLEETWOOD WEEKLY NEWS
Since 1984
fleetwoodtoday.co.uk Visit us online for breaking news

East Fife Mail
Since 1913
fifetoday.co.uk Visit us online for breaking news

Daventry Express

Boston Standard

Ballymoney and Moyle Times

In 2022 the Group has delivered adjusted EBITDA of £9.7 million, Digital revenue growth of 26% and continued to invest in the transition to a digital only model

Strategy

National World made its first acquisition, JPIMedia Group, on the first day of 2021 for £10.2 million initial consideration. Many of the heritage assets were unnurtured and in a sector that was impacted by structural change. National World has cherished and reorganised those famous brands, including The Scotsman and the Yorkshire Post, and augmented the asset base with new launches and, just recently, the first online acquisitions.

The original investment has been repaid almost twice over in the past two years with an EBITDA of £10.1 million in 2021 followed by £9.7 million in 2022 despite the headwinds of the latter half year of a downturned economy and cost of living crisis not to mention unprecedented escalating newsprint and energy prices.

The financial result for both years is a considerable achievement but one not based on the traditional cost cutting of the sector. While promoting efficiency through streamlining central services and the greater use of technology, National World has continuously invested in the talent and creativity of its staff to promote more and better quality products.

The Company was quick to recognise that from a limited geographical base it could expand its footprint and compete across all platforms. National online brands, like nationalworld.com and peopleworld.co.uk have been launched alongside metropolitan brands covering all the major UK cities in which we previously had no historic presence.

Video has been a constant focus, both for audience engagement and a service to advertisers. Recruiting and re-training in video journalism has tripled productivity and the audience for video has grown by 43 per cent, with 357 million video views on NW channels in 2022, compared to 249 million video views in 2021.

Distribution of all our content is through a growing number of partnerships. The expansion and ambition of the company is facilitated by the strategy of producing original content rather than replicating the news market and the realisation that a wider content agenda will attract viewers both nationally and internationally. The mantra for the Group's creative workforce is:

Think Local, Act National, Be Global

The publishing sector, not just in local news, has been slow to seek radical changes in the face of structural change in the media, preferring for decades to mainly trim costs. For local commercial publishers, in particular, there is a growing imbalance with the national publishers and broadcasters, who maintain some resilience through scale, while the local segment has long lost its one great advantage of classified advertising.

National World is now competing more effectively at a national level and across all platforms as a quality and varied content and sales business targeting customers wherever they might be, not just in specific territories of its heritage brands.

National World representatives are also rallying our industry body, the News Media Association, to wage a vigorous and long overdue campaign to expose unfair competition that threatens local independent journalism.

Most importantly the current economic crisis has inspired National World to accelerate the implementation of its new operating model to restore growth to the sector and provide sustainable revenues. The company is investing in pivoting towards the customer as a first priority, targeting content that has relevance and usefulness to individuals and communities. The ethos is predominantly middle market, family and consumer orientated. Organic projects are under way to deliver a new operating model that will promote individual talent in both editorial and sales assisted by a greater degree of automation.

Instead of a digital first company, National World is taking the leap to being a digital only company. Newspapers will be produced on that basis rather than being the products of multiple industrial processes that should have been abandoned years ago. Ironically the printed newspaper products will achieve greater quality and relevance, in part mirroring characteristics of social media but strictly curated.

True to our publishing heritage we will make our small weekly papers exclusively local in all content - banishing the generic content that was a feature of previous and counterproductive cost reduction measures.

National World is working with technology providers to support its implementation of the new operating model. At least one partnership will allow the company to benefit from the IP exploitation should the model be taken up by other publishers. Re-training creative staff as specialist content providers across all platforms is well advanced and 2023 will see at least half of our journalists equipped in video production.

The new operating model also requires a reorganisation of business units away from the rigid geographical divisions in order to nurture portfolios of related brands and also to release the potential of certain heritage brands.

In Yorkshire, Scotland and Northern Ireland these brands are prioritising specialisms in key topics like heritage, arts and culture, business, environment and rural affairs and making this content available on all platforms and supporting key advertisers for the longer term. Other regional daily titles are being relaunched in 2023 to relate more closely to metropolitan markets they serve and organised in formats reflecting online characteristics.

Our new community media division will spearhead the drive towards richer and exclusively local content promoting education and regional commercial development and businesses - leaning towards a levelling up of the media.

As in the previous two years there will be further online launches to augment our footprint and enhance our vertical platforms.

Acquisitions will focus on online content and managerial digital capability as illustrated by the Group's acquisition of independent digital football publisher ScoopDragon and video-first content innovator, NewsChain, which focuses on news, celebrity and football. ScoopDragon currently operates 50 club-based websites. The acquisition of its assets will enable it to scale its operations, while simultaneously extending National World's multi-layered football network.

The acquisition of NewsChain supports National World's goal of meeting increased customer demand for content in a video format. The acquisition includes its sister site, World of Women's Sport, and National World will grow NewsChain's platform through the addition of content resources and gaining access to a wider customer network with strong overlap in areas of interest.

National World has a deep heritage in footballing content through local and regional newsbrands and the recent launch of 3addedminutes.com, using creators within its existing network to develop a unique new voice for football fans. Joining forces with ScoopDragon enables a significant change in reach (increasing the company's page views by over 10%) and content, and forms part of National World's ongoing strategy of scaling audiences in key verticals via organic development and strategic acquisitions.

When acquiring heritage assets, with recent examples of Newry Reporter and Banbridge Chronicle acquired in Northern Ireland in early 2023, these are judged on market position and valuations reflecting the state of the newspaper sector. There is still a case for bolting on brands with a loyal audience that benefit from synergies as they are integrated in our infrastructure.

Innovations spearheaded by National World management can be implemented on a wider scale if the opportunity presents itself.

Having said that the company will manage its significant cash balance carefully and from that resilient position intends to announce a maiden dividend in respect of 2022 results. The Group has a cash balance of £27.0 million at the year-end, an increase of £4.0 million on the prior year.

National World is a young company that continues to nurture historic assets but paramount is the injection of energy and entrepreneurship that will transition the business to growing and sustainable revenues and greater scale.

2023 is the year of a new operating model propelled through careful investment, taking that ambition a step forward while maintaining profitability.

Trading

The Group delivered a strong performance despite the challenging macro-economic environment, with revenue of £84.1 million and adjusted EBITDA of £9.7 million. Highlights of the financial performance are:

- **Operating profit of £9.3m, digital revenue up 26%, cash balance of £27.0 million**
- **Strong performance despite the challenging trading environment** with revenue down 2% to £84.1 million, and adjusted EBITDA of £9.7 million, representing an EBITDA margin of 11.5%.
- **Robust digital revenue growth**, up 26% year-on-year to £16.3 million. There has been volatility in audience numbers because of public sentiment in the face of economic and news events affecting all media, but the revenue impact has been mitigated by stronger yields and increased video advertising (the latter more than doubling year-on-year).
- **Continued growth from National and City World websites.** The ten City World sites are delivering average monthly page views of 24.7 million, a year-on-year improvement of 16%.
- **Investment.** We invested £0.9 million in digital content, development and launches that we anticipate will deliver further growth in 2023 (the annualised investment cost is £1.9 million in 2023).
- **Incremental cost savings of £1.9 million** were delivered in the period with restructuring costs of c£3.3 million. The restructuring and other cost saving actions have generated c£4.0 million of annualised cost savings.
- **Strong balance sheet with significant financial flexibility,** closing cash balance of £27.0 million at 31 December 2022, with outstanding debt of £1.0 million and deferred consideration of £2.5 million.

Management of the cost base and continued focus on growth elements of the business ensured that the Group delivered an adjusted operating profit of £9.3 million and an operating margin of 11.1%. Adjusted operating costs of £74.4 million, before depreciation, are 2% lower than the prior period, despite inflationary pressures including higher newsprint costs. Restructuring initiatives delivered £1.9 million of cost savings in 2022 with restructuring costs of £3.3 million, of which £1.3 million were incurred in the first half.

Adjusted EBITDA reduced to £9.7 million (2021: £10.1 million) with an EBITDA margin of 11.5% (2021: 11.7%). Minimal capital expenditure and tight management of working capital, ensured the Group delivered an operating cash flow of £12.0 million (2021: £11.4 million) before the payment of non-recurring costs of £2.5 million (2021: £3.2 million).

Adjusted financing costs were £0.0 million (2021: £0.7 million) and adjusted profit before tax increased by 8% year-on-year to £9.3 million. Statutory financing costs were £0.1 million (2021: £0.9 million) including IFRS 16 lease finance costs, with the prior year including interest on the £20 million secured loan notes which converted to equity on 7 May 2021.

Statutory profit before tax of £5.1 million, is a £3.9 million improvement on the £1.2 million profit before tax reported in the prior period, due to lower operating costs, reduction in depreciation and amortisation due to restructuring of offices to shared office space and materially lower non-recurring costs which fell from £6.9 million to £3.7 million.

The statutory earnings per share were 2.0 pence per share (2021: 2.8 pence per share) and adjusted earnings per share for the period were 2.9 pence per share (2021: 3.7 pence per share).

Dividend

The Group intends to pay a final dividend of 0.5 pence per share. Subject to approval by shareholders at the forthcoming Annual General Meeting, the dividend will be paid on 5 July 2023 to shareholders on the register at 2 June 2023. The maiden dividend reflects the Board's confidence in the ongoing strong cash generation of the business, the future prospects of the Group and its strong balance sheet. The Board continues to adopt a progressive dividend policy.

Board

Vijay Vaghela stepped down as Chief Operating Officer on 14 September 2022. Steve Barber resigned as Senior Independent Director on 22 July 2022. I express my thanks for their hard work and determination to establish the Group. We are very pleased to welcome David Lindsay to the Board who was appointed as a Non-Executive Director in September 2022.

Employees

On behalf of the Board I would like to thank our colleagues across the Group. There has been a surge of enthusiasm within the business to embrace the new operating model with innovations being suggested at all levels. The dedicated professionalism of colleagues has sustained the company in face of challenging times, economically and in the sector.

Outlook

The Group has accelerated the implementation of its new operating model to restore sustainable growth.

Continuing strong digital revenue bucked the trend compared with some peers in January and February with a 9% year on year increase matched by audience growth of 9%. This is before the benefit of acquired Scoopdragon and Newschain sites which are expected to add over 10% audience improvement.

Despite total revenue being down 9% year on year, due to economic conditions, we have met our EBITDA target for January and February. Trading is expected to remain challenging for the first half. However, management continues to innovate to address the headwinds faced across the industry, including revenue initiatives, while transitioning to a digital only operational model providing customers with quality and original content across all genres and platforms. The Group maintains its performance expectations for the year.

I anticipate further progress in transforming the business and progress with acquisitions during 2023.

David Montgomery
Executive Chairman
16 March 2023

The Directors present the Strategic Report of National World plc for the 52 weeks ended 31 December 2022.

Operational Review

Delivering our strategy

Throughout a turbulent year we remained a leading source of news and information in the United Kingdom. While 2022 was challenging both for the media industry and National World, the business continued to evolve, adapt and innovate.

Digital development

The launch of new sites and recent acquisitions of Scoopdragon and Newschain sites has helped to accelerate delivery of our strategy and we are able to deliver national, regional and local advertisers a highly successful platform to link them directly with their target audiences.

The Digital Steering Group (DSG) was set up in early 2022 under the leadership of John Rowe, who has a strong record as an online entrepreneur and in retail. The remit was to steer the business to an entirely new model. It is not just adapting the old news industry approach but instead replacing that with a content and sales model that puts the customer at the heart. The main pillars of the DSG are to focus on the lifetime value of the customer, providing premium content across a wider agenda of information, entertainment and specialist subjects that can be monetised effectively. To achieve this our workforce is being re-skilled and the transition to a fully automated and digitised production process will finally release a significant number of staff from industrial processes. The online initiatives include long overdue self-serve platforms for both contributors and advertisers.

Its goal is two-fold:

- Develop a customer driven, market leading digital infrastructure across National World's emerging multi-media business
- Accelerate the growth of digital revenue at a market leading rate

To achieve this, we have created a focused digital team across customer, digital content, product, and monetisation, working in a digital culture that is ambitious, fast moving and agile. The digital vision is to:

> *Develop a creative and dynamic content business that is driven by a detailed understanding of customer needs. By driving our content agenda from rich customer data, we will ensure that we create the content that customers need, in the format and on the device that they want.*

Our application of technology will make this customer experience increasingly personalised, encouraging each customer to spend more time on our network, and consequently creating growing value for our advertisers and other commercial partners.

In 2022 we laid the foundation for this vision, starting to create the digitised infrastructure across the business while reorganising around the customer. This has helped us grow our share of digital revenue faster than the market, a trend we intend to continue going forward. We have successfully developed a CityWorld network offering a modern approach for our great UK cities, while identifying gaps in our customers' content needs which we have filled with focused launches such as PeopleWorld.

In key verticals we have expanded our offering, for example football where we have complemented our heritage coverage through news brands with acquired sites for individual clubs as well as launching 3addedminutes to indulge the growing engagement with football culture.

Going into 2023 we are expanding on this to implement our new operating model more comprehensively. We are focused on releasing the power of our talented content teams to provide ever more valuable content by building their expertise and reputation in the topics that our customers are passionate about. To complement our own teams, we continue to explore content partnerships with innovate organisations such as The News Movement and develop ever more scalable and flexible ways of responding to changing content preferences.

Most fundamentally, our increasingly digitised infrastructure and skilled talent base gives us a foundation to move from a predominantly article-based content business to one that is equally adept at producing great video, audio, and events. With an increasingly open distribution ecosystem, changing customer needs and shifting advertising spend our agility means we will be better placed to capture emerging market opportunities.

Commercial development

The core strategy of the commercial team is very much aligned to that of the wider business and is built around the fusion of commercial activity and content development to create longer term strategic partnerships with key clients. This major element of the new operating model puts the focus on developing strategic, digital-led, communication solutions for clients rather than on a pure advertising sales proposition.

Commercial Structure

The commercial team continues to be aligned to the geographical structure of our organisation, but has now evolved to ensure we have business sector specialisms in the geographies we serve which are also aligned to content. We can therefore maximise our revenue opportunity matching the advertiser with the appropriate audience, driving better response and therefore yield. We also have digital champions within all of our regions to embrace the strategic growth in video, digital solus, self-serve and DMS solutions. These people are also becoming evangelists to migrate others around them to drive an accelerated development of our people to enable them to be confident and competent in an ever changing digital landscape. The commercial organisation has invested in a new display team within the media sales centre, digitally focused, telesales based, extracting the very best practice from this well managed team to support delivery of our 2023 growth plans.

- Events reported year on year growth of circa 80%, capitalising on the post pandemic resurgence in businesses looking to engage and be involved in events resulting in an over budget achievement in 2022 and year on year growth of circa 80%, capitalising on this growing trend.

- Incentives across the commercial teams have been reviewed to ensure a strong digital focus aligned to the digital growth plans and rewarding over achievement while ensuring we maintain and manage our newspapers business in challenging times.

- In 2023, we have introduced our ‘Prime’ initiative where we are giving our Commercial Directors and Editors a personal target to attract revenue and create partnerships with new, blue chip, market influencers to create those longer term strategic partnerships with key clients, and already this is proving successful.

- Video revenue was a key area of growth in 2022, and will continue to be in 2023 supported by the significant growth in video views. An improved deal with Axiom is set to deliver significant growth year on year and all local sales agents are now building video into all of their conversations with customers. This is a growth market and one which we can be a major part of.

- National World Ad Manager, our self-serve platform launched in January 2023, is expected to build a strong foundation in the year through the creation of a market leading platform with technology originator, Dan Ads. A key strategic shift to match what the market wants which will deliver a more cost effective way to service both small and large businesses, in particular the smaller local advertising agencies. This is a key strategic initiative for National World in 2023 opening up new markets and presents a cost effective channel of revenue to our business that meets the changing way our customers want to do business with us. It will include market leading campaign insights and allows first party data within the platform making our top quality targeted solutions available to maximise campaign results. The launch is taking place in the Yorkshire and Central regions, in addition to our acquisition team in the MSC before a full business rollout in Q1 2023.

Operating Systems and Processes

To ensure we deliver all of this it is crucial we equip our people with the right systems and infrastructure. We are in the process of updating the laptops and phones of our commercial teams and have now migrated all of our core system to Google Cloud Platform. The commercial booking system is now all migrated to Gemstone, Naviga which will allow us to move towards full Google Ad Manager (GAM) integration, inventory management and page planning automation.

A full review of the work flows of our sales staff is under way to ensure we are as efficient and effective as possible, but also to ensure the customer journey is very much at the centre of what we do. Continually reviewing our systems is key, especially with the rapid development of AI and the need to be lean, but responsive and agile to new products and markets.

Our talented teams

National World’s editorial talent scooped awards across the year

Abbey Maclure was presented the top award for Trainee Journalist of the Year at the NCTJ’s Awards for Excellence.

Connor Matchett, Deputy Political Editor of The Scotsman, was crowned Regional Journalist of the Year at the 2022 Media Freedom Awards. The awards, run by the Society of Editors, recognise UK individuals, teams and media organisations who have demonstrated determination, resilience and resolve in fulfilling their vital role in championing the public’s right to know. The Scotsman had also been nominated twice in the Investigation of the Year – Regional category for the title’s COP26 and Covid-19 care home deaths coverage.

NationalWorld.com data and investigations editor, Harriet Clugston won the Investigative Journalism prize at the Royal Statistical Society's (RSS) Statistical Excellence in Journalism Awards for her investigation into a justice gap faced by minority ethnic victims of sexual and gendered violence.

James Hardisty of The Yorkshire Post was announced winner in the category of Business Photographer at the UK Picture Editors Guild Awards.

Campaigning for the Community

The courage and determination of The News and its journalists has been praised as the Portsmouth title picked up a national award for its Stop Aquind campaign winning regional campaign of the year at the Society of Editors' Media Freedom Awards.

The Stop Aquind campaign was not a battle it joined with its community to stop underground power cables from France tearing up parts of the city, it was a fight to make sure the story was told. On a number of occasions The News approached the company for a statement on articles only to be sent a legal letter from international reputation and privacy law firm Schillings.

The judges said the campaign 'showed the courage and determination of its journalists to report on matters of significant public interest when others may have walked away.' They added: 'It also demonstrated sustained commitment to reporting to its audience despite an unprecedented legal challenge.'

When launching its plans, Aquind said the £1.2bn link between the British and French power grids would improve energy supply and reduce carbon emissions but its detractors said it would cause 'havoc' across the city and put national security at risk. Then business secretary Kwasi Kwarteng threw out the proposals in January. A judicial review held in the High Court in London in November where the company's lawyers argued Mr Kwarteng did not correctly consider its application was won, the fight will continue!

Exam Successes

2022 was another pleasing year in terms of seniors exams passed. Our news trainees undertook a total of 29 NQJ exams and passed a whopping 26 of them, seeing 8 of a possible 10 reporters (80 per cent) become newly minted senior journalists. These numbers are among the industry's very best. Although the like-for-like results for our competitors won't be released by the NCTJ until well into 2023, it's likely based on previous years' figures that National World will again have comfortably beaten the NQJ national pass rate (last year, for example, this was just 49 per cent).

The learning and development team prepares the trainees with three workshops, which focus on writing answers that make the examiner's job easy as well as multiple mock exams with deep-dive feedback. But none of this would be enough without the exceptional effort the trainees have been prepared to put in on top of their very busy jobs. They have been a credit to the company and to themselves. Nowhere was this exemplified more clearly in 2022 than with the law exam, dreaded by many but traversed with ease by these impressive young journalists. Not only did they attain a 100 per cent pass rate, they also claimed 8 distinctions from 9 attempts.

Our sport trainees also had much to be proud of in 2022. In the second edition of the internal Senior Sports Writer qualification, six trainees successfully made the step up to senior grade. The fact that four of these got overall distinctions confirms the quality that our readers see every day online and in newspapers. Logbook submissions were of the highest standard and speak of a healthy crop of talent in our sports ranks.

We have more than 30 community news reporters funded by Meta working across the company, but most have been recruited over the past 12 months and have therefore yet to take formal exams. They are working towards various qualifications, all recognised by the NCTJ, and we are confident that next year will bring several waves of success.

Although very few community news reporters reached the stage where they were eligible to sit exams in 2022, we were delighted that Tony Gillan in the North East passed his NQJ with merit in November.

National World support The Trussell Trust Emergency Campaign

Titles across the National World portfolio have launched a country wide campaign in support of The Trussell Trust, to encourage emergency support for food bank centres across the UK in light of the rising reliance on such facilities as the cost of living crisis worsens.

The Trussell Trust charity has a network of more than 1,300 food bank centres across the UK which rely on 40,000 volunteers working tirelessly around the clock to make sure people facing hunger can access the food and support they need. They are the safety net that is catching people struggling to get by.

The charity's long term goal is a future without emergency food, where everyone has the income and support they need to get by, but right now they are focused on ensuring that everyone has access to food.

Emma Revie, Chief Executive of The Trussell Trust, said: "People are struggling to afford the essentials and we are expecting that this winter will be the hardest yet for food banks and the people they support.

"The public has continued to be generous with its donations, but food banks are having to buy twice as much food as they did last year and that, combined with rising operational costs, is making it hard for them to keep going."

Titles across National World are calling on the generosity of their community of readers and journalists to help to make a true difference this winter by sparing whatever they can to support The Trussell Trust's emergency appeal.

Cost of Living Campaign

In March 2022 the editorial team launched a major initiative to help readers struggling with the rising cost of living.

The Cost of Living Campaign has highlighted the issues people face and provided practical advice and tips on how to reduce costs and make savings where possible.

More than 50 pieces of content have been produced and the campaign will continue into 2023.

Supermarkets hike price of value ranges

With the cost of living crisis seeing the price of food rocket, an ongoing investigation by Harriet Clugston of NationalWorld.com has revealed that supermarket value range foods were seeing inflation-busting price hikes, suggesting the poorest customers were being hit hardest. Her painstaking work continues to track the price of hundreds of budget items across five major supermarkets and was shortlisted for a personal finance journalism award at the British Journalism Awards 2022.

Suicides among university students

Titles across the National World group joined forces to investigate the issue of suicides among university students. The idea grew from a campaign run by the BristolWorld team into a high number of suicides among students living in the city, which won Campaign of the Year at the National World Editorial Awards 2022. This was developed into a nationwide story, with Freedom of Information requests to more than 100 UK universities revealing that most simply did not know how many of their students take their own lives. Coverage featured a number of powerful interviews with bereaved families and sparked a wider debate about how universities and coroners might work more closely together to monitor and respond to such deaths.

'Beergate'

NationalWorld.com revealed that the investigation into Keir Starmer's 'Beergate' cost Durham police over £100,000, in an exclusive story that was picked up by many other national outlets. The story used Freedom of Information laws to reveal that detectives who would normally solve murders and sexual assaults were pulled into the Covid rules investigation of the Labour leader, only to clear him of any offence.

Mental health

The 'hidden' mental health pandemic was another key topic for 2022. Coverage included a major report based on one of the biggest studies of its kind in the UK. The findings of the Government-funded research had been shared exclusively with our titles and was combined with hard-hitting personal stories from people who had hit crisis point. It was published by many titles across the group and picked up Story of the Year at the National World Editorial Awards 2022.

European Addressable Media Initiative

Launched in 2021, the members of the European Addressable Media Initiative Amobee, Comscore, Finecast, LiveRamp, Lotane Magnite, Neustar and PubMatic worked collaboratively to help advertisers, agencies and media owners navigate the fast changing advertising landscape for addressable media that is, advertising that connects brands with individual consumers across multiple online advertising platforms.

Jade Power, Director of Digital Monetisation, was appointed to the Expert Advisory Group to play an important role in supporting the initiative, feeding in important insights, views and perspectives about the challenges and opportunities ahead across Europe's largest advertising markets, based on years of experience and deep knowledge of addressable media and advertising.

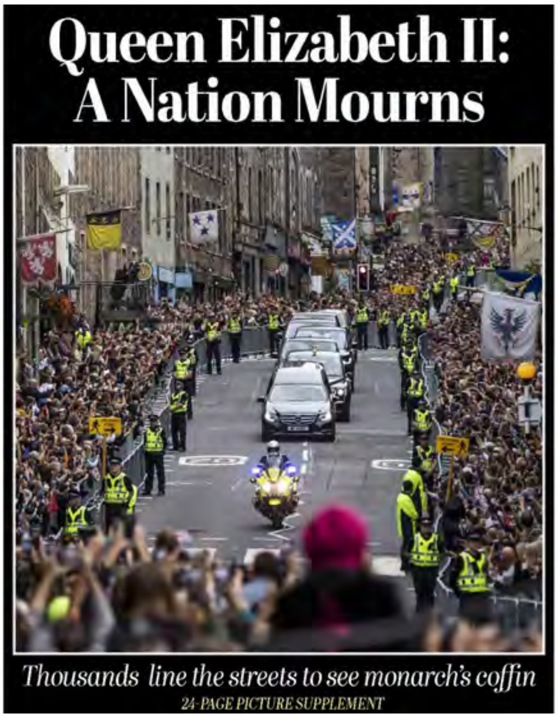
With the goal of developing a set of practical recommendations for European Advertisers and media owners to support trust and growth in addressable media, the initiative conducted publishing interviews and made available findings from its research and analysis, in October 2022, featuring insights and inputs from the members of the initiative and from the Expert Advisory Group.

2022 Content highlights

Below are some of our tributes to HRH Queen Elizabeth from across the National World portfolio. Both our journalists and design teams pulled out all the stops and created some outstanding work at such a sad time for the nation. The image below of The Scotsman was selected by Hold The Front Page readers as their favourite tribute to her Majesty.


Farewell Ma'am
Queen Elizabeth II: 1926 - 2022
STATE FUNERAL PICTURE SUPPLEMENT


QUEEN ELIZABETH II
APRIL 21, 1926 - SEPTEMBER 8, 2022
32-page special tribute to our Monarch


Queen Elizabeth II:
A Nation Mourns
Thousands line the streets to see monarch's coffin
24-PAGE PICTURE SUPPLEMENT


Queen Elizabeth II:
King leads procession
Charles III pledges to follow mother's example
24-PAGE PICTURE SUPPLEMENT


Melton Times
Final farewell to our Queen
LurganMail
END OF AN ERA
Ripon Gazette
Farewell to our Queen
Advertiser and Times
FAREWELL MA'AM
Advertiser
Farewell to our Queen
Berwick Advertiser
FINAL FAREWELL TO OUR QUEEN
Guardian
Final farewell to our Queen
EXPRESS
QUEEN IN A FINAL JOURNEY HOME
CarrickTimes
The end of an era
Queen Elizabeth II 1926 - 2022
Mail
Farewell to our Queen
STANDARD
Final farewell to our Queen
Free Press
OUR QUEEN
Reporter
FAREWELL TO OUR QUEEN
Angus County Press
FAREWELL OUR QUEEN
Matlock Mercury
FINAL FAREWELL TO OUR QUEEN
LANCASTER GUARDIAN
OBSERVER
Final farewell to our queen
OBSERVER
Final farewell to our Queen
OBSERVER
Final farewell to our Queen
Mid Sussex Times
FINAL FAREWELL TO OUR QUEEN
Mid-Ulster Mail
Queen Elizabeth II
ADVERTISER
Final farewell to our Queen
Chronicle
Forever in our hearts
Whitby Gazette
Final farewell to our Queen
Stornoway Gazette
FAREWELL OUR QUEEN
The Scarborough News
Thank you, Your Majesty
Telegraph
FINAL FAREWELL TO OUR QUEEN
Chronicle
FINAL FAREWELL TO OUR QUEEN
Burnley Express
SAD FAREWELL TO QUEEN ELIZABETH
Gazette
Final farewell to our Queen
County Times
FINAL FAREWELL TO OUR QUEEN
TELEGRAPH
The final farewell to Our Queen
ADVERTISER
FAREWELL TO OUR QUEEN
GAZETTE
FINAL FAREWELL TO OUR QUEEN
MK CITIZEN
City says farewell to beloved Queen
Herald
Final farewell to our Queen
Herald
Final farewell to our Queen
TIMES & NEWS
FAREWELL TO OUR QUEEN
SouthernReporter
FAREWELL OUR QUEEN
EXPRESS
FAREWELL TO OUR QUEEN
Telegraph
Farewell to our Queen
ADVERTISER
FINAL FAREWELL TO OUR QUEEN
Batley&Birstall News
FAREWELL TO OUR QUEEN
THE COURIER
FAREWELL TO OUR QUEEN
Hucknall Dispatch
REST IN PEACE YOUR MAJESTY
Observer
Final farewell to our Queen
Observer
Final farewell to our Queen
Worksop Guardian
Final farewell to our Queen
Wigan
TOWN MOURNS ITS QUEEN
Star
The end of an era
Queen Elizabeth II 1926 - 2022
Express
Final farewell to our Queen
PortadownTimes
QUEEN ELIZABETH II
News Post Leader
FINAL FAREWELL TO OUR QUEEN
LEADER & TIMES
FAREWELL MA'AM


TRUSTED NEWS SINCE 1772

#Therewithyou

Derry Journal

Bloody Sunday: 50th anniversary commemorative edition

NEVER FORGET

30.01.1972

Photo: Gilles Peress / Magnum Photos

The Derry Journal's commemoration of the Bloody Sunday massacre 50 years ago last January has been voted the best front page of 2022 by Hold the Front Page readers.

With 6,200 votes, totalling 89% of those cast, the bi-weekly title - one of the oldest continuously published newspapers in the UK - saw off competition from other prestigious titles with its dramatic front title "Never Forget".

In January we developed a special edition of the Derry Journal to mark the 50th anniversary of the Bloody Sunday killings. It sold out and a reprint was ordered. The front page was posted on Twitter and Facebook the day before and it went viral being covered by the international press. There was also an accompanying podcast. The front page was a collective effort with input from the Derry Journal Editor and news and sport staff. After discussion they settled on a less is more approach, with a large photo from January 30, 1972 which showed both the horror and the humanity as one local man tried to reach a stranger who had been wounded despite the threat of being shot himself.

National World features in a Sky flagship series

Six of National World's newspapers and websites are featured in a flagship Sky series looking at the highs and lows of local journalism through the eyes of two comedians – Josh Widdicombe and Nish Kumar.

The series called 'Hold The Front Page' has been nearly two years in the planning and making with episode one transmitting in January 2023. The newspapers featured are The Blackpool Gazette, West Sussex Gazette, The Yorkshire Post, Farming Life, Northamptonshire Telegraph and The Scotsman.


Josh Widdicombe and Nish Kumar with the West Sussex Gazette team

The project was co-ordinated by National World deputy editor in chief Gary Shipton who worked with the production company to produce a pilot 18 months ago followed by filming of the full series last spring and summer.

Sky's series followed the highs and lows of Nish and Josh as they travelled across the UK working for a different local newspaper and its website each week on a mission to find real local stories strong enough to make the front page.

Their investigative journey around Britain saw them delve into local mysteries, take part in unusual events, cover the burning issues of the day and even involve themselves in the news or enlist a celebrity or two to help them out along the way. But with almost no journalistic experience the pair had to rely on their quick wits and natural curiosity as they attempted to get to the heart of what makes each town or village tick – digging up some extraordinary scoops. This is an eye-opening look at some of Britain's amazing local communities through the lens of their local newspaper.

Gary Shipton said: "I know people will really enjoy seeing Josh and Nish getting to grips with the world of local journalism. Our job is much more than reporting the news and holding those in power to account. We are here to cheer on – and cheer up! – our communities, to celebrate their successes and to really bang the drum for the people we serve. I know how keen Josh and Nish have been, amidst the laughs and self-deprecating humour, to help convey that message."

Events since the year end

On 20 January 2023 the Group acquired the Newry Reporter title and website. On the same day the Group sold the TMX title and tmxnews.co.uk. On 7 February 2023, the Group acquired the Banbridge Chronicle title and website (and the issued share capital of Bann Media Limited).

Business Strategy

The Group's strategy is:

> *"To create a premium content and sales business through implementation of a modern operating model across multiple brands and platforms. This will be executed by driving organic growth of both new and existing portfolio brands and by making acquisitions, all of which will continually enhance our digital capability and expand our content inventory."*

Key pillars of growth

In a world of media commoditisation and increasing domination by a handful of large tech companies, National World's strategy is to create a new publishing business model. Following the initial acquisition of JPIMedia we undertook a programme to 'localise, energise, digitise and monetise' the operation. In 2022 we built on this foundation to develop the following pillars:

- **New Operating Model** – Based around specialist digital content teams, with deep expertise in their topics, creating content in all formats, and for all devices including newspapers. These teams work closely with commercial colleagues to create high value strategic communications opportunities for advertisers.
- **Customer Driven** – A culture and operation built around putting the customer first, and using rich data and insights into reader, viewer and listener behaviour to build and monetise a winning content proposition.
- **Digital Infrastructure** – Using digital tools and processes to eliminate manual tasks so that our talented teams can fully focus on creating and monetising brilliant content.
- **Digital Growth** – Building a digital culture that is fast moving and agile. Leveraging our customer driven approach to react with dynamism and creativity in fulfilling customer needs. Diversifying our content into all formats and devices, including new launches, and diversifying our revenues across advertising segments, customer payments and ecommerce.

National World will retain, recruit and develop talented people, appropriately incentivised and motivated, and provide them with the prerequisite digital skills that will aid the execution of its strategy.

The Company's strategy will involve consolidation and change by combining acquired digital technology innovation and traditional newspaper heritage assets in a new industry model designed to grow revenue by aggregation of audiences and maximising efficiencies.

As the operating model can be applied to many territories, the Company will not be limited to particular geographic regions.

Acquisitions and investments

In selecting acquisition and investment opportunities, the Board will focus on:

- bringing audience scale to verticals where we already have strong audiences, improving engagement metrics and revenue volume; and
- help diversify our revenue streams and accelerate our drive into an innovative data led business.

The Company's investments or acquisitions may be in companies, partnerships, special purpose vehicles, joint ventures or direct interests in new digital applications or traditional publishing media assets where the Directors believe the opportunity exists to apply the strategy and achieve improved financial returns. The Company will be focused on those acquisitions that offer either a material shareholding and/or management control.

Key Performance Indicators

To monitor progress, the Board set four Key Performance Indicators ("KPIs") for 2022 and performance against these is set out in the table below:

- *Digital audience. Grow digital audience (page views) with a target of c200m average monthly page views by the end of 2022.*

  In the period the Group achieved average monthly page views of 111 million, compared to 110 million in the prior period. After a strong start to the year with monthly page views peaking at 131 million in January 2022, we experienced increased volatility in audience as a result of the war in Ukraine and algorithm changes by Google in the second quarter. These key factors have adversely impacted our audience and therefore the target to achieve c200 million average monthly page views has been deferred to 2023.

- *Revenue trends. Improve revenue trends with KPIs that monitor a transition from dependency on newspaper sales to an accelerating digital performance.*

  Revenue was 2% down year-on-year which is consistent with the decline reported in the 2021 Annual report. Strong growth in digital revenue of 26% was partially offset by a 8% decline in newspapers revenue. The growth in digital revenue was achieved despite the challenges in driving audience with strong growth in yields and video revenue. The decline in newspapers revenue was despite the loss of significant Government supported COVID-19 spend in the first half of 2021. Digital revenue represented 19% of Group revenue, representing an improvement on the 15% in 2021.

- *EBITDA margin of at least 10%.*

  Adjusted EBITDA margin of 11.5%, is well above our target of at least 10% and represents a decline of 0.2% compared to the prior year of 11.7%.

- *Cash generation and financial flexibility to provide headroom for investment and the return of capital to shareholders through either dividends and/or share buy backs.*

  Key metrics for monitoring financial flexibility are EBITDA margin and financial headroom. The Group targeted a minimum adjusted EBITDA margin of 10% and delivered an adjusted EBITDA margin of 11.5% for 2022 (2021: 11.7%). The intention is to have undrawn committed facilities and cash balances of 5% of turnover per annum. At the end of 2022 the Group had cash of £27 million, an increase of £4.0 million compared to the prior year, after investment in The News Movement, and other small acquisitions. This provides significant financial flexibility even when considering the £2.5 million deferred consideration due for the acquisition of JPIMedia Group which is payable in March 2023.

  The Group intends to pay a final dividend of 0.5 pence per share, subject to approval by shareholders at the forthcoming Annual General Meeting. The maiden dividend reflects the Board's confidence in the ongoing strong cash generation of the business, the future prospects of the Group and its strong balance sheet. The Board continues to adopt a progressive dividend policy.

Financial review

Introduction

This Financial review provides commentary on the Group's statutory and adjusted results for the 52 weeks ended 31 December 2022 (2021: 52 weeks ended 1 January 2022).

On 26 April 2022, the Company rebranded the names of its subsidiary companies 'JPIMedia' to 'National World'. National World plc and its subsidiaries are collectively referred to as the "Group" in this set of financial statements.

Basis of presentation of results

Adjusted results are presented to provide additional clarity and understanding of the Group's underlying trading. Adjusted results are before the implementation of IFRS 16, the amortisation of intangible assets and non-recurring items. A reconciliation between Statutory and Adjusted results is shown in Note 31.

Results for the 52 weeks ended 31 December 2022

The Group delivered a robust performance in 2022 despite the challenging macro-economic conditions and significant inflationary cost pressures.

	Adjusted results*		Statutory results	
	2022	2021	2022	2021
	£m	£m	£m	£m
Revenue	84.1	86.0	84.1	86.0
Operating costs	(74.4)	(75.9)	(73.7)	(74.3)
Depreciation and amortisation	(0.4)	(0.8)	(1.5)	(2.7)
Operating profit pre non-recurring items	9.3	9.3	8.9	9.0
Non-recurring items	-	-	(3.7)	(6.9)
Operating profit	9.3	9.3	5.2	2.1
Net finance expense	-	(0.7)	(0.1)	(0.9)
Profit before tax	9.3	8.6	5.1	1.2
Tax (charge) / credit	(1.8)	(1.6)	0.1	4.1
Profit after tax	**7.5**	**7.0**	**5.2**	**5.3**
EBITDA	**9.7**	**10.1**	**6.8**	**5.7**
Earnings per share (pence)	**2.9**	**3.7**	**2.0**	**2.8**

*Adjusted results are before non-recurring items, amortisation of intangible assets and implementation of IFRS 16. Note 31 provides a reconciliation between Statutory and Adjusted results.

The Group delivered revenue of £84.1 million and adjusted operating profit of £9.3 million (2021: £86.0 million and £9.3 million respectively) reflecting an operating margin of 11.1% (2021: 10.8%). Adjusted EBITDA was £9.7 million (2021: £10.1 million), reflecting an EBITDA margin of 11.5% (2021: 11.7%).

Statutory operating profit was £5.2 million after non-recurring costs of £3.7 million reversing the net impact of implementing IFRS 16 (£0.1 million credit) and after amortisation of publishing rights and titles and digital assets (£0.5 million). A reconciliation from Statutory to Adjusted operating profit is provided on page 103.

Non-recurring items of £3.7 million comprise £3.3 million restructuring costs to deliver an annualised £4.0 million of cost savings, £0.1 million property rationalisation costs and £0.3 million of aborted transaction costs.

Adjusted financing costs were £0.0 million (2021: £0.7 million) comprising £0.1 million interest on the £1 million interest only unsecured loan notes, offset by £0.1 million of interest income. The prior period included £0.6 million interest on the convertible secured loan notes prior to conversion to equity in May 2021. Statutory financing costs of £0.1 million (2021: £0.9 million) are £0.1 million higher than adjusted financing costs as this includes the interest for IFRS 16 lease liabilities.

Adjusted profit before tax improved by £0.7 million from a profit before tax of £8.6 million in 2021 to a profit before tax of £9.3 million in 2022 reflecting a consistent operating profit performance and benefiting from lower financing expenses.

Statutory profit before tax was £5.1 million, compared to a prior year Statutory profit before tax of £1.2 million, with lower non-recurring costs and finance expenses in 2022 compared to the prior year.

The Statutory tax credit was £0.1 million, compared to £4.1 million in the prior period when brought forward losses were first recognised as a deferred tax asset, which is explained in Note 11. The adjusted tax charge of £1.8 million (2021: £1.6 million) reflects an effective tax rate of 25% (2021: 23% blended rate), and does not benefit from the brought forward tax losses so as to provide a more meaningful and comparable financial result.

Earnings per share for the period was 2.0 pence per share (2021: 2.8 pence per share). Adjusted earnings per share for the period was 2.9 pence per share (2021: 3.7 pence per share). The fall in earnings per share reflects the full year impact of the shares issued in May 2021 to fund the acquisition of JPIMedia Group, working capital and headroom for investment.

Revenue

The table below provides a summary of revenue for the 52 weeks ended 31 December 2022 with comparatives for the 52 weeks ended 1 January 2022.

	2022 £m	2021 £m	Change £m	Change %
Print Publishing Revenue	**66.3**	**71.7**	**(5.4)**	**(8%)**
Advertising	*31.9*	*34.1*	*(2.2)*	*(6%)*
Circulation	*31.6*	*34.9*	*(3.3)*	*(9%)*
Other	*2.8*	*2.7*	*0.1*	*4%*
Digital Publishing Revenue	**16.3**	**12.9**	**3.4**	**26%**
Advertising	*9.6*	*8.0*	*1.6*	*20%*
Subscriptions	*1.6*	*1.5*	*0.1*	*7%*
Other	*5.1*	*3.4*	*1.7*	*50%*
Other Revenue	**1.5**	**1.4**	**0.1**	**7%**
Total Revenue	**84.1**	**86.0**	**(1.9)**	**(2%)**

Revenue for the full year fell by £1.9 million to £84.1 million, a 2% year on year decline in a volatile trading environment. Print revenue fell by 8% which is partially offset by robust growth in digital revenue of 26%.

Print revenue

Print revenue comprises all revenue driven by the local newspaper titles, including all digital revenue packages sold with print and COVID-19 related government spend of £1.1 million in the prior year comparative. Print revenue fell by 8% overall, with the second half of the year, down 12%, impacted by the Queen's passing and poorer economic conditions impacting both print advertising and circulation revenues.

Advertising revenue fell by 6% year on year. Performance deteriorated in the second half, with revenue down 14% on the prior year due to a more uncertain trading environment.

Circulation revenue fell by 9% year on year with a decline of 8% in the first half and a decline of 11% in the second half. Average monthly circulation volumes in the period were 1.8 million for the daily newspapers and 0.8 million for the weekly newspapers representing an annual decline of 18% and 16% respectively. The impact of falling volumes was partially mitigated by cover price increases.

The Group continues to have a strong print subscriber base with print subscription revenue of £3.0 million (reported within circulation revenue), a decline of 5% year on year which is lower than the overall circulation revenue decline of 9%.

Other revenue, which includes syndication, leaflets, waste sales and business services agreement revenue, grew by 4%.

Digital revenue

Digital revenue comprises all revenue sold programmatically, digital-led direct sales, subscriptions, syndication and revenue generated from the Google and Facebook content initiatives.

Digital revenue increased by 26% year on year, with growth of 42% in the first half, reducing to 14% in the second half against tougher comparatives.

Digital advertising revenue grew by 20% year on year, with revenue growth of 2% in the second half. Advertising revenue is predominantly driven by audience and the Group had average monthly Unique Users (UUs) and Page Views (PVs) of over 42 million and 111 million respectively (2021: 37 million UUs, and 110 million PVs). The audience performance has been volatile during the period due to Google algorithm changes and macroeconomic uncertainty impacting the second half. In December 2022, unique users and page views were 40 million and 110 million respectively.

Subscription revenue growth of 7% to £1.6 million is driven by cover price increases. At the end of 2022, the Group had over 17,000 subscribers (December 2021: 20,000) to its digital news sites and apps.

Other digital revenue grew by 50% and includes revenue of £2.8 million from the Google/Facebook content initiatives (2021: £1.2 million).

Other revenue

Other revenue reflects grants from the BBC for local democracy reporters and from Facebook for the funding of 56 journalists.

Operating Costs

Operating costs during the 52 week period to 31 December 2022 are £78.9 million on a statutory basis and £74.8 million on an adjusted basis.

	Adjusted results		Statutory results	
	2022	2021	2022	2021
	£m	£m	£m	£m
Labour	41.6	43.5	41.6	43.5
Newsprint and production costs	12.5	12.1	12.5	12.1
Depreciation and amortisation	0.4	0.8	1.5	2.7
Other	20.3	20.3	19.6	18.7
Total operating costs before non-recurring costs	**74.8**	**76.7**	**75.2**	**77.0**
Non-recurring items	-	-	3.7	6.9
Total operating costs	**74.8**	**76.7**	**78.9**	**83.9**

Adjusted operating costs are before:

- the implementation of IFRS 16 (increase in other costs of £0.7 million and a reduction in depreciation of £0.6 million);
- the amortisation of intangible assets of £0.5 million; and
- non-recurring costs of £3.7 million.

During the period, the Group initiated a restructuring programme to drive efficiencies and tightly manage all operating costs in line with revenue performance. Incremental cost savings of £1.9 million were achieved in 2022 from restructuring plans delivered predominately in the second half of the year. This delivered annualised cost savings of £4.0 million, £1.0 million ahead of the cost saving target disclosed in the Interim Report.

Labour costs

The Group employed an average of 1,167 employees during the period with 1,099 employees as at 31 December 2022 (2021: 1,261 employed during the period, and 1,216 employees at 1 January 2022). The prior period labour costs are net of a furlough credit of £0.5 million received in the first quarter of 2021. All staff were recalled from furlough on 1 April 2021.

Newsprint and production costs

Newsprint and production costs continue to be tightly managed with price increases in the year being partially mitigated by reduced print volumes, lower pagination and portfolio changes. Newsprint prices increased by c67% year on year. Prices are expected to stabilise in 2023, with tight management of the portfolio and returns to continue.

Depreciation and amortisation

Adjusted depreciation relates to the tangible fixed assets, largely IT and property related items, with a charge of £0.4 million for the period (2021: £0.8 million). Statutory depreciation and amortisation is £1.2 million lower and includes amortisation of intangible assets of £0.4 million, amortisation of Digital Publishing assets of £0.1 million and depreciation of Right of use assets (ROUA) of £0.6 million.

Other

Other costs comprise property, IT, digital product and engineering, administration and other operating costs. Adjusted costs of £20.3 million are £0.7 million higher than Statutory other costs as they are before IFRS 16 costs.

Non-recurring costs

During the period non-recurring costs of £3.7 million (2021: £6.9 million) have been expensed, comprising:

	2022 £m	2021 £m
Restructuring and redundancy costs	3.3	3.6
Onerous IT contracts	-	0.7
Property rationalisation	0.1	1.8
Aborted transaction costs	0.3	-
Acquisition and loan note costs	-	0.8
Total Non-recurring costs	**3.7**	**6.9**

Non-recurring costs include:

- £3.3 million restructuring and redundancy costs have delivered annualised savings of £4.0 million. £2.4 million of the restructuring costs have been paid in the period with the remaining £1.2 million payable in 2023;
- No onerous IT contract charges were expensed in the period;
- £0.1 million property rationalisation cost relates to an ROUA impairment following the early exit from leased properties as the business continues to adopt a flexible working policy;
- £0.3 million aborted transaction costs were incurred in the period on professional advisory fees; and
- The prior period included £1.3 million of acquisition and loan note costs (of which £0.8 million has been expensed to non-recurring items and £0.5 million directly attributed to the new share issue has been charged to share premium).

Financing charges

Net finance expenses on a statutory and adjusted basis are:

	Adjusted results		Statutory results	
	2022 £m	2021 £m	2022 £m	2021 £m
Interest income	(0.2)	-	(0.2)	-
Interest expense from leasing arrangements	-	-	0.1	0.2
Interest on unsecured loan notes	0.2	0.1	0.2	0.1
Interest on convertible secured loan notes	-	0.6	-	0.6
Net finance expense	**0.0**	**0.7**	**0.1**	**0.9**

Net adjusted financing costs include interest expense of £0.2 million on the interest only unsecured loan notes (2021: £0.1 million), and £0.2 million interest income earned from cash held on deposit with Barclays bank, since July 2022, attracting interest at the BOE base rate less 5 basis points (2021: £nil).

The £1.0 million interest only unsecured loan notes will continue to accrue interest at 15% per annum. Interest is payable in June and December each year until maturity in December 2023.

In 2021, interest of £0.6 million was accrued on the £20.0 million convertible secured loan notes until the conversion to equity on 7 May 2021. No further interest is due on these loan notes.

Statutory finance expense includes £0.1 million interest charge on IFRS 16 lease liabilities (2021: £0.2 million).

Profit before tax

Statutory profit before tax of £5.1 million, is after £3.7 million on non-recurring costs, which is £3.9 million higher than the 2021 Statutory profit before tax of £1.2 million. 2022 benefited from lower non-recurring costs and finance expenses compared to the prior year.

Adjusted profit before tax of £9.3 million is before non-recurring items, the implementation of IFRS 16 and amortisation of intangible assets (2021: £8.6 million).

Statutory tax credit and effective tax rate

The statutory tax rate for the period is 19% (2021: 19%). A statutory tax credit of £0.1 million (2.2% effective rate) is recognised in the period, which primarily relates to the net recognition of brought forward losses.

The net deferred tax asset of £4.2 million, includes recognition of £4.7 million of tax losses (gross brought forward losses of £18.8 million calculated using a corporate tax rate of 25%), as the Group expects the losses will be utilised over the next three years. £2.2 million of tax losses remain unrecognised at the period-end, as there is uncertainty regarding the timing of when these amounts will be recovered.

The adjusted profit before tax is £9.3 million, and the adjusted tax rate is 19% with a £1.8 million adjusted tax charge in the period (2021: £8.6 million profit before tax, £1.6 million tax charge, 19% adjusted tax rate). The adjusted tax charge does not benefit from the brought forward tax losses so as to provide a more meaningful and comparable financial result.

EBITDA

Statutory EBITDA for 2022 is £6.8 million (2021: £5.7 million), while adjusted EBITDA is £9.7 million for the period (2021: £10.1 million). The higher adjusted EBITDA, compared to statutory EBITDA, reflects the restructuring driven operating cost savings of £3.3 million in the period.

Earnings per share

Statutory earnings per share for the period were 2.0 pence per share (2021: 2.8 pence per share).

Adjusted earnings per share for the period were 2.9 pence per share (2021: 3.7 pence per share).

Reconciliation of statutory to adjusted operating profits

To ensure that the financial statements provide appropriate insight into the underlying performance of the Group, additional disclosure has been made on the financial impact of a number of significant accounting and operational items and therefore adjusted results are presented.

The adjustments include the cost of restructuring and organisational change, acquisition and capital raise costs, amortisation of intangible assets and the impact of implementing IFRS 16. Management believe that it is appropriate to additionally present the Alternative Performance Measures used by management in operating the business, as this presents a more meaningful and comparable financial result.

The adjusted results provide supplementary analysis of the ‘underlying’ trading of the Group. The table below presents a reconciliation between statutory and adjusted results:

	2022 £m	**2021 £m**
Statutory operating profit	**5.2**	**2.1**
Operating cost charge for IFRS 16 leases	(0.7)	(1.6)
Depreciation on right of use assets	0.6	1.4
Amortisation of intangible assets	0.5	0.5
Non-recurring items	3.7	6.9
Adjusted operating profit	**9.3**	**9.3**

The reconciling items are:

- the implementation of IFRS 16 resulted in a lower charge for other overheads for leasing costs, increase in depreciation of ROUA and a finance charge for the IFRS 16 lease liabilities. To ensure there is no distortion to underlying EBITDA, the IFRS 16 entries have been reversed so the full cost of IFRS 16 leases is included in other costs. Without this change EBITDA would be enhanced by £0.7 million (2021: £1.6 million);
- the amortisation of intangible assets relates to publishing rights and titles (£0.4 million) and digital assets (£0.1 million), which is consistent with the prior year (2021: £0.4 million and £0.1 million respectively); and
- £3.7 million of non-recurring items (2021: £6.9 million).

Balance sheet

	As at 31 December 2022 £m	As at 1 January 2022 £m
Non-current assets	16.9	16.5
Current assets	38.4	36.0
Total assets	**55.3**	**52.5**
Current liabilities	(20.5)	(18.7)
Non-current liabilities	(0.8)	(5.0)
Total liabilities	(21.3)	(23.7)
Net assets	**34.0**	**28.8**

Net assets increased by £5.2 million from £28.8 million to £34.0 million reflecting the statutory profit after tax for the period.

Non- current assets

Investments have increased by £1.1 million reflecting the 3% stake in social-first media company The News Movement made on 27th October 2022.

Right of Use Assets have reduced by £0.7 million reflecting depreciation and impairment charges in the period.

The net deferred tax asset has increased to £4.2 million, as brought forward tax losses were utilised in the period against the taxable profit offset by additional brought forward tax losses recognised in the period. Gross brought forward losses of £18.6 million (1 January 2022: £19.7 million) are recognised as a deferred tax asset at the period-end, calculated using a corporate tax rate of 25%. £2.2 million of tax losses remain unrecognised (1 January 2022: £6.5 million).

Current assets

Cash and cash equivalents of £27.0 million increased by £4.0 million in the period. Strong operating cash flow in the period, £9.5 million of cash generated from operating activities offset by £2.6 million utilised for deferred consideration (£2.5 million) for the 2021 acquisition of the JPIMedia Group, investment in The News Movement (£1.1 million), capital expenditure (£0.4 million), interest (£0.1 million) and capital payments on IFRS 16 leases (£1.1 million).

Trade and other receivables reduction of £1.6 million is due to revenue declines and improved debt collection.

Current liabilities

Trade and other payables of £15.9 million (2021: £13.7 million) increased by £2.2 million in the period predominantly driven by higher year-end restructuring accruals and Cloud migration accruals.

Right of Use lease liabilities have reduced by £0.7 million as payments were made on leases.

Current provisions fell by £0.7 million to £0.6 million as payments in the period of £1.3 million were partially offset by £0.2 million transfer from long term to current provisions and a £0.3 million charge in the period for dilapidations on a vacated property.

The £1.0 million interest only unsecured loan notes are reclassified as current liabilities at period end, reflecting the liability falling due in December 2023.

Non-current liabilities

The £1.0 million interest only unsecured loan notes has been reclassified as current liabilities at period end, reflecting the liability falling due in December 2023.

Right of Use lease liabilities have reduced by £0.4 million to £0.3 million as the majority property leases expiring are replaced by serviced office space on short term contracts.

On 31 March 2022 the first tranche of £2.5 million deferred consideration payment was made to JPIMedia Limited relating to the acquisition of JPIMedia Group. The remaining £2.5 million deferred consideration payable previously classified as a non-current liability at 1 January 2022 is now classified in current liabilities.

Non-current provisions fell by £0.3 million to £0.5 million as liabilities moved to current provisions and there were no charges in the period.

Cash flow

	Adjusted FY 2022 £m	Statutory FY 2022 £m
Operating profit for the period	**9.3**	**5.2**
Amortisation of intangible assets	-	0.5
ROUA and tangible assets depreciation expense	0.4	1.0
ROUA impairment	-	0.1
Aborted transaction costs	(0.4)	-
Restructuring costs paid	(2.5)	-
Net increase in provisions	-	(1.0)
Changes in working capital:		
Decrease in receivables	1.6	1.6
Decrease in payables	(0.1)	2.1
Net cash inflow from operating activities	**8.3**	**9.5**
Investing activities		
Acquisition of subsidiaries	(2.6)	(2.6)
Investment in The News Movement	(1.1)	(1.1)
Interest earned	0.2	0.2
Acquisition of digital assets	(0.2)	(0.2)
Purchases of tangible assets	(0.4)	(0.4)
Net cash outflow from investing activities	**(4.1)**	**(4.1)**
Financing activities		
Interest paid	(0.2)	(0.2)
Interest element of lease rental payments	-	(0.1)
Principal repayment of leases	-	(1.1)
Net cash generated from financing activities	**(0.2)**	**(1.4)**
Net increase in cash and cash equivalents	4.0	4.0
Cash and cash equivalents at the beginning of the period	23.0	23.0
Cash and cash equivalents at the end of the period	**27.0**	**27.0**

The conversion of adjusted operating profit of £9.3 million into cash is 112% (£10.4 million comprising cash inflow from operating activities before restructuring costs, and after purchases of tangible assets).

Robust operating cash generation, the benefit of restructuring and low capital expenditure ensured the Group maintains a substantial cash balance and retains financial flexibility. As at 31 December 2022, the Company held £27.0 million (2021: £23.0 million) of cash.

During the period the first tranche of the £2.5 million of deferred consideration was paid in relation to the JPIMedia Group acquisition, which is reflected in the Acquisition of subsidiaries line in the Cash flow presented above.

Capital Expenditure

During the year, the Group incurred limited capital expenditure of £0.4 million on IT equipment, predominantly laptops. For 2023, capital expenditure is expected to be c£1.0 million as certain systems and IT equipment is replaced as it approaches the end of its useful life. Beyond 2023, capital expenditure is expected to be limited to c£1 million per annum.

IFRS 16 lease commitments going forward are expected to be minimal as the Group continues to rationalise its property portfolio by moving to more flexible short term serviced accommodation. The rationalisation of the property portfolio continued in the period, with a further small reduction in office space as the Group adopted flexible working. A £0.4 million property rationalisation provision is held at the year-end (Note 22).

Dividends

The Board is committed to provide strong returns to shareholders through a combination of share price growth and income. To ensure the Group maintains financial flexibility and an appropriate level of financial headroom for investment and working capital, dividend payments will be aligned to the free cash generation of the business. The free cash generation for the purposes of assessing the dividend will be the net cash flow generated by the Group before the repayment of debt, dividend payments and other capital returns to shareholders.

The Group intends to pay a final dividend of 0.5 pence per share. Subject to approval by shareholders at the forthcoming Annual General Meeting, the dividend will be paid on 5 July 2023 to shareholders on the register at 2 June 2023. The maiden dividend reflects the Board's confidence in the ongoing strong cash generation of the business, the future prospects of the Group and its strong balance sheet. The Board continues to adopt a progressive dividend policy.

Current trading and outlook

The Group has accelerated the implementation of its new operating model to restore sustainable growth.

Continuing strong digital revenue bucked the trend compared with some peers in January and February with a 9% year on year increase matched by audience growth of 9%. This is before the benefit of acquired Scoopdragon and Newschain sites which are expected to add over 10% audience improvement.

Despite total revenue being down 9% year on year, due to economic conditions, we have met our EBITDA target for January and February. Trading is expected to remain challenging for the first half. However, management continues to innovate to address the headwinds faced across the industry, including revenue initiatives, while transitioning to a digital only operational model providing customers with quality and original content across all genres and platforms. The Group maintains its performance expectations for the year.

Position of Company's Business

As at 31 December 2022 the Company's Statement of Financial Position shows net assets totalling £28.6 million (2021: £21.6 million), including a strong cash balance of £22.0 million (2021: £15.5 million). The Company has liabilities of £1.0 million interest only unsecured loan notes and the deferred consideration of £2.5 million payable in March 2023.

The Board Executives have a good history of running businesses that have been compliant with all relevant laws and regulations and there have been no instances of non-compliance in respect of environmental matters.

At the period-end, the Company has two Executive Directors and four Non-Executive Directors (2021: three Executive Directors and four Non-Executive Directors).

The Company endeavours to ensure that its employment practices consider the necessary diversity requirements and compliance with all employment laws. The Board has experience in dealing with such issues and sufficient training and qualifications to ensure they meet such requirements.

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has conducted a review into its operational procedures to consider the impact of the UK Bribery Act 2010 and the Board has adopted an anti-corruption and anti-bribery policy.

Principal Risks and Uncertainties

The Company operates in an uncertain environment and is subject to a number of principal risks. The principal risks in 2022 and 2021 are summarised in the table below:

2021	2022
Strategy	Retained with a broader coverage of risks
COVID-19	No longer viewed as a key risk.
Cyber security and data migration	Retained as a key risk
Infrastructure and operations	Retained as a key risk
Data protection	Retained as a key risk

The Board has undertaken a detailed risk assessment and considers the following principal risks to the Company's activities although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

Issue	Risk/Uncertainty	Mitigation	Update
Strategy macroeconomic conditions	The news publishing sector continues to face ongoing challenges with newspaper circulation volume and newspapers 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 Board has a very experienced management team that is highly motivated to deliver its strategy. The Executive Directors are fully engaged on the operating performance of the business and regular updates are provided to the Board on strategic initiatives.	The Board and Executive Directors remain focused on ensuring the delivery of the Group strategy.
Cyber security and data migration	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. The change advisory board regularly review the internal risk register and update accordingly in response to any identified issues.	A strategic programme to migrate all of our core system to Google Cloud Platform has been completed. The Group implemented Cisco MFA in 2022 and the cyber insurance policy renewal is underway.

Issue	Risk/Uncertainty	Mitigation	Update
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 and distribution 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 is overseen by the Risk Management Committee and includes senior management representing all operations across the Group. A strategic programme is in place to migrate all existing IT infrastructure to Google's Cloud Platform. 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.	A strategic programme to migrate all of our core system to Google Cloud Platform has been completed. Incremental improvements to data security and integrity are being pursued on a continual basis. The cyber insurance policy renewal is underway. Business Interruption cover is in place.
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 and this includes mandatory company training, and working with IT and any 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. Training provided to all commercial new starters by Legal Counsel and L&D.	Legal Counsel conducted a review of all policies and processes during 2022 and this will continue into 2023. This includes the population of Record of Processing Activity and data mapping across the company to ensure UK GDPR compliance and sight of all data processing across the business will be updated annually from 2023 onwards.

Group prospects and going concern

The Directors have assessed the Group's prospects, both as a going concern and its long-term viability, at the time of the approval of National World plc's Annual Report for the 52 weeks ended 31 December 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. The assessment was based on review of the three year projections for the business which were considered by the Board when approving the budget for 2023. Management believe that a longer term assessment is not appropriate given the ongoing structural challenges facing print media and the changing landscape for digital. Key considerations in the assessment were:

- decline in newspapers revenue;
- the ongoing impact of the macroeconomic conditions on revenue;
- management's ongoing mitigating actions in place to manage costs and cash flow;
- capital expenditure requirements, including the ongoing maintenance capital expenditure requirements; and
- investment in digital resource and development.

Sensitivity analysis was applied to the projections to determine the potential impact 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 £27.0 million as at 31 December 2022 and the Directors are satisfied that the Group will be able to operate with sufficient financial flexibility and headroom for the foreseeable future.

The Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

Composition of the Board

A full analysis of the Board, its function, composition and policies, is included in the Governance Report on pages 66 to 69.

Capital structure

The Company's capital consists of ordinary shares which rank pari passu in all respects and which are admitted to Standard Listing and to trading on the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in the ordinary shares of the Company or restrictions on voting rights and none of the ordinary shares are owned or controlled by employee share schemes. With the exception of an arrangement with Media Concierge (Holdings) Limited which has the right to appoint two Non-Executive Directors if it maintains a shareholding of greater than 20% or one Non-Executive Director if it maintains a shareholding of greater than 15%, there are no arrangements in place between shareholders that are known to the Company that may restrict voting rights, restrict the transfer of securities, result in the appointment or replacement of Directors, amend the Company's Articles of Association or restrict the powers of the Company's Directors, including in relation to the issuing or buying back by the Company of its shares or any significant agreements to which the Company is a party that take effect after or terminate upon, a change of control of the Company following a takeover bid or arrangements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur because of a takeover bid.

Corporate Social Responsibility

As a significant presence in communities across the country, and online, we continue to ensure that our business activities meet with key sustainability and efficiency principles.

Our People

Our people continue to be at the core of our business, driving performance and progress and through another year of change and restructuring have demonstrated resilience, commitment and dedication, adapting to new ways of working to ensure the continued future success of the business.

At the year end, the Group had a total of 1,099 employees (43.4% female, 56.6% male) including 678 employees working in content creation roles (61.7%), and 235 employees working in commercial and distribution (21.4%).

Gender split of employees

Following the delayering of a senior management team which was composed of highly paid males during 2021, we continue to see improvement in our gender pay gap when 2022 data is compared against 2021 data.

Our reportable gender pay gap data is specific to National World Publishing Ltd which is the only operating company within the National World plc group employing over 250 staff. For transparency, however, we are publishing gender pay gap data for the National World plc group as a whole.

The median pay gap reduced from 10.3% in 2021 to 9.2% in 2022 and the mean pay gap reduced from 10.8% in 2021 to 10.6% in 2022. We saw a significant shift in bonus levels with females receiving higher bonus payment than males for the first time since reporting began. This is a direct result of senior management delayering resulting in the removal of significant bonus payments to male executives and the high percentage of females employed in sales roles which predominantly reflect the area of our business where bonus schemes operate.

The data demonstrates that, taken as a whole, men are paid higher than women across the National World plc group, however the trend continues to improve. We employ more men than women in senior roles and this is largely responsible for driving the variance. We employ more females across our sales teams which has resulted in a significant shift in our bonus pay gap. The gap in hourly rate has closed between 2021 and 2022 and we will continue to strive to make further improvement.

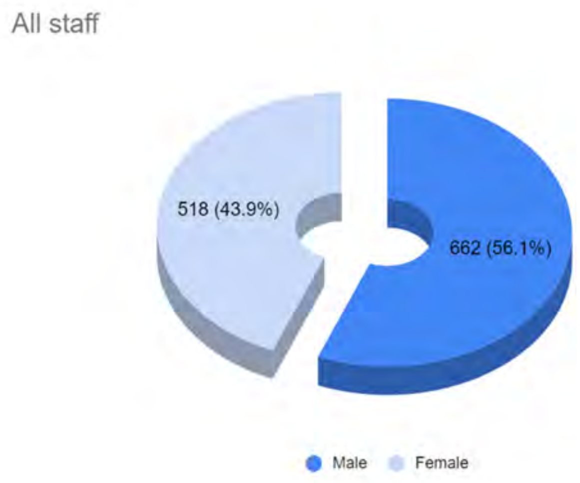
% pay difference between men and women

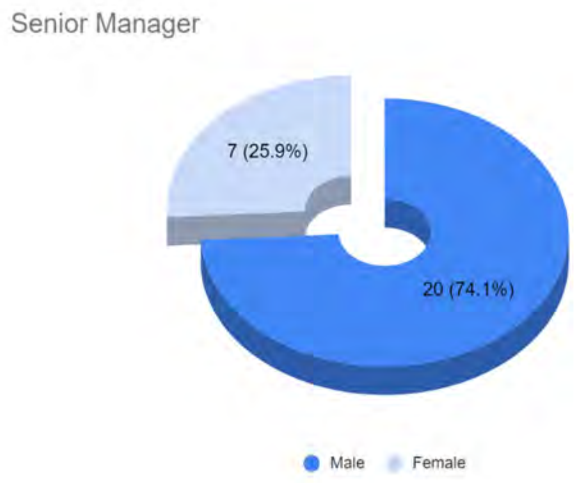
	2022		2021	
	Mean	**Median**	**Mean**	**Median**
Hourly Pay	10.6%	9.2%	10.8%	10.3%
Bonus difference	-6.7%	-2.4%	59.7%	31.3%

% of employees paid a bonus

	Bonus received	
	2022	**2021**
Male	10%	15%
Female	27%	30%

Gender split of employees





Alongside our review process we aim to:

- Reduce the gender pay gap.
- Increase the gender balance in our senior management team through best practice recruitment and career development practices.

- Encourage diverse candidate applications for all roles by reviewing our recruitment processes and identifying recruitment platforms aimed at attracting diversity.
- Ensure all staff are trained in equality, diversity and inclusion and that recruiting managers understand their responsibilities in recruiting staff who represent the diverse communities we serve.
- Continue to review ways in which our business can embrace flexible working practices for all staff but with particular awareness of the need to remove barriers to progression for female staff.
- Increase gender diversity of our Board members.

Continuing to support our agile workforce

Continuing our post COVID-19 property strategy, and with the majority of our workforce now classified as home or hybrid workers we have continued to review all current office requirements with five office closures and ten office shrinkages throughout 2022.

At the year-end, the Group had 337 agile or hybrid workers, 582 home workers with the remaining 180 staff working from office locations.

Employee development

Following the implementation of our training platform, Looop, our people are able to gain access to learning and development resources through bite sized content and engaging videos. Over the course of 2022 Looop saw in excess of 31,000 resource views with 27.9 resource views per person.

Over the course of 2022 we have also focused on management development and digital training needs analysis.

2023 will see the launch of additional development opportunities including our newly designed sessions - including Managing in a Post Pandemic World, Social Media Safety Protection for Journalists and Managing and Supporting Wellbeing.

Health, safety, wellbeing and employee benefits

Employee safeguarding and whistleblowing

Contact with colleagues continues to be more limited as a result of agile working and it is vital that we ensure every individual feels safe in the workplace (be that home, office or another location), is treated with respect and has the ability to raise any concerns they may have about any aspect of their employment and/or the business. In light of this we keep our Code of Conduct under review.

National World continues to partner with SeeHearSpeakUp to provide a confidential whistleblowing hotline to enable employees to report any concerns they may have.

Alongside this, we continue to provide our Employee Assistance Programme (EAP) provided by Health Assured. EAP is a confidential employee benefit designed to help you deal with personal and professional problems that could be affecting employee home or work life, health and general wellbeing. The helpline is available 24/7, 365 days a year and benefits available through this programme include counselling and legal information and guidance along with an online health and wellbeing portal accessible to you whenever you require it.

Wellbeing and employee benefits

During 2022 we have established the National World Wellbeing strategy and to date have taken the following actions to support the wellbeing of staff across the business:

- Introduced our Mental Health Champions network with individuals across the business having undertaken an accredited, nationally recognised qualification in Mental Health First Aid (level 2), allowing them to provide support and signposting for colleagues in distress.

- Launched the National World **MyWellbeing Hub** hosting all of our wellbeing information and support in one easy to access site.

- Introduced our **Mental Health First Aid** campaign. To date this campaign has resulted in twelve colleagues across the business achieving their NCFE CACHE accredited Mental Health First Aid & Mental Health Advocacy in the Workplace qualification providing them with the tools and techniques on how to deal with mental health conversations. A further nine colleagues are also in the process of qualifying as Mental Health Champions.

- For the second year running, National World funded **seasonal flu vaccinations** for all staff during autumn/winter 2022 in conjunction with Bupa, the Group ran a seasonal flu vaccination programme. Employees were able to obtain free flu vaccinations from their local pharmacies. The programme is designed to help reduce the spread of seasonal flu amongst employees who cannot get the vaccine through their local GP, and to protect those at increased risk of flu-related complications.

- Launch of a range of funded nationally recognised **level 2 qualification courses** in wellbeing subjects including Cancer Support, Personal Exercise, Health & Nutrition, Counselling Skills and more to facilitate better support for their colleagues.

- To support the process of carrying out quality one to one meetings across the business we have launched our new **My121** platform.

- Even more support is available via both our **Employee Assistance Programme** and NHS recommended **Thrive Mental Wellbeing app**.

- With the growing economic uncertainty we have signposted a wealth of resources to support **financial wellbeing** for our staff.

- In early 2023 the Group launched a company funded healthcare plan via **Simply Health** enabling all employees to opt into a healthcare plan providing money back for everyday healthcare needs including prescription costs and health checks, and providing 24/7 online access to GP appointments.

- With the continued cost of living crisis National World implemented the **Real Living Wage increase** effective 1 November 2022 bringing our minimum salary levels for all staff to £21,225 per annum.

- In addition, we implemented a one-off **cost of living support payment** in December 2022. This decision has been welcomed by our staff in recognition of the company's efforts to safeguard the wellbeing of all during these challenging economic times.

Business ethics

We are members of the Independent Press Standards Organisation (IPSO) and operate an internal Editorial Governance Committee with the remit of ensuring effective compliance with IPSO guidance and adjudications as well as all other relevant legislation and editorial guidance. The Committee regularly reviews relevant policies and procedures; it also feeds back to IPSO on behalf of the Group following regular consultation with the Group's Editorial Board. The editorial policies and procedures help to ensure that the business as a whole is able to effectively and consistently deal with relevant editorial issues. This continues to be an important objective for the business in addressing its commitment to responsible and ethical journalism. We believe that the low numbers of adjudications upheld by IPSO in relation to our publications (one partially upheld in 2022) help to demonstrate the effectiveness of our policies and procedures.

We are also focused on prioritising our digital rights and responsibilities, and our ethical conduct, as well as data security and privacy; and we strive to tackle challenging issues proactively by seeking to make our communications and processes simple, open and transparent.

Modern Slavery

National World has in place a number of actions to understand all potential modern slavery risks related to its business and has put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains.

National World is committed to operating all of its Group's business activities to the highest standards of business ethics and integrity. We have zero tolerance to slavery and human trafficking, and we are committed to continually improving our practices to combat slavery and human trafficking. As part of our commitment, we have a dedicated compliance team which consists of individuals from our Central Services, Legal and Human Resources departments.

In light of the obligation to report on measures to ensure that all parts of our business and supply chain are slavery free, we have put in place a designated Modern Slavery and Human Trafficking Policy, to demonstrate our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

We are undertaking the following activities on an ongoing basis to assess and address these risks:

- Conducting an internal risk assessment to identify which of the Group's suppliers are most likely to manufacture goods or provide services in countries and/or sectors where modern forms of slavery are more likely to be prevalent;
- Consulting with those suppliers whom we have identified as presenting significant inherent risk in order to understand more about their own businesses, supply chains and the steps they have taken to reduce the risk of slavery and human trafficking;
- Reviewing the Group's existing contractual arrangements and identifying ways these can be strengthened to further reduce the risk of slavery and human trafficking in our businesses and supply chains; and

- Providing anti-slavery training to key staff in accordance with the Modern Slavery Act 2015.

Environmental footprint and mitigation

Summary of 2022 performance

Given the ongoing restructuring of the business, including moving away from office based working, we have not finalised GHG reduction targets. These significant changes will impact our base emissions and management plan to establish targets once the restructuring is complete.

All the Electricity directly under management control was 100% renewable.

Climate Change

We recognise the increasing importance of climate change triggered by greenhouse gases (GHG) from burning fossil fuels.

We have delayed our plan to publish targets across 2022/2023 and now expect these to be published in 2023/2024. We have continued to make progress in reducing emissions in our offices during 2022, although comparison to 2021 needs to be seen in the context of impact of the COVID-19 pandemic with the majority of our employees spending part of 2021 working from home. Total GHG emissions associated with activities under direct control of management (Scope 1 and 2 emissions) fell by 36% in 2022 versus 2021. Business Travel using company vehicles decreased by 20% this in part offsetting an increase in employees using their own vehicles and travelling more due to an increase in activity post COVID-19. In terms of Energy efficiency, our energy usage was reduced in 2022 as we have closed buildings under management direct control despite being against the headwind due to the temporary closures of all our office buildings in 2021, the small number of offices where electricity is under management direct control had reductions of 56% in 2022 versus 2021.

Environmental

The Group is committed to meet its environmental responsibilities, including monitoring the impact of its business activities on the environment and to design and implement policies to reduce any damage to the environment that may be caused by its activities. The company car fleet is leased as the vehicles are newer and more efficient and play a part in improving our environmental performance. We have concluded the review of the car policy and all new company cars will either be fully electric or plug in hybrid; the Group will continue to review and monitor the use of Petrol and Diesel in its small van fleet of 3 vehicles. Employees working from home has continued to be the norm during 2022 with almost all employees spending some or all of their time at home. The Group does expect this trend to change and as a result is actively reducing its office space with a trend towards utilising shared serviced offices.

Supply Chain

Contract Printing and Product Distribution Services

The Groups newspapers are printed at outsourced locations. Key contractors measure and report the energy consumption and carbon emissions associated with the work they undertake on our behalf. We remain committed to maximising the use of recycled paper through our contracted printing and product distribution services.

Transparency in supply chains

The Group is committed to ensuring that there is no slavery or human trafficking in our supply chains or in any part of our business. We expect our suppliers to adhere to the requirements of the Modern Slavery Act 2015, and we will undertake all reasonable and practical steps to ensure that these standards are implemented within our supply chain.

We maintain strong working relationships with our suppliers and partners, in order to enhance the efficiency of our business and create value, and make sure we treat suppliers in line with our values and ethical standards. We continually assess our supplier and partner network, and leverage both internal and external expertise to ensure appropriate relationships and fair economics.

Facilities and Office Environments

Management engages with its office providers and its facilities management provider to ensure a safe working environment for our employees.

Environmental management is overseen by the Executive Management team. National World complies with the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013. We are also reporting in compliance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 known as SECR (Streamlined Energy Carbon Reporting). Energy consumption and GHG emissions have been calculated in line with the UK Government's Environmental Reporting Guidelines; including streamlined energy and carbon reporting guidance (March 2019).

There were no prosecutions or compliance notices for breaches of environmental legislation during 2022.

Climate Change Targets

The Group completed its first acquisition in 2021 and has started to build clear targets to support the environment. Progress in 2022 is set out below:

Climate Change Targets	Progress in 2022	2023 Onwards Target
Publish a medium-term carbon emission target by the end of 2023	Given the ongoing restructuring of the business, including a move away from office based working, we have not finalised targets. These significant changes will impact our base emissions and therefore management plan to establish targets when the restructuring and reorganisation is completed.	To be completed during 2023/2024.
Review of our vehicle fleet and publish a transition plan from Petrol & Diesel to Electric vehicles by the end of 2022	The Group has concluded to remove petrol and diesel vehicles from its company car fleet a commitment not to order any further petrol or diesel vehicles has been made. A preplacement Electric vehicle scheme has been launched. All remaining leased petrol and diesel vehicles will be removed from the fleet by 2025.	Launch of a new electric car scheme will continue to be rolled out during 2023, for eligible employees who choose this benefit.
Continue to reduce our direct and indirect consumption of electricity in our offices	Overall consumption in 2022 was down 54% year on year. The business has relocated away from its two largest offices replacing them with smaller serviced office locations.	The Group is now committed to removing all remaining Property held under Finance leases by the end of 2024.
Business Travel reporting commitment	A review is being undertaken to ensure that all travel is appropriate and that it is accurately reported and recorded.	Targets will be established during 2023/2024.
Supply Chain		
We aim to maximise the use of certified recycled newsprint in our printed products	We buy newsprint through DMG Media who aim to optimise both the use of recycled newsprint and virgin fibre newsprint that is sourced from forests under recognised stewardship schemes such as PEFC or FSC.	We aim to maximise the use of certified recycled newsprint in our printed products.
We are committed to using 100% renewable energy in the offices we directly contract the supply	Achieved.	We are committed to using 100% renewable energy in the offices where we directly contract the supply.

The Streamlined Energy Carbon Reporting (SECR) data within the annual report has been collated using the GHG reporting protocol.

Business Travel for both owned company vehicles and other non-owned vehicles used for company business is detailed in the expenses system which includes the number of miles travelled calculated using postcodes entered by the employee for the start and end of each journey.

Grid Electricity & Gas where the premises are directly contracted is calculated using the data from the invoices received. Other Electricity supplied by landlords is converted to KwH using an estimated average rate per KwH.

Electricity for contracted printing and contracted Distribution mileage has been provided by the suppliers.

Streamlined Energy Carbon Reporting (SECR)	Consumption 2022	Consumption 2021	KwH 2022	KwH 2021	GHG Emissions TCo2e 2022	GHG Emissions TCo2e 2021
Business Travel (company vehicles) miles	319,707	399,189	371,879	464,333	90	112
Total Scope 1			371,879	464,333	90	112
Total Scope 1 per million pounds turnover					1	1
Grid Electricity (all premises where directly contracted) kWh	163,025	372,482	163,025	372,482	38	87
Total Scope 2			163,025	372,482	38	87
Total Scope 2 per million pounds turnover					0	1
Other Electricity (indirect supply provided by landlords) kWh	292,424	627,471	292,424	627,471	68	146
Business Travel (road, not involving company vehicles) miles	389,128	315,842	452,630	367,384	109	89
Electricity for contracted printing (generation, transmission and distribution) kWh	1,631,543	2,032,293	1,631,453	2,032,293	381	474
Contracted distribution miles (1)	600,696	967,419	698,723	1,125,292	171	276
Total Scope 3			3,075,320	4,152,440	729	985
Total Scope 3 per million pounds turnover					9	11
Total Scope 1,2,3			3,610,224	4,989,255	857	1,183
Total Scope 1,2,3 per million pounds turnover					10	13

Notes

- Scope 1 covers the annual quantity of emissions in tonnes of carbon dioxide equivalent from emission sources that are under the operating control of National World.
- Scope 2 covers the annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by National World for its own use. Scope 2 emissions have been calculated using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – Revised Edition.
- Scope 3 covers other indirect Greenhouse Gas emissions, i.e. where the sources are from emissions not owned by National World and where National World does not have operational control.
- Business Travel figures other than vehicle mileage have not been provided. Press trips paid for by 3rd parties are not recorded and not controllable by National World.
- Consumption figures for Electricity for contracted printing; National World's largest print contractor has changed it's method of recording electricity usage against each print job in 2022 this has improved the accuracy of reporting.
- Contracted distribution mileage; this figure is understated as our main wholesale contractor provides distribution services across the publishing industry: their routes are not specific to National World. The totality of all mileages undertaken by this wholesaler would overstate the overall carbon impact of National World and is not within National World control.

Section 172 Statement

Under section 172 of the Companies Act 2006 ("Section 172"), a director of a company must act in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, considering the non-exhaustive list of factors set out in Section 172.

Section 172 also requires directors to take into consideration the interests of other stakeholders set out in Section 172(1) in their decision making.

The Company has had regular interaction with its members and internal stakeholders during the 52 weeks ended 31 December 2022 (the "Reporting Period").

The Company's strategy continues to be to pursue opportunities in the news publishing and digital media sector and/or in associated complementary technologies and implement a new operating model to modernise and stabilise performance of newspaper publishing through driving efficiencies by sharing services across the publishing industry and building a growing digital news publishing business. The Company has a wide range of internal and external stakeholders, relations with whom the Board takes into consideration.

Engagement with our members plays an essential role throughout our business. We are cognisant of fostering an effective and mutually beneficial relationship with our members. Our understanding of our members is factored into boardroom discussions and decisions regarding the potential long-term impacts of our strategic decisions.

The Directors have continued to have regard to the interests of the Company's stakeholders, including the potential impact of its future activities and acquisition strategy on the community, the environment and the Company's reputation, when making decisions. The Directors will endeavour to continue to take all necessary measures to ensure the Company is acting in good faith and fairly between members and is promoting the success of the Company for its members in the long term.

The table below acts as our Section 172 statement by setting out the key stakeholder groups, their interests and how National World engages with them. Given the importance of stakeholder focus, long-term strategy and reputation to the Company, these themes are also discussed throughout this Annual Report.

Stakeholder	Their interests	How we engage
Investors	• Comprehensive review of financials • Business sustainability • High standard of governance • Success of the business • Ethical behaviour • Awareness of long-term strategy and direction	• Regular reports and analysis of investors and shareholders • Annual Report • Company website • Shareholder circulars • AGM • RNS announcements • Press releases • Trading Updates • Regular management meetings with shareholders
Regulatory bodies	• Compliance with regulations • Company reputation • Insurance	• Company website • RNS announcements • Annual Report • Direct contact with regulators • Compliance updates at Board meetings • Regular risk reviews • IPSO reporting
Partners	• Business strategy • Application of acquisition strategy	• Meetings and negotiations • Reports and proposals • Dialogue with third party stakeholders where appropriate

Stakeholder	Their interests	How we engage
Employees	• Success of the business • Business sustainability • Ethical behaviour • Awareness of long-term strategy and direction • Company reputation • Rewards/feeling valued • Development opportunities • Health, safety & well-being • Flexible working arrangements	• Employee intranet site with regular updates on what is happening within the business • Company website • Press releases • RNS announcements • Trading Updates • Annual Report • Regular manager meetings
Customers	• High-quality and accessible news • Long-term sustainability of news outlets • Response to advertisers from trusted local newsbrands	• Reader surveys • Competitions/Reader Offers/ Promotions • Advertiser feedback from campaigns
Suppliers	• Business relationships • Financial performance of the Company • Prevention of modern slavery	• Risk assessment • Regular supplier meetings • Tender process for new contracts • New supplier approvals process • Efficiency reviews • Contingency planning

The Section 172 statement should be read in conjunction with the full Strategic Report and the Company's Corporate Governance Statement.

Approved by the Board on 16 March 2023.

David Montgomery
Executive Chairman
16 March 2023

David Montgomery
Executive Chairman

David John Montgomery has a long history in the newspaper industry. Most recently, he was chief executive of Local World, an aggregator in the regional news area which was acquired by Reach (formerly Trinity Mirror) in 2015. Local World had been formed in 2013 by a merger of regional media companies of DMGT and the Yattendon Group, publishing around 100 regional newspaper titles and associated websites.

David served as the editor of News of the World and as the editor and managing director of Today newspaper. He founded Mecom Group in 2000 and served as its chief executive until January 2011. At Mecom Group, he worked on several acquisitions to establish one of the leading European publishing and content businesses, delivered substantial cost savings and began to develop a new, flexible operating model fit to take commercial advantage of on-going changes in consumer behaviour, which saw particular success at Edda Media in Norway.

Prior to Mecom, David was chief executive officer of Mirror Group from 1992 to 1999, where he oversaw substantial restructuring and acquisitions culminating in its merger with Trinity to become Trinity Mirror.

David served as a director at the Press Association from 1996 to 1999, RSDB (one of Europe's largest print businesses) from 2006 to 2009, Royal Wegener (a large Dutch news publisher) from 2007 to 2011, and Scottish Television from 1994 to 1998. He graduated from Queen's University, Belfast in History and Politics.

David is chairman of Local TV, a network of eight public service broadcasting city channels.

Mark Hollinshead
Chief Commercial Officer

Mark Thomas Hollinshead has been involved in media and business all his working life.

Mark was the youngest ever managing director of the Daily Record and Sunday Mail Ltd and ran that business for 14 years from 1998 to 2012. He was appointed managing director of Mirror Group Newspapers in 2008, while continuing to manage the Scottish publishing business. Mark subsequently took up the role of Chief Operating Officer and board director of Trinity Mirror Plc, managing all publishing activity for over 200 news brands – both digital and in print. Prior to joining Trinity Mirror Mark was Managing Director of Midland Weekly Media Ltd, part of Midland Independent Newspapers Plc and Marketing Director of Thomson Regional Newspapers. He started his career in media at the Midland News Association, publishers of the Wolverhampton Express & Star in 1984.

In 2015 Mark was appointed CEO of the Great Run Company, a position he held until 2017. The Great Run Company is one of the world's largest mass participation events businesses with events such as the Great North Run and Great Manchester Run.

In 2017 Mark formed Hollicom a media and strategic communications consultancy of which he was the Chair until he sold the company on 13 December 2021. Following the acquisition of Express Newspapers Ltd, from Northern & Shell, by Reach Plc in February 2018 Mark was appointed Interim CEO of the acquired business during the "hold separate" period.

In addition to his executive positions, Mark was also chairman of Scottish Athletics from 2005 to 2008, president of the Scottish Newspaper Society from 2003 to 2005, and a Non-Executive Director of the News Media Alliance from 2009 to 2015. From 2014 to 2020 Mark was a strategic adviser to Dentsu Aegis Network North, a division of Dentsu the world leading digital performance agency. He is the current President of the Scottish Newspaper Society.

John Rowe
Non-Executive Director

John Rowe has extensive experience in digital data insights and the understanding of on-line customer behaviour. Currently John advises and invests in a range of digital businesses including media and retail.

Until March 2020 John was chairman and chief executive officer of Clicksco where he grew the business to annual sales of over £80 million, he is currently Non-Executive Chairman of MediaQuest group.

John began his career at PricewaterhouseCoopers in 1979 and then worked at Sainsburys from 1983 to 2001 where he finished as managing director of International Operations.

John passionately believes that key to a successful business is the ability to truly understand its customers, and that the data insights available online can be used to transform the relationship between brands and customers.

John was appointed as an Executive Director on 24 February 2023.

Daniel Cammiade
Non-Executive Director

Daniel (Danny) Cammiade has over 35 years' experience in the regional press sector having held senior operational and strategic roles at both company and PLC board level for Johnston Press, including seven years as Chief Operating Officer.

On leaving Johnston Press, Danny formed his own consultancy business and has held advisory positions in international and UK organisations, including being Chief Executive of The Tindle Group, where he oversees the Company's interests in Radio, Newspapers and Property.

Danny is Chair of Isle of Man Newspapers and Channel FM (Jersey), a director at Island FM (Guernsey) and Midlands 103 in the Republic of Ireland and The Claverley Group based in Wolverhampton.

In 2022 Danny stepped down as Independent Chair of Newsprinters, the wholly owned Printing & Logistical subsidiary of News UK. In addition Danny has held NED roles at Precision Colour Printing and Midlands News Association.

David Fordham
Non-Executive Director

David Fordham has completed over 50 years working in the media industry, with considerable experience in local newspapers, digital media, national and local television, as well as local radio.

David spent over 15 years working in various senior roles at EMAP newspapers, up until the sale of the newspaper division to Johnston Press in 1996. He then went on to become Chief Executive of Adscene plc.

Since the late 1990s David has worked closely with the Iliffe family and served as a main board director of Yattendon Group plc for over 15 years, until retiring from this post in 2018. David's association with the Iliffe family continues and he remains a trustee of the Yattendon Group Pension Scheme, as well as a Non-Executive Director of Iliffe Media Ltd and a number of subsidiary companies.

Most recently David has worked as an industry consultant, specialising in M&A and launch activity. Having led acquisitions in the Republic of Ireland as well as completing a number of transactions in England and Scotland.

David is currently Non-executive chairman of Highland News and Media Ltd.

As well as being a past President of the Newspaper Society, David has held board positions with professional sports and arts related organisations.

David Fordham was appointed, by Media Concierge, as a Non-Executive Director to the Group.

David Lindsay
Non-Executive Director

David Lindsay is an experienced executive having served as a CEO and a CFO of public and PE backed businesses operating internationally in a diverse range of business sectors. His previous roles include leadership positions within Initial plc, GEC ALSTHOM, Industrial Control Services plc, AEA Technology plc, Collins Stewart plc, EDM Group Ltd and TP Group plc. Mr Lindsay is a Chartered Accountant and was appointed to the board on 14 September 2022.

National World plc
Directors Report
For the 52 weeks ended 31 December 2022

The Directors present their report with the audited financial statements of the Company for the 52 weeks ended 31 December 2022. A commentary on the business for the year is included in the Chairman's Statement on pages 11 to 14.

A review of the business is also included in the Strategic Report on pages 15 to 44.

Directors

The Directors of the Company and their beneficial interest in the Ordinary Shares of the Company at 31 December 2022 were as follows:

Director	Position	Appointed	Ordinary shares
David Montgomery	Executive Chairman	29/05/2019	19,231,631
Mark Hollinshead	Chief Commercial Officer	12/07/2019	757,907
John Rowe	Non-Executive Director	12/07/2019	1,531,631
Danny Cammiade	Non-Executive Director	01/01/2021	513,200
David Fordham	Non-Executive Director	29/09/2021	-
David Lindsay	Non-Executive Director	14/09/2022	-

David Montgomery and Vijay Vaghela are each entitled to 35% and Mark Hollinshead is entitled to 30% of the potential share options awarded in the 2019 Value Creation Plan (VCP).

Vijay Vaghela resigned on 14 September 2022, and is no longer a Director of the Group or Company. The Remuneration Committee determined that he is deemed a good leaver and is entitled to his VCP share options award provided he remains employed by the Company on or after 23 April 2023. Further details are provided in the Remuneration report on pages 50 to 65.

Qualifying Third Party Indemnity Provision

At the date of this report, the Company has a third-party indemnity policy in place for all Directors.

Substantial Shareholders

As at 31 December 2022, the total number of issued ordinary shares with voting rights in the Company was 259,432,801.

Details of the Company's capital structure and voting rights are set out in Note 29 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at 15th March 2023.

Party Name	Number of Ordinary Shares	% of Share Capital
Media Concierge (Holdings) Ltd	61,897,882	23.86%
Aberforth Partners	52,000,425	20.04%
Alasdair Locke	25,632,627	9.88%
David Montgomery	19,231,631	7.41%
Downing LLP	8,559,648	3.30%
Axiom Media Holdings Ltd	8,407,827	3.24%

Financial instruments

Details of the use of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the Accounting Policies and Note 30 of the financial statements.

Dividends

The Group intends to pay a final dividend of 0.5 pence per share. Subject to approval by shareholders at the forthcoming Annual General Meeting, the dividend will be paid on 5 July 2023 to shareholders on the register at 2 June 2023. The maiden dividend reflects the Board's confidence in the ongoing strong cash generation of the business, the future prospects of the Group and its strong balance sheet. The Board continues to adopt a progressive dividend policy.

Political donations

There were no political donations made during the year.

Future developments and events subsequent to the year end

Further details of the Company's future developments and events subsequent to the year-end are set out in the Strategic Report on pages 15 to 44.

Corporate Governance

The Governance report forms part of the Directors' Report and is disclosed on pages 66 to 69.

Going Concern

The Directors consider it appropriate to adopt the going concern basis of accounting in the preparation of the Group's annual consolidated financial statements.

In accordance with LR 9.8.6(3) of the Listing Rules, and in determining whether the Group's annual consolidated financial statements can be prepared on a going concern basis, the Directors considered the factors likely to affect its future development, performance, and its financial position, including cash flows, liquidity position and borrowing facilities and the risks and uncertainties relating to its business activities. Key considerations in the assessment were:

- The ongoing impact of the macroeconomic conditions on revenue;
- Management's ongoing mitigating actions in place to manage costs and cash flow;
- Capital expenditure requirements, including ongoing maintenance capital expenditure requirements; and
- Investment in digital resource and development.

Having considered the factors impacting the Group's businesses, including downside sensitivities, the £27.0 million cash held as at 31 December 2022, the Directors are satisfied that the Group will be able to operate with sufficient financial flexibility and headroom for the foreseeable future.

The Directors have reasonable expectations that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Group's annual consolidated financial statements.

Viability statement

The Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. The Directors assessed the prospects of the Group over a three-year period which reflects the budget for 2023 and projections for 2024 and 2025 in line with the planning cycle adopted by the Group. A three-year period is adopted as it enables the Directors to consider the impact of declining print revenues, investment to drive growth in digital and ongoing restructuring costs required to support profits and cash flow. The assessment considers the Group's current financial position and the principal risks and uncertainties facing the Group including those that would threaten the business model, future performance, solvency or liquidity.

Sensitivity analysis is 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, aside from the acquisition completed in December 2022, no other 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.

It is understood that such future assessments are subject to a level of uncertainty that increases with time and, therefore, future outcomes cannot be guaranteed or predicted with certainty. Also, this assessment was made recognising the principal risks and uncertainties that could have an impact on the future performance of the Group and the financial risks described in the notes to the Group's annual consolidated financial statements.

Principal Activity

The Company's principal activity is to operate in the news publishing sector. The principal activities of the Group are to meet the wide-ranging news and information needs of numerous local communities across the United Kingdom. The Group operates a portfolio of newspaper and digital publications providing advertisers with a range of market access and readers with trusted local content.

Auditors

Crowe U.K. LLP has expressed its willingness to continue in office and a resolution to reappoint the firm will be proposed at the Annual General Meeting.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report alongside 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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

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 Company and of the profit or loss of the Company for that year. The Directors are also required to prepare financial statements in accordance with the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA for companies whose ordinary shares are admitted to the Standard Listing.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the UK have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Remuneration Committee Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible to make a statement that they consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Company's position and performance, business model and strategy.

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

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on pages 45-46 confirm that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with IFRS as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Annual Report and financial statements, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The report of the Directors was approved by the Board on 16 March 2023 and signed on its behalf by:

David Montgomery
Executive Chairman
16 March 2023

Dear Shareholder

On behalf of the Board, I am pleased to present our Remuneration Report for the 52 weeks ended 31 December 2022. In this report I will provide an update of the remuneration of both the Executive and Non-Executive Directors over the last twelve months.

This Report has been prepared in accordance with the requirements of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the Regulations) and, after this introductory letter, is split into two parts: this Annual Statement, which includes a letter from me and the Annual Remuneration Report.

For information the Directors' Remuneration Policy which was approved by our shareholders at our Annual General Meeting (AGM) on 26 May 2022 can be found within the Annual Report and Accounts for 2021 and is available on the Company's website at www.nationalworldplc.com/investors/reports-presentations-and-publications/year/2021. I would like to take this opportunity to thank our shareholders for their support in approving the Remuneration Policy which was approved by 100% of shareholders who voted, it should also be noted that the Directors' Remuneration Report was also approved by 100% of shareholders who voted at the AGM.

Remuneration Committee

The Remuneration Committee comprises myself as chair and David Lindsay, who has replaced Steve Barber on the Committee following Steve Barber's resignation on 22 July 2022, and we meet at least twice each year. Each of us are deemed by the Board to be independent Non-Executive Directors. John Rowe was replaced as Remuneration Committee chair in December 2022, and resigned from the Remuneration Committee on 3 March 2023 as John was no longer deemed independent. David Lindsay is deemed independent by the Board not withstanding that he received a small consultancy fee in respect of additional work associated with the discussions on a possible acquisition during the year. David Fordham attends the Remuneration Committee meetings as an observer.

The Committee is primarily responsible for determining and recommending to the Board the policy for the remuneration and employment terms of the Executive Directors and, in consultation with the Executive Chairman, for determining the remuneration packages of other senior executives. The Committee is also responsible for the review of share incentive plans and performance related pay schemes and their associated targets and for making recommendations, to the Board, in connection with them. It is also responsible for the oversight of employee benefit structures across the Group. No Director or other senior executive is involved in any decisions as to their own remuneration. The Committee's terms of reference are reviewed and approved by the Board annually and are available on the Company's website.

	Meetings attended
Daniel Cammiade (Chair since 1st December 2022)	6
John Rowe (Chair until 1st December 2022)**	6
Steve Barber*	2
David Lindsay	2

*Steve Barber resigned 22 July 2022
**John Rowe resigned from the Remuneration Committee on 3 March 2023, as he was no longer deemed independent.

Remuneration Policy

As mentioned above our shareholders unanimously approved the Remuneration Policy at the 2022 AGM and it is our intention to continue to operate this policy in 2023.

The Group's Remuneration Policy is intended to be conventional, in line with market and good practice for UK growth quoted companies. The policy is designed to ensure that it can attract, retain and motivate executives and senior management of the right quality to enable it to fulfil its strategic objectives and deliver long-term sustainable growth. The retention of key management and the alignment of management incentives with the creation of shareholder value is a key objective of this policy. In addition, the Committee seeks to keep Executive Director remuneration consistent with the Company's culture and to take account of the effects of Executive Directors' remuneration on the workforce and other stakeholders.

The policy has four main elements, base salary, benefits (including pension), annual performance related bonuses and long-term share incentives. Each element is pitched to be effective and attractive. Salary and benefits will be set at appropriate levels to attract and retain high quality management. A significant proportion of total remuneration is performance-based using a structure which is common among UK growth quoted companies including an annual bonus plan based on objective financial, operational and strategic targets and annual long term incentive awards based on meeting demanding objective three year performance targets.

The Policy is intended to reflect the current scale of the business whilst having the flexibility to allow for development as the Company builds its operations over the three year Remuneration Policy period.

2022 Review

The annual salaries of the Executive Directors were increased by 3.00% on 1 April 2022 to £206,000, in line with the minimum increase for all staff. The pension supplement was reduced from 10% to 8% of annual salary and capped at £125,000. As such, pension arrangements for Executive Directors are in line with arrangements now in place for all staff.

Annual bonus

The Company operated an annual bonus plan for 2022 based on financial and operational targets including EBITDA performance weighted at 67% and digital revenue performance weighted at 33%. The maximum bonus opportunity was 60% of salary for each Executive Director. No bonus was payable to the Executive Directors for 2022 performance as Actual EBITDA was 3% below base target, and Digital Revenues 1% below base target. No staff bonus was paid for 2022 performance, as the Executive Director bonus targets were not achieved.

2022 Long term incentive plan

On 12 December 2022 awards were made to two Executive Directors under the National World Long Term Incentive Plan. Further details of these awards are included in the Annual Report on Remuneration below.

Remuneration in 2023

The Company will operate remuneration in 2023 in line with the Remuneration Policy.

Salaries and pension

The annual salaries of the Executive Directors will be increased by 4.00% effective 1 April 2023 to £214,240, lower than the minimum increase proposed for all staff. The pension supplement remains unchanged at 8% of annual salary and capped at £125,000.

Annual bonus

For 2023 the Company will operate an annual bonus plan based on financial and operational targets including EBITDA performance weighted at 67% and digital revenue performance weighted at 33%. The maximum bonus opportunity for 2023 will be 45% of salary for each Executive Director, which is reduced from the 2022 maximum bonus opportunity for each Executive Director of 60% to allow for a bonus to be payable to a wider pool of eligible staff. Precise information on the performance targets will not be disclosed in advance as it is commercially sensitive but will be disclosed retrospectively. The annual bonus would be payable in cash.

A bonus scheme is in place for all staff, which will entitle all staff to a bonus in the event a bonus is payable to the Executive Directors. The bonus targets will be aligned to targets set for the Executive Directors. All staff in the Group who do not participate in a specific bonus scheme (ie commercial staff and senior management staff) will participate in the staff bonus scheme.

Long Term Incentive Plan

The Company expects to make long term incentive awards in line with the Policy during 2023. Awards will have a value of 40% of salary for the Executive chairman and the Chief Commercial Officer and will be subject to three year performance targets: 50% absolute total shareholder return (TSR) and 50% earnings per share. The reduced 2023 LTIP awards value for the Executive chairman and the Chief Commercial Officer, compared to the prior year of 100% and 75% respectively, is due to the extension of the LTIP scheme to a wider pool of eligible staff. The performance targets will be set at the point of award and disclosed in the announcement of awards and in next year's annual report.

John Rowe was appointed as an Executive Director on 24 February 2023 for a fixed term ending 31 December 2024, and will be eligible to receive a commensurate cash incentive equivalent to the LTIP awarded to other Executive Directors.

Non-Executive Director remuneration

Subject to some exceptions, the remuneration of Non-Executive Directors will be reviewed every three years with the next review to be for the financial year 2024. There will be certain circumstances where remuneration or additional fees for Non-Executive Directors will be reviewed in the interim period. This could include changes arising following an acquisition and/or additional responsibilities being undertaken by Non-Executive Directors.

Engagement with shareholders

The Board is committed to sound corporate governance and has adopted the UK FRC Corporate Governance Code. We welcome dialogue with shareholders on Directors' Remuneration. At our 2023 AGM, this Remuneration Report will be put to an advisory vote.

On behalf of the Committee, I thank you for your support in 2022 and hope that you find this report increasingly helpful and informative.

Daniel Cammiade
Chairman of Remuneration Committee
16 March 2023

Remuneration Policy

This section of the report sets out the Directors' remuneration policy approved at the 2022 AGM, held on 26 May 2022. The information in this report is unaudited, unless indicated otherwise.

Purpose

The Group's Remuneration Policy is designed to ensure that it can attract, retain and motivate executives and senior management of the right quality to enable it to fulfil its strategic objectives and deliver long-term sustainable growth. The retention of key management and the alignment of management incentives with the creation of shareholder value is a key objective of this policy. In addition, the Committee seeks to keep Executive Director remuneration consistent with the Company's culture and to take account of the effects of Executive Directors' remuneration on the workforce and other stakeholders.

Remuneration policy table

Purpose and link to strategy	Operation	Potential remuneration	Performance metric
Base salary This is the core element of pay that reflects the individual's role and position within the Group. Staying competitive in the market allows us to attract and retain high calibre executives with the skills and experience to deliver our strategy.	Base salaries are typically reviewed annually, with any changes effective from 1 April, but exceptionally may take place at other times of the year. When determining an appropriate level of base salary, the Committee considers Group performance, the role, responsibilities, experience and personal performance of the Director; the general salary increase for all staff. In addition to the above, salaries may be independently benchmarked from time to time against comparable roles in quoted companies of a similar size and complexity.	The actual base salaries paid to the Executive Directors and those set for the current year are disclosed in the Annual Report on Remuneration.	Not applicable
Benefits A comprehensive benefits package is offered to complement basic salary to attract and retain executives.	Reviewed from time to time to ensure that benefits when taken together with other elements of remuneration remain market competitive. The Executive Directors are provided with Life cover of 4x salary and private medical cover for them and their spouses.	The cost of providing these benefits varies year on year depending on the schemes' premiums. The Remuneration Committee monitors the overall cost of the benefits package.	Not applicable
Pension Provides a competitive and appropriate pension package. To provide retirement benefits which, when taken together with other elements of the remuneration package, will enable the Group to attract and retain executives.	The Executive Directors may participate in the Group's defined contribution (money purchase) pension scheme or receive a pension supplement of equivalent cost to the Company. All eligible staff in the Company may participate in the Group's defined contribution pension scheme.	The pension supplement is 8% of salary capped at £125,000. As such, pension arrangements for Executive Directors are in line with arrangements in place for all staff.	Not applicable

Purpose and link to strategy	Operation	Potential remuneration	Performance metric
Annual Bonus To incentivise the achievement of the Group's annual financial targets, or other near-term strategic objectives.	The Executive Directors and other senior executives will participate in a discretionary, annual, performance-related bonus scheme. Annual bonus is normally paid in cash. The Remuneration Committee at its discretion may determine that a proportion of any bonus that it awards may be deferred into an allocation of shares or grant of options. Annual bonus is subject to clawback and malus provisions.	The maximum bonus deliverable under the plan is up to 100% of annual base salary for the Executive Directors. The Committee may apply a lower maximum bonus opportunity in any given year.	Bonus awards are based on annual performance against stretching Group financial, operational, personal and strategic objectives. The choice, weighting and pitching of performance targets may be varied from year to year.
Long-Term Incentive Plan ("LTIP") To align the interests of executives with those of shareholders; to motivate and incentivise delivering sustained business performance over the long-term; to aid retention of key executive talent long term.	The Executive Directors and other senior executives may participate in a discretionary LTIP. The plan entitles participants to an allocation of, or options over, free (or nominal value) shares after a performance period of three years (or any other period as the Committee may decide), subject to certain performance and service conditions being met. Participation is at the discretion of the Remuneration Committee. Awards will typically be made annually based on a multiple of annual salary. Performance conditions are set by the Remuneration Committee at the time of the award. The plan rules amongst other things include clawback and malus provisions and a limitation to ensure that new shares issued, when aggregated with all other employee share awards, must not exceed 10% of issued share capital over any ten-year period excluding the VCP. Awards made after the company is admitted to the UK Premium List will be subject to a two year post vesting holding period.	The Remuneration Committee would in normal circumstances expect to make annual LTIP awards to the Executive Directors at a value of up to 100% of base salary to the Executive Chairman and other Executive Directors. In the event of recruitment only, there is a limit of 150%. The Committee may make lower annual LTIP awards in any given year. The Committee expects to increase the maximum bonus opportunity as the Group grows but within the limit specified above.	The vesting of LTIP awards is conditional upon the successful achievement of financial, operational, share price and strategic performance conditions over the performance period, which are set by the Remuneration Committee at the time of the award. Performance conditions may include compound annual growth in adjusted earnings per share ("EPS"), and compound annual growth in total shareholder return ("TSR") and other objectives. For future LTIP awards the Remuneration Committee will assess what performance conditions and associated weightings it considers appropriate in supporting the Company's strategy and longer-term objectives.

Purpose and link to strategy	Operation	Potential remuneration	Performance metric
Shareholding guidelines			
Encourages Executive Directors to build a meaningful shareholding so as to further align their interests with shareholders.	Each Executive Director is expected to build up and maintain a shareholding in National World plc equivalent to 100% of base salary. The shareholding includes beneficially owned shares, vested LTIPs on an after-tax basis and bonuses deferred into shares on an after-tax basis. If an Executive Director does not meet the guidelines, the Remuneration Committee may delay the release of 50% of LTIPs at the end of the holding period until the requirement is met. If and when the Company is admitted to the UK Premium List, it will apply a requirement to hold shares corresponding to the lower of the Shareholding Guidelines or their holding on departure for 2 years post cessation.	Not applicable.	Not applicable.

2019 Value Creation Plan

The VCP was put in place on Admission in September 2019 to support the delivery of the Company's strategy and to retain the lead executives and reward them for driving its successful delivery. No further awards will be made under the VCP and, as such, it does not form part of the ongoing Remuneration Policy.

The VCP operates over a performance period commencing on admission to a Standard Listing and to trading on the Main Market of the London Stock Exchange (September 2019) and ending on the date of publication of the Company's results for the financial year ending 31 December 2022 (the "Performance Period End Date"). The VCP is intended to give plan participants an entitlement to a percentage share in a pool of returns delivered to Shareholders above a hurdle rate of return to be awarded as nominal cost options ordinarily vesting on the 21st dealing day following the Performance Period End Date ("Vesting Date") over a number of Ordinary Shares determined immediately prior to the Vesting Date. The initial base Ordinary Share price for the VCP is the placing price of 10p, subject to any share consolidation. A two-year holding period will apply to vested awards if the Company is admitted to a Premium Listing at the Vesting Date.

The overall effect of the VCP is that the participants together will be able to earn Ordinary Shares equivalent in value to 10% of any equity value created above an 8% compound annual growth rate based on the measurement of absolute total shareholder return generated over the VCP performance period. In other words, until shareholders receive an 8% p.a. return, the VCP will not pay out. Beyond that, participants may in aggregate receive 10% of any further equity value created subject to a cap of 10% of issued Ordinary Share capital. The equity value created is calculated under the plan as the market capitalisation of the Company at the end of the VCP performance period less the net invested capital in the Company. The net invested capital in the Company is the equity value of the Company on Admission plus any additional Ordinary Shares issued multiplied by the price per Ordinary Share at which they are issued increased by the compound annual hurdle of 8% from the date of issuance up to the end of the VCP performance period and less all amounts paid by the Company by way of dividends or other distributions in respect of the Ordinary Shares over the relevant period.

The VCP contains malus and claw back provisions in circumstances of a material misstatement resulting in an adjustment in the audited accounts, gross misconduct and fraud effected by or with the knowledge of the participant.

Awards will normally lapse immediately upon a Participant ceasing to be employed by or holding office with the Group. For good leavers (including death, ill-health, injury, disability, redundancy, retirement with the agreement of their employer the Participant being employed by a company which ceases to be a Group company or in other circumstances at the discretion of the Remuneration Committee) awards will ordinarily vest on the normal vesting date subject to pro-rating for time.

In the event of a takeover, scheme of arrangement, demerger or winding-up of the Company, awards will vest in full, and Options will become immediately exercisable, subject to the application of the formula over the period to the change of control. Alternatively, Participants may be allowed to exchange their Awards and/or Options for options over shares in the acquiring company.

Entitlements of participants in the pool of returns are split as follows: David Montgomery, Executive Chairman – 35%, Vijay Vaghela, former Chief Operating Officer – 35%, Mark Hollinshead, Chief Commercial Officer - 30%. Vijay Vaghela resigned on 19 September 2022, and is serving a 12-month notice period. In September 2022, the Remuneration Committee decided that Vijay was deemed a good leaver, and is entitled to his VCP share options award provided he remains employed by the Company on or after 23 April 2023.

Policy on Non-Executive Director Remuneration

Purpose and link to strategy	Approach to setting fees	Other items
Non-Executive Directors' fees		
To enable the Company to recruit and retain Non-Executive Directors of the highest calibre, at an appropriate cost.	Non-Executive Directors are paid a basic annual fee. Additional fees may be paid to Non-Executive Directors who chair the Board, chair a committee and to the Senior Independent Director (SID) or take on additional responsibilities. With the exception of changes required following substantial acquisitions or changes in responsibilities, Non-Executive Directors fees are reviewed every three years with changes effective from 1 January each year. Non-Executive Directors are entitled to be reimbursed for reasonable expenses as would be a Non-Executive chair if one were appointed during the policy period. The Non-Executives' fees are approved by the Board on the recommendation of the Chairman and the Executive Directors. The Non-Executive Directors are not involved in any decisions about their own remuneration.	Non-Executive Directors are not entitled to receive any compensation for loss of office, other than fees for their notice period. They do not participate in the Group's bonus, LTIP, employee share plans or pension arrangements, and do not receive any employee benefits.

Service contracts and letters of appointment

The current Executive Directors each have a service contract with the Company which provides for a notice period of up to 12 months from either party. It is intended that this policy would also apply to new appointments of Executive Directors. Non-Executive Directors are appointed pursuant to a letter of appointment for an initial period of three years, which may be subject to renewal thereafter. Appointments may be terminated by either the Company or the Non-Executive Director giving three months' notice. Save in respect of retirement by rotation, a Non-Executive Director being removed from office may receive an amount equal to the fee during any remaining notice period.

	Date of contract	Notice period
Executive		
David Montgomery	1 July 2021	12 months
Vijay Vaghela*	1 July 2021	12 months
Mark Hollinshead	1 July 2021	12 months
Non-Executive		
John Rowe****	1 July 2021	3 months
Steve Barber**	1 July 2021	3 months
Daniel Cammiade	1 July 2021	3 months
David Fordham	29 September 2021	3 months
David Lindsay***	12 September 2022	3 months

* Vijay Vaghela resigned 14 September 2022
** Steve Barber resigned 22 July 2022
*** David Lindsay appointed 14 September 2022
**** John Rowe was appointed as an Executive Director on 24 February 2023 for a fixed term ending 31 December 2024, and will be subject to the provisions of contract extension or early termination if agreeable by both parties.

Explanation of performance measures

For both the annual bonus and LTIPs, the objective of our Policy is to choose performance measures which help drive and reward the achievement of our strategy and which also provide alignment between Executives and shareholders. The Remuneration Committee reviews metrics annually to ensure they remain appropriate and reflect the future strategic direction of the Group. Targets for each performance measure are set by the Committee with reference to internal plans and external expectations. Performance is generally measured so that incentive payouts increase pro rata for levels of performance in between the threshold and maximum performance targets. With regard to the annual bonus, the Remuneration Committee believes that a simple and transparent scheme with sufficiently stretching targets and an element of bonus deferral prevents short-term decisions being made and ensures that the Executives are focused on the delivery of sustainable business performance. With regard to the LTIP, the Committee believes in setting demanding objectives, which reward progressive growth, in order to incentivise and encourage long-term growth and enhance shareholder value. Performance measures and targets are disclosed in the Annual Report on Remuneration. In cases where targets are commercially sensitive, for example annual profit targets for the annual bonus, they will be disclosed retrospectively in the year in which the bonus is paid.

Committee discretion, flexibility and judgement in operating the incentive plans

In line with market practice and the various scheme rules, the Remuneration Committee retains discretion relating to operating and administering the annual bonus and the LTIP. This discretion includes, but is not limited to:

The Discretionary Annual Bonus Plan: the scheme participants, the review of and setting of annual performance measures and targets, the determination and calculation of any bonus payment, including upward or downward adjustment as appropriate, the timing of any bonus payments, the determination of the proportion of any bonus award that is deferred into an award under the terms of the deferred bonus plan, the determination of the treatment of leavers depending on the circumstances, overriding Committee discretion.

The LTIP Plan: the scheme participants, the form and timing of the grant of an award, the size of awards made, the setting of appropriate performance measures, the determination of the treatment of leavers depending on the circumstances, discretion relating to vesting in the event of a change of control of the Company, the ability to substitute a cash equivalent in place of shares, to make appropriate adjustments to awards required in certain circumstances e.g. demerger, capitalisation or rights issue, or other restructuring events, to change any performance or other condition applying to an award, if any event or series of events happen, which results in the Remuneration Committee considering it is fair and reasonable to make such change, overriding Remuneration Committee discretion.

Malus and Clawback

Malus and clawback provisions apply to the annual bonus and LTIP. Malus and/or clawback may apply to annual bonus awards, including any deferred awards for a period of two years and to Performance Share Plan awards in the period up to the fifth anniversary of grant, in the event of: a material misstatement of results; gross or serious misconduct; an error or misstatement which has resulted in a material overpayment to the participants; a significant failure of risk management within the Company or any Group Member; significant reputational damage to the Company or any Group Member; the participant leaving in circumstances which, had all the facts been known, would have resulted in the award lapsing; or any other circumstances that the Remuneration Committee, in its discretion, considers to be similar in nature or effect to those above.

Remuneration arrangements across the Group

The principles behind the Remuneration Policy for Executive Directors are cascaded down through the Group and their aims are to attract and retain the best management and staff and to focus their remuneration on the delivery of long-term sustainable growth by using a mix of salary, benefits, bonus and longer-term incentives.

As a result, no element of the Executive Director Remuneration Policy is operated exclusively for Executive Directors: The annual performance related pay scheme for Executive Directors is largely the same as that of the other senior managers within the business and all are aligned with similar business objectives. Participation in the LTIP is extended to the senior managers where possible. The pension scheme is operated for all permanent staff.

The main difference between pay for Executive Directors and employees is that, for Executive Directors, salaries are higher, the variable element of total remuneration is greater while the total remuneration opportunity is also higher to reflect the increased responsibility of the role.

How employee pay is taken into consideration

The Remuneration Committee does not consult directly with employees when determining the Remuneration Policy for Executive Directors. However, as stated above, the annual bonus is operated for other employees to ensure alignment of objectives across the Group and the terms of the pension scheme are the same for all permanent employees. In addition, the Committee compares information on general pay levels and policies across the Group when setting Executive Director pay.

All-colleague share schemes

In the event an all-colleague share scheme is introduced all Executive Directors, where eligible for participation in all-colleague share schemes, will participate on the same basis as for other employees.

Shareholder views on remuneration

The Remuneration Committee will consider shareholder feedback received on the Directors' Remuneration Report each year and guidance from shareholder representative bodies more generally. Shareholders' views are key inputs when shaping Remuneration Policy. When any material changes are proposed to the Remuneration Policy, the Remuneration Committee Chair will consult with major shareholders in advance.

Policy on recruitment

The principle applied in the recruitment of a new Executive Director is for the remuneration package to be set in accordance with the terms of the approved Remuneration Policy for existing Executive Directors in force at the time of appointment. Further details of this Policy for each element of remuneration are set out below.

Salary

Salaries for new hires, including internal promotions, will be set to reflect their skills and experience, the Company's intended pay positioning and the market rate for the applicable role. Where it is appropriate to offer a salary initially below median levels, the Remuneration Committee will have the discretion to allow phased salary increases over a period of time for newly appointed Directors, even though this may involve increases in excess of the rate for the wider workforce and inflation.

Benefits and pension

Benefits will be provided in line with those offered to other Executive Directors, taking account of local market practice, with relocation expenses or arrangements provided if necessary. The Company may also pay legal fees and other costs incurred by the individual. These would all be disclosed. Pension would be set in line with the workforce level.

Incentive opportunity

The aggregate ongoing incentive opportunity offered to new recruits will be no higher than that offered under the annual bonus plan and the LTIP to the existing Executive Directors. Different performance measures and targets may be set initially for the annual bonus plan, taking into account the responsibilities of the individual and the point in the financial year at which they join.

"Buyout" awards

Sign-on bonuses are not generally offered by the Company but, at Board level, the Committee may offer additional cash and/or share-based "buyout" awards when it considers these to be in the best interests of the Company and, therefore, shareholders, including awards made under Listing Rule 9.4.2R. Any such "buyout" payments would be based solely on remuneration lost when leaving the former employer and would reflect the delivery mechanism such as cash, shares, options, time horizons and performance requirements attaching to that remuneration.

Transitional arrangements for internal appointments to the Board

In the case of an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms on grant, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue, provided that they are put to shareholders for approval at the first AGM following their appointment.

Policy on payment for loss of office

Payments on termination for Executive Directors are restricted to the value of salary and contractual benefits for the duration of the notice period. It is the policy of the Remuneration Committee to seek to mitigate termination payments and pay what is due and fair. There are no predetermined special provisions for Executive Directors with regard to compensation in the event of loss of office. The Company may also pay an amount considered to be reasonable by the Committee where loss of office is due to redundancy or in respect of fees for legal advice for the outgoing Director or to settle or compromise any legal claims. Assistance with outplacement may also be provided. Elements of variable remuneration would be treated as follows.

Annual bonus

The treatment of annual bonus payments upon cessation of employment is determined on a case-by-case basis. When the Remuneration Committee determines that the payment of an annual bonus is appropriate, the annual bonus payment is typically: prorated for the period of time served from the start of the financial year to the date of termination and not for any period in lieu of notice or garden leave; subject to the normal bonus targets, tested at the end of the year, and would take into account performance over the notice period, subject to deferral terms applied to other Executive Directors.

Long Term Incentive Plan

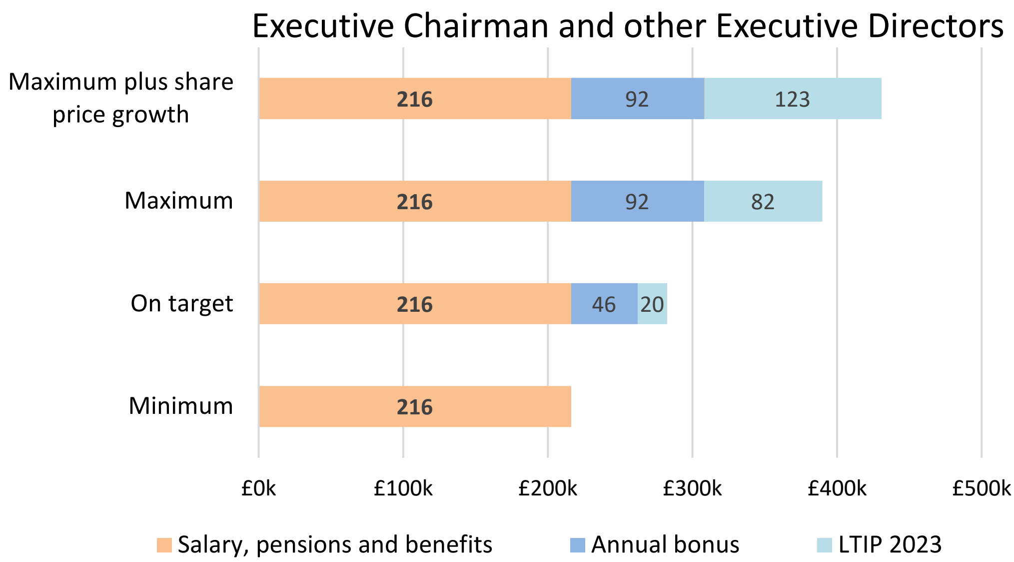
Under the LTIP, unvested awards will normally lapse upon cessation of employment. However, in line with the plan rules, the Remuneration Committee has discretion to allow awards to vest at the normal vesting date, or earlier. If the Remuneration Committee exercises this discretion, awards are normally prorated to reflect time served since the date of grant and based on the achievement of the performance criteria. The holding period detailed above will apply to such incentives.

External appointments

Executive Directors are permitted to hold outside directorships, subject to approval by the Non-Executive Directors, and any such Executive Director is permitted to retain any fees paid for such services.

Illustration of Remuneration Scenarios

The Executive Chairman and other Executive Directors are remunerated consistently for 2023. The chart below details the hypothetical composition of the Executive Chairman and other Executive Directors remuneration package for 2023 and how it could vary at different levels of performance under the Policy set out above.



* John Rowe was appointed as an Executive Director on 24 February 2023 for a fixed term ending 31 December 2024, and will be eligible to receive a commensurate cash incentive equivalent to the LTIP award awarded to other Executive Directors.

Note that the charts are indicative, as actual amounts may depend on share price. Assumptions made for each scenario are as follows:

- Minimum. Fixed remuneration only: salary, benefits and pension based on 2023 amounts;
- Target. Fixed remuneration plus half the annual bonus opportunity of 45% per cent of salary, plus 25% vesting of the maximum award under the 2023 LTIP;
- Maximum. Fixed remuneration plus maximum annual bonus opportunity equivalent to 45% per cent of salary, as well as 100% per cent vesting of the maximum award under the 2023 LTIP (40% of salary); and
- Effect of a 50% increase in share price. Same assumptions as for the maximum scenario, but with the additional assumption that the value of LTIP awards increases by 50% as a result of share price appreciation over the performance period.

Value Creation Plan

The overall effect of the VCP is that the three participants together will be able to earn Ordinary Shares equivalent in value to 10% of any equity value created above an 8% compound annual growth rate based on the measurement of absolute total shareholder return generated over the VCP performance period. The equity value created is calculated under the plan as the market capitalisation of the Company at the end of the VCP performance period less the net invested capital in the Company.

The table below presents the number of shares that would be awarded to the participants, if the share price for the Testing period was 20p, 25p, 30p or 35p. The Testing period is defined as the period of 20 dealing days commencing on and immediately following the Performance Period End Date (defined as the date the Company's results for the year-ended 31 December 2022 are published, that is 16th March 2023). For comparative purposes, the closing share price at 31 December 2022 was 19p, and the closing share price on 15 March 2023 was 22p. The VCP share awards will be satisfied by the issue of new shares.

					Number of potential shares awarded			
Share price	Market value £m	Market value at 8% compound growth £m	Growth above 8% hurdle £m	10% of growth £m	David Montgomery	Vijay Vaghela*	Mark Hollinshead	Total
20p	51.9	29.4	22.5	2.3	3,939,493	3,939,493	3,376,708	11,255,694
25p	64.9	29.4	35.5	3.6	4,967,624	4,967,624	4,257,963	14,193,211
30p	77.9	29.4	48.5	4.9	5,653,045	5,653,045	4,845,467	16,151,557
35p	90.8	29.4	61.4	6.1	6,142,631	6,142,631	5,265,112	17,550,374

* Vijay Vaghela resigned on 14 September 2022. The Remuneration Committee decided that Vijay was deemed a good leaver, and is entitled to his VCP share options award provided he remains employed by the Company on or after 23 April 2023.

Annual Report on Remuneration

This Annual Report on Remuneration sets out information about the remuneration of the Directors of the Company, for the 52 weeks ended 31 December 2022. The information in this report is unaudited, unless indicated otherwise.

Single total figure of remuneration for Directors (audited)

Set out below are the emoluments of the Directors for the 52 weeks ended 31 December 2022 and 1 January 2022:

Name of Director		Salary and fees £'000	Taxable benefits £'000	Annual bonus and long term incentives £'000	Pension related benefits £'000	Other £'000	Total 2022 £'000
Executive Directors							
David Montgomery	**2022**	**205**	**1**	**-**	**10**	**-**	**216**
	2021	**160**	**1**	**-**	**12**	**-**	**173**
Vijay Vaghela*	**2022**	**205**	**1**	**-**	**10**	**-**	**216**
	2021	**160**	**1**	**-**	**12**	**-**	**173**
Mark Hollinshead	**2022**	**205**	**1**	**-**	**10**	**-**	**216**
	2021	**160**	**1**	**-**	**12**	**-**	**173**
John Rowe**	**2022**	**44**	**-**	**-**	**-**	**58**	**102**
	2021	**35**	**-**	**-**	**-**	**-**	**35**
Steve Barber***	**2022**	**35**	**-**	**-**	**-**	**-**	**35**
	2021	**46**	**-**	**-**	**-**	**-**	**46**
Daniel Cammiade	**2022**	**36**	**-**	**-**	**-**	**-**	**36**
	2021	**28**	**-**	**-**	**-**		**28**
David Fordham	**2022**	**35**	**-**	**-**	**-**	**-**	**35**
	2021	**9**	**-**	**-**	**-**		**9**
David Lindsay****	**2022**	**14**	**-**	**-**	**-**	**15**	**29**
	2021	-	-	-	-	-	-
TOTAL	**2022**	**779**	**3**	**-**	**30**	**73**	**885**
TOTAL	**2021**	**598**	**3**	**-**	**36**	**-**	**637**

* Vijay Vaghela resigned on 14 September 2022 the table above shows his remuneration including his notice period. Vijay Vaghela will be paid his base salary and benefits during his 12 notice period ending on 18 September 2023. He received no bonus in respect of 2022 and will not participate in 2023 annual bonus. Vijay Vaghela has been deemed a good leaver, and is entitled to his VCP share options award provided he remains employed by the Company on or after 23 April 2023.

** John Rowe received Digital Steering Group consultancy fees of £58k during the period from 1 September 2022 until 31 December 2022. On 24 February 2023 John was appointed as an Executive Director, and resigned from both the Audit & Risk Committee and Remuneration Committees on 3 March 2023.

*** Steve Barber resigned 22 July 2022

**** David Lindsay appointed 14 September 2022. David's other fee was for one-off financial consultancy services for the aborted transaction review. This work was undertaken in October and November 2022 for a short duration.

Salaries and fees

Executive Director salaries were increased by 3% to £206,000 pa effective 1 April 2022, in line with the minimum increase awarded to all employees. Non-Executive Director base fees are £35,000 per annum, with additional fees for Chairing the Audit and Remuneration Committees of £10,000 pa. An additional fee of £15,000 would be paid to the Senior Independent Director, however, there are no Non-Executive Director currently holding this position following Steve Barber's resignation on 22 July 2022.

Annual bonus

The Company operated an annual bonus plan for 2022 based on financial and operational targets including EBITDA performance weighted at 67% and digital revenue performance weighted at 33%. The maximum bonus opportunity was 60% of salary for David Montgomery and Mark Hollinshead. No bonus was payable for 2022 performance as Actual EBITDA was 3% below base target, and Digital Revenues 1% below base target. No staff bonus was paid for 2022 performance, as the Executive Director bonus targets were not achieved.

Measure	Weighting	Threshold £m	Maximum £m	Outcome	% of bonus opportunity payable
Adjusted EBITDA	67%	£10m	£12m	£9.7m	0%
Digital revenue	33%	£16.5m	£19.5m	£16.3m	0%

LTIP interests awarded in 2022 (audited)

On 12 December 2022, David Montgomery and Mark Hollinshead were granted awards under the LTIP in the form of performance shares. The three-year period over which performance will be measured will end in December 2024. To the extent that performance conditions are met, awards will vest on 15 December 2025.

Name of Director	Date of grant	Shares over which awards granted[1]	Value of awards granted (£)	% of salary
David Montgomery	12 December 2022	**1,056,410**	**206,000**	**100**
Mark Hollinshead	12 December 2022	**792,308**	**154,500**	**75**

[1] The base price for calculating the level of awards was 19.5p, the share price on the 12 December 2022.

Vesting of LTIP awards granted (as nil cost options) in 2022 is subject to two performance conditions: Adjusted Earnings per share (EPS) and Total Shareholder Return (TSR), representing 50% of each award. Further details of the targets applying to these awards are included in the tables below.

Adjusted EPS performance target

Up to 50% of the total performance shares will vest dependent upon the achievement of an adjusted EPS target for the Performance period. On satisfaction of the EPS Performance Target condition, the Option shall be capable of vesting as calculated on a straight-line basis between 25% and 100% and any entitlement to a fraction of a Share shall the rounded to the nearest whole share.

	% of award exercised
Below 2.8p	Nil
2.8p	25%
3.2p (15% ahead of threshold target)	100%

Total shareholder return performance target

The TSR target shall be based on the compound percentage annual shareholder return achieved per Share in the Company over the Performance Period.

TSR target	% of award exercised
Below 8.0% per annum	Nil
8%	25%
16%	100%

On satisfaction of the TSR Performance Target Condition, this Option shall be capable of Vesting as calculated on a straight-line basis between 25% and 100% and any entitlement to a fraction of a Share shall be rounded down to the nearest whole Share (such Shares being, "TSR Performance Target Condition Shares").

As soon as practical following the end of the Performance Period or on such earlier date as required under the Plan, the Committee will determine the extent to which the EPS Performance Target Condition and the TSR Performance Target Condition have been satisfied, and the number of EPS Performance Target Condition Shares and TSR Performance Target Condition Shares in respect of which the Option is capable of Vesting.

In making its determination in relation to the achievement of the above conditions, the Committee may, in line with the Good Governance Practice, exercise its discretion to override formulaic outcomes, including, without limitation, to reflect overall corporate performance and the experience of shareholders in terms of value creation and if the business has suffered an exceptional negative event.

The Remuneration Committee has discretion to adjust the level of vesting if in its opinion such level of vesting resulting from the application of the performance conditions is considered not to be a fair and accurate reflection of the performance of the Company or a fair and accurate reflection of the award holder's performance or where there is any other factor or any other circumstances which would make the level of vesting inappropriate without adjustment.

Directors' shares (audited)

The interests of the Directors in the share capital of the Company as at 31 December 2022 and at the date of this report, together with the market value of the shares as at 30 December 2022 (as 31 December 2022 was not a trading day) are set out in the table below:

Director	Position	Ordinary shares	Market Value 31 December 2022 £'000	% of Salary for Executive Directors
David Montgomery	Executive Chairman	19,231,631	3,654	1,774%
Mark Hollinshead	Chief Commercial Officer	757,907	144	70%
John Rowe**	Non-Executive Director	1,531,631	291	n/a
Danny Cammiade	Non-Executive Director	513,200	98	n/a
David Fordham	Non-Executive Director	-	-	n/a
David Lindsay*	Non-Executive Director	-	-	n/a

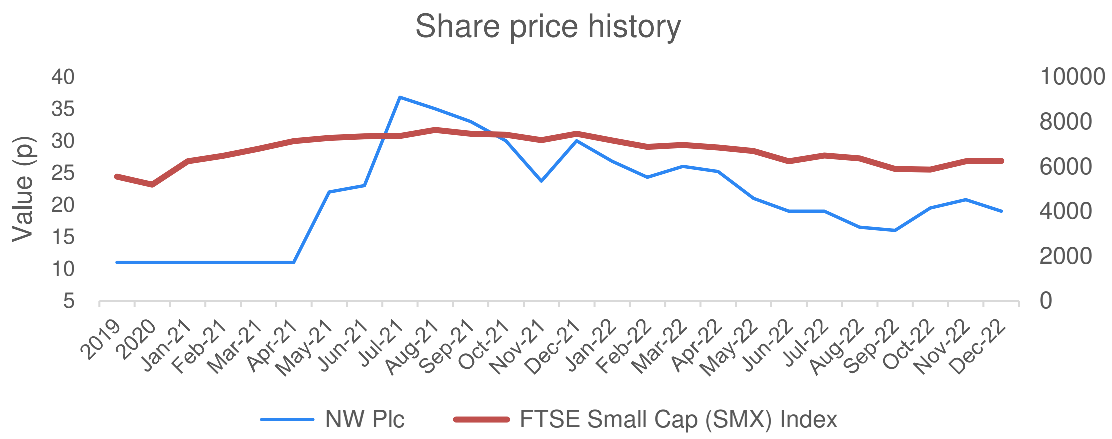
David Montgomery holds more shares than the Shareholding Guideline of 100% of salary.
* David Lindsay was appointed 14 September 2022
** John Rowe was appointed as an Executive Director on 24 February 2023.

Advice on remuneration

During the year, h2glenfern Remuneration Advisory advised the Committee on certain aspects of the remuneration of the Executive Directors. Fees of £25,000 exclusive of VAT were paid which included a fixed retainer fee (2021: £31,000). h2glenfern Remuneration Advisory is a member of the Remuneration Consultants Group and, as such, voluntarily adheres to its Code of Conduct. The Committee considers the advice that it receives from h2glenfern to be independent.

Performance graph against Executive Chairman remuneration

The chart below shows the Company's share price since 2019 when the Company first listed, compared to FTSE Small Cap Index, which is considered the most appropriate form of 'broad equity market index' against which the Company's performance can be measured.



The four-year single figure of remuneration history for the Chief Executive Officer is shown in the table below.

	Executive Chairman	Total remuneration	Annual bonus - % of maximum	LTIP vesting - % of maximum
2022	David Montgomery	£216,145	n/a	n/a
2021	David Montgomery	£173,000	n/a	n/a
2020	David Montgomery	£5,000	n/a	n/a
2019	David Montgomery	£1,250*	n/a	n/a

*** this figure is for the period 29 May 2019 to 31 December 2019.**

Percentage change in remuneration of Executive Chairman

The table below outlines the increase in salary, other pay and benefits and annual bonus for the Executive Chairman for the 52 weeks ended 31 December 2022 compared with the wider workforce.

	CEO % increase	Employee % increase
Salary, other pay and benefits	25%	5.69% on 1 April for staff
Taxable benefits	nil	nil
Annual bonus	n/a	nil

All figures are expressed as percentage changes from the prior year. The pay increase awarded to the CEO on 1 April 2022 was 3%, consistent with the minimum awarded to all employees. The year-on-year increase shown is higher at 25%, as the CEO had a lower salary in H1 2021, with increases applied in July 2021 and April 2022.

The base salary and taxable benefits for all other employees is calculated using the increase in the earnings of employees taken from salary, as at the end of the year and the end of the previous year and payroll and P11D data from the relevant tax years. The table is based on a consistent set of employees, i.e. the same individuals appear in both years' populations. There was no annual bonus paid in 2022 or 2021. The base salary data for part-time employees has been pro-rated up to the full-time equivalent.

Pay ratio information in relation to the total remuneration of the Executive Chairman

The table below sets out the ratio of the total remuneration received by the Executive Chairman to the total remuneration received by the employees at the median, 25th and 75th percentiles.

National World's pay ratios have been calculated using Option B methodology as set out in the remuneration regulations. The annual gender pay reporting is a robust set of data to identify the representative employees in the organisation at median, lower and upper quartile.

The 25th, 50th and 75th percentile employees have been identified from the list of full pay relevant employees in the organisation on 5 April 2022. The total remuneration for these individuals has then been calculated based on all components of pay for 2022, including base salary, performance-based pay, pension and benefits. The

Remuneration Committee considers that this provides an outcome that is representative of the employees at these pay levels. Where an identified employee was part-time, their figures have been converted to a full-time equivalent. No other adjustments were necessary and no elements of employee remuneration have been excluded from the pay ratio calculation. National World's employer pension contributions, Company-paid benefits and voluntary benefit scheme options are consistent for all UK employees, including the Executive Chairman.

The pay ratios for 2021 are low due to the base salary increase for the CEO applying from 1 July 2021.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022	Option B	9 : 1	7 : 1	6 : 1
2021	Option B	7 : 1	6 : 1	5 : 1

Supporting data compensation figures for 2022:

	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Total pay and benefits	Option B	£23,272	£29,506	£36,477
Salary	Option B	£22,694	£28,833	£35,601

Relative importance of spend on pay (audited)

The following table shows the Group's actual spend on pay for all Group employees including Executive Directors relative to revenue / adjusted EBITDA / adjusted EBIT.

	2022 £m	2021 £m	% Change
Expenditure on Group Employees' pay	41.4	43.5	5
Revenue	84.1	86.0	(2)
Adjusted EBITDA	9.7	10.1	(4)
Adjusted EBIT	9.3	9.3	0

Compliance - the Corporate Governance Code

The Committee has considered and will continue to monitor the regulatory environment and in particular the revised UK Corporate Governance Code. The Committee is satisfied that in respect of 2022 the Remuneration Policy operated as intended in terms of Company performance and quantum.

The Committee will ensure that policies and practices are consistent with the six factors set out in Provision 40 of the Code namely Clarity, Simplicity, Risk, Predictability, Proportionality and Alignment of Culture. Given the limited and simple nature of existing remuneration arrangements, the Committee believes they are consistent with these principles.

Clarity	The Remuneration Committee is committed to transparency. Disclosures in this Remuneration Report are intended to be clear, simple and full.
Simplicity	The structure of the Remuneration Policy is commonly used by UK quoted companies. The principles behind the VCP and its workings are intended to be as simple as possible.
Risk	The Remuneration Committee recognises the risk of target-based plans. The Remuneration Committee will seek to mitigate this risk through careful consideration and setting of performance targets, the use of a long term incentive plan and the shareholding guideline aligning executives with shareholders over the long term.
Predictability	Remuneration arrangements are intended to be structured and orderly. A range of possible outcomes for Executive Director remuneration is set out in the policy.
Proportionality	There is a clear link between individual awards and the delivery of strategy, particularly through objectives of the bonus scheme which are disclosed retrospectively in the Annual Report on Remuneration. The link of remuneration outcomes to long-term performance is primarily through the LTIP which has stretching targets as well as having vesting values which are directly linked with share price performance.

Alignment to culture	The Remuneration Policy is aligned to core values, being designed to ensure that successful long-term partnership with shareholders delivers good rewards to the Executive Directors, the Senior Leadership Team and the workforce as a whole.

Dilution

The Long Term Incentive Plan rules amongst other things include a limitation on the number of new shares issued, which when aggregated with all other employee share awards, must not exceed 10% of issued share capital over any ten-year period excluding the VCP.

2022 AGM

At the 2022 AGM, the advisory resolution to approve the Remuneration Report was supported by 100 per cent of votes cast.

Approved on behalf of the Board of Directors by:

Danny Cammiade
Chairman of Remuneration Committee
16 March 2023

Introduction

The Board is committed to sound corporate governance and has adopted the Financial Reporting Council's UK Corporate Governance Code July 2018 ("Code"). The Code can be found at www.frc.org.uk.

The Directors recognise the value of the Code and will take necessary measures to ensure that the Company complies, taking into account the Company's size and the nature of its business. This report sets out in broad terms how we comply at this point in time and sets out the reasoning where we are not compliant. Where we are not compliant, we intend to achieve compliance as soon as practically possible.

The following statements correspond to the principles set out in the Code.

1. Board Leadership and Company Purpose

It is the Board's responsibility to provide strategic oversight and guidance to ensure the Company is able to create and sustain shareholder value over the long term. For this purpose, the Board encourages an open, respectful and collaborative working environment where all Directors voice their opinions and contribute constructively to the debate.

The Board is committed to maintaining the Company's culture, values and standards. The Board ensures that all key matters affecting the Company are considered and that material risks and opportunities are identified and discussed by the Board.

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance and Board membership. The Board communicates with its shareholders principally through RNS announcements, the Annual Report, and the Company's website. The Executive Directors regularly engage with shareholders during the year. The Non-Executive Directors have the opportunity to engage directly with shareholders at the AGM and on other occasions if appropriate. The upcoming AGM will give the Directors the opportunity to report to shareholders on current and proposed operations of the Company and enables shareholders to express their views on the Company's business activities. Committee Chairs will also use the AGM as a forum to engage with shareholders on significant matters related to their areas of responsibility. The Company's interactions with other stakeholders are outlined in the Section 172 Report of the Strategic Report section of this Annual Report.

As 2021 was the first year the Group had employees, other than the directors of the Company, no Director is appointed from the workforce, no formal workforce advisory panel exists and the workforce has no designated Non-Executive Director. Other sections of the Code relating to workforce engagement and workforce related matters were therefore not applicable to the Company. The National Union of Journalists (NUJ) is recognised in a number of regions with the Group and regular, constructive meetings are held between local management and local NUJ representatives from the workforce. The Group HR Director is responsible for any national level dialogue with the NUJ and is apprised of all matters being dealt with locally by regional management teams.

The Group has a clear approach on diversity and inclusion and does not tolerate any form of bias. A formalised diversity and inclusion policy was finalised and implemented in 2022.

2. Division of Responsibilities

The Company's business is directed by the Board, which is comprised of an Executive Chairman, the Chief Commercial Officer, the Executive Director and three Non-Executive Directors, two of whom are considered independent notwithstanding shareholdings in the Company. As such, in compliance with the Code, half the board are Non-Executive Directors with two of these considered to be independent. The Board provides leadership and direction for the Company, sets overall strategy and oversees implementation, ensures appropriate systems and processes are in place to monitor and manage risk and compliance issues and takes responsibility for financial performance and corporate governance.

The Executive Chairman is primarily responsible for the leadership and effectiveness of the Board and the Company's corporate strategy. The Executive Chairman's responsibilities also include leading the development and execution of the Company's long-term strategy, overseeing matters pertaining to the running of the Company and ensuring that the Company meets all legal, compliance and corporate requirements. High level strategic decisions are discussed and taken by the Board with recommendations as appropriate from the Executives.

Operational decisions are taken by the Executives, including the Executive Chairman, Chief Commercial Officer and Executive Director.

The biographical details of the Directors are set out on pages 45 to 46. Whilst the Directors are of the opinion that the Board comprises a suitable balance, it is not in compliance with the recommendations of the Code in relationship to diversity and plan to address this during 2023.

During the reporting period, the Board considered all relevant matters within its remit, but focused in particular on the identification of suitable acquisition opportunities for the Company to pursue, the associated due diligence work as required and the decisions thereon.

Attendance at Board and Committee meetings during the 52 weeks ended 31 December 2022 is outlined below.

Member	Position	Board attendance	Audit Committee attendance	Remuneration Committee attendance	Nomination Committee attendance
David Montgomery	Executive Chairman	17	1		1
* Vijay Vaghela	Chief Operating Officer	11			
Mark Hollinshead	Chief Commercial Officer	18			
* Steve Barber	Non-Executive Director	8	2	2	
John Rowe	Non-Executive Director	18	4	6	1
Daniel Cammiade	Non-Executive Director	18	4	6	1
David Fordham	Non-Executive Director	18	1	4	
* David Lindsay	Non-Executive Director	7	1	2	

* Vijay Vaghela resigned on 14 September 2022
* Steve Barber resigned on 22 July 2022
* David Lindsay was appointed on 14 September 2022

The Company does not have an independent Chairman given the executive function of the Chairman. The Executive Chairman has a significant shareholding in the Company. The Company does not have a separate CEO and, where appropriate, the Executive Chairman assumes the role of CEO. While it is the Board's opinion that the current arrangements are appropriate to the Company at this stage of development the Board recognises the Code requirement on splitting the roles and will keep this under review. Meanwhile there are sufficient compliance structures within the Company to ensure that the governance functions that would be part of an independent Chairman's responsibility are met. The Company does not currently have a Senior Independent Director (SID), and intends to appoint a SID in 2023 to make it compliant with the Code. The Board is satisfied with the balance between Executive and Non-Executive Directors which allows it to exercise objectivity in decision making and proper control of the Company's business. National World plc was listed in 2019 and commenced trading in January 2021. As the Company develops its strategy to modernise and grow the business it will also structure the Board membership to achieve diversity and experience. The Board considers (with the exception of diversity) its composition to be appropriate in view of the size and requirements of the Company's business and the need to maintain a practical and efficient balance between Executive and Non-Executive Directors.

The Non-Executive Directors' role is to act as a sounding board to the Executive Chairman and to be available to shareholders as and when necessary. The Non-Executive Directors also provide constructive input and monitor the delivery of strategy within the risk parameters set by the Board. John Rowe's role expanded during 2022 to include a consultancy role overseeing the Digital Steering Group (DSG), so he is no longer deemed independent. Other than John Rowe and David Fordham, who is appointed as a representative by Media Concierge (Holdings) Limited, the Board considers the Non-Executive Directors to be independent in character and judgement and that there are no relationships or circumstances which could materially affect or interfere with the exercise of the Non-Executive Directors' strong, independent judgement, knowledge and experience. John Rowe was appointed as an Executive Director on 24 February 2023, and the Board is actively recruiting a new Non-Executive Director and intends to appoint a SID in 2023.

It is the responsibility of the Executive Chairman and Company Secretary to ensure the Board members receive sufficient and timely information regarding corporate and business issues to enable them to discharge their duties. The Company Secretary attends Board meetings and is responsible for advising the Board on corporate governance matters. The Board is also kept informed of changes in relevant legislation and changing commercial risks with the assistance of the Company's Legal Counsel and auditors.

3. Composition, succession and evaluation

The Board and its governance committees are considered to have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively.

Directors appointed by the Board are subject to election by shareholders at the Annual General Meeting of the Company following their appointment and thereafter are subject to re-election in accordance with the Company's articles of association. From the 2022 Annual General meeting all directors are subject to annual re-election as required by the Code.

As National World was set up in 2019 and started trading from the beginning of 2021 it has not yet achieved an acceptable level of diversity on the Board. The Board will seek to address this imbalance when recruiting new Directors to the Board who have an appropriate mix of skills and experience. The Board will undertake an annual evaluation process undertaken independently every three years.

The Board will undertake an annual evaluation process and The Board is continually reviewing its composition in light of the developing nature of the Group.

4. Audit, risk and internal control

The Audit & Risk Committee is primarily responsible for ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from external auditors relating to the Company's accounting and internal controls and for reviewing the effectiveness of the Company's systems of internal control. The Audit & Risk Committee is comprised of the two Non-Executive Directors, both of which are deemed independent. The Committee Chair is David Lindsay, who has over 34 years of corporate finance experience. The Audit and Risk Committee's terms of reference are available on the Company's website, nationalworldplc.com

The Annual Report describes the principal risks for the Company and the Board's view of the Company's position and prospects.

The Board acknowledges its responsibility for a sound system of internal control to safeguard shareholders' investments and the Company's assets. Financial, technical and operational risks are reviewed regularly by the Board and, where appropriate, the Audit & Risk Committee. The Annual Report describes the Company's internal control framework and risk mitigations.

5. Remuneration Committee

The Remuneration Committee monitors the remuneration policies of the Company to ensure they are consistent with the Company's business objectives. The Committee is chaired by Danny Cammiade since 1 December 2022, having previously been chaired by John Rowe, who is no longer deemed an independent Non-Executive Director and resigned from the Committee on 3 March 2023. The Committee comprises of two Non-Executive Directors, of which both are deemed independent. The Chair of the Committee has formally served on the Remuneration Committee for 12 months prior to his appointment, and the Board was satisfied that his extensive prior experience had given him the required skills, knowledge and expertise for the role. The Remuneration Committee uses h2glenfern Remuneration Advisory for advice and support on remuneration matters. The Committee determines the individual remuneration package for the Executive Directors. Further information on current remuneration policies and practices is provided in the Annual Report.

The Remuneration Committee's terms of reference set out the factors the Remuneration Committee considers when considering Executive Directors' remuneration. No Directors are involved in deciding their own remuneration outcome.

The Remuneration Committee's terms of reference detail the factors influencing remuneration outcomes. The Remuneration Committee's terms of reference are available on the Company's website nationalworldplc.com.

6. Nomination Committee

The Nomination Committee's terms of reference are available on our website, nationalworldplc.com. The Terms state that the Nomination Committee comprises the Company's Executive Chairman and the Senior Independent Director (SID) and is chaired by the Executive Chairman. The Group does not currently have a SID, following the resignation of Steve Barber in July 2022, and seeks to fill this position in 2023. On 23 February 2023, the Board appointed David Lindsay, Danny Cammiade, and David Fordham as members of The Nomination Committee.

One meeting was held in 2022 for considering the appointment of David Lindsay.

7. DISCLOSURES REQUIRED BY PUBLICLY TRADED COMPANIES UNDER RULE 7.2.6R OF THE UK LISTING AUTHORITY'S DISCLOSURE GUIDANCE AND TRANSPARENCY RULES

The following disclosures are made pursuant to Rule 7.2.6.R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules. As at 31 December 2022:

a) Details of significant direct or indirect holdings of securities of the Company are set out in the Directors' Report outlined in this document. The Company is not aware of any agreements between shareholders which may result in restrictions on the transfer of securities or on voting rights.
b) There are no persons who hold securities carrying special rights regarding control of the Company.
c) All ordinary shares carry one vote per share without restriction.
d) The Company's rules about the appointment and replacement of Directors are contained in the Company's constitution and accord with the Companies Act 2006. Amendments to the Company's constitution must be approved by the Company's shareholders by passing a special resolution.
e) The Company may exercise in any manner permitted by the Companies Act 2006 any power which a public company limited by shares may exercise under the Companies Act 2006. The business of the Company is managed by or under the direction of the Directors. The Directors may exercise all the powers of the Company except any powers that the Companies Act 2006 or the constitution requires the Company to exercise.
f) Subject to any rights and restrictions attached to a class of shares and in compliance with the Companies Act 2006, the Company may allot and issue unissued shares and grant options over unissued shares, on any terms, at any time and for any consideration, as the Directors resolve. This power of the Company can only

be exercised by the Directors. The Company may reduce its share capital and buy-back shares itself on any terms and at any time. However, the Companies Act 2006 sets out certain procedures which must be followed in relation to reductions in share capital and the buy-back of shares.

This Governance Report was approved by the Board and signed on its behalf by:

David Montgomery
Executive Chairman
16 March 2023

The Nomination Committee comprised of the Executive Chairman, David Montgomery, and Steve Barber, the Senior Independent Director until his resignation on 22 July 2022. The Nominations Committee is chaired by the Executive Chairman.

The Committee considers potential candidates for appointment to the Company's Board and senior management who maintain the highest standards of corporate governance and have sufficient time to commit to the role.

The Nominations Committee held a meeting in 2022 to consider the possible appointment of David Lindsay as a Non-Executive Director and Chair of the Audit Committee and member of the Remuneration Committee.

On 23 February 2023, the Board appointed David Lindsay, Danny Cammiade and David Fordham as members of The Nomination Committee. A Senior Independent Director will be appointed in 2023.

On behalf of the Nomination Committee:

David Montgomery
Executive Chairman
16 March 2023

The Audit & Risk Committee comprised three Non-Executive Directors during 2022 and was chaired by Steve Barber, the Senior Independent Director until his resignation on 22 July 2022, and has been chaired by David Lindsay since his appointment to the Board on 14 September 2022. The Audit & Risk Committee now comprises two Non-Executive Directors following John Rowe's resignation from the Committee on 3 March 2023. The Audit & Risk Committee oversees the Company's financial reporting and internal controls and provides a formal reporting link with the external auditors. The ultimate responsibility for reviewing and approving the annual report and financial statements and the half-yearly report remains with the Board.

Governance

The Code requires that at least one member of the Audit & Risk Committee has recent and relevant financial experience. David Lindsay is a Chartered Accountant who has previously been CFO of three UK plc's over an 11 year period and Steve Barber had 45 years industry experience, prior to his resignation on 22 July 2022. As a result, the Board is satisfied that the Audit Committee has recent and relevant financial experience.

All Members of the Audit & Risk Committee are appointed by the Board, and the two members of the Audit & Risk Committee are considered independent Non-Executive Directors in both character and judgement.

The Company's external auditor is Crowe U.K. LLP and the Audit & Risk Committee closely monitors the level of audit and non-audit services it provides to the Company.

Meetings

There were four meetings of the Audit Committee in the period to 31 December 2022 (2021: six). The key work undertaken by the Audit Committee is as follows:

- appointment and remuneration of external auditors and recommendation to the Board;
- review of audit planning and update on relevant accounting developments;
- consideration and approval of the risk management framework, appropriateness of key performance indicators;
- consideration and review of half and full-year results;
- review of internal controls;
- consideration as to whether an internal audit function is required; the Committee confirmed that an internal audit function was not necessary in 2022 in view of the limited scale of the business; and
- consideration of the broader risk management related matters including cyber security.

The Code states that the Audit & Risk Committee should have primary responsibility for making a recommendation on the appointment, reappointment or removal of the external auditor. The Committee recommended the reappointment of Crowe UK LLP as the external auditor to shareholders at the 2021 AGM and the reappointment was approved by the shareholders.

There has been one meeting of the Audit & Risk Committee since the 2022 year end. These were primarily to review the financial statements for 2022 and to discuss the outcome of the audit with the external auditors.

At the invitation of the Committee Chair, the Chairman, COO and Acting Finance Director attend the relevant Audit & Risk Committee meetings during the year in order to maintain effective and open communications. The external auditors, Crowe U.K. LLP, attend meetings and have direct access to the Committee should they wish to raise any concerns outside of the formal Committee meetings.

Items discussed by the Audit & Risk Committee

The Audit & Risk Committee discussed the following items during its meetings in 2022:

- the control environment, including the processing and approval of costs incurred by the Company;
- going concern and Group prospects;
- the 2021 Annual Report, 2022 Interim results, viability and related announcements;
- External auditor's reports;
- risk management and internal controls;
- mitigation of litigation and complaints;
- review and discussion of the external audit planning report for the 2022 year-end audit and approval of the 2022 audit fees;
- financial reporting;
- whistleblowing charter and procedure;
- consideration of the broader risk management related matters including cyber security; and
- consideration and approval of the continued engagement of Crowe U.K. LLP as the Company's reporting accountants.

Since the 2022 year end the Committee has met once, and considered the following:

- reviewed and discussed reports from management on the control environment;

- reviewed and assessed the Annual Report and the consolidated financial statements for the Company;
- reviewed and assessed the Preliminary results announcement for the 2022 annual results;
- considered the preliminary results announcement and in particular the annual report to ensure it provides a fair, balanced and understandable review of the business;
- reviewed and discussed the findings from the external auditor as part of the 2022 year-end audit; and
- reviewed and discussed reports from management on the Review of Financial Statements, Going Concern and Group Prospects, Carrying Value of Intangible Assets, Risk Management and Litigations & Complaints.

The Committee also addressed the disclosure of non-recurring costs and adjusted profits in order to ensure that both statutory and adjusted figures were given equal prominence.

External auditor

The Company's external auditor is Crowe U.K. LLP. The external auditor has unrestricted access to the Audit Committee Chairman. The Committee is satisfied that Crowe U.K. LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained. The external auditors report to the Audit Committee annually on their independence from the Company. In accordance with professional standards, the partner responsible for the audit will be changed every five years. Crowe U.K. LLP was first appointed by the Company in 2019, and therefore the current partner will rotate off the engagement after completing the audit for the period ended 31 December 2023. Having assessed the performance, objectivity and independence of the auditors, the Committee will be recommending the reappointment of Crowe U.K. LLP as auditors to the Company at the 2023 Annual General Meeting.

The audit fees payable to Crowe UK LLP for the 2022 interim review and 2022 audit are £218,000.

David Lindsay
Chairman of the Audit & Risk Committee
16 March 2023

To the members of National World plc

Opinion

We have audited the financial statements of National World PLC (the "Company") and its subsidiaries (the "Group") for the 52 weeks ended 31 December 2022 which comprise the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated and Company statement of financial position, Consolidated and Company statement of changes in equity, and the Consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and UK accounting standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group and 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 as applied to listed public interest entities, 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 Group and Company financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the cash flow requirements of the Group and Company over the duration of the viability statement based on budgets and forecasts;
- Understanding what forecast expenditure is committed and what could be considered discretionary;
- Considering the liquidity of existing assets on the statement of financial position;
- Considering the terms of the finance facilities and the amount available for drawdown; and
- Considering potential downside scenarios and the resultant impact on available funds.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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.

In relation to the Group reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview of our audit approach

Our application of Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £842,000, based on a variety of performance based metrics, including 5% of adjusted EBITDA and 1% of revenue. Materiality for the Company financial statements as a whole was set at £636,000 based on a percentage of total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. For the Group performance materiality was set at £588,000 and £470,000 for the Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £42,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The scope of the audit work and the design of audit tests undertaken was solely for the purposes of forming an audit opinion on the consolidated financial statements of the Group. All entities included within the scope of the consolidation were included within the scope of our audit testing.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

We identified going concern as a key audit matter and have detailed our response in the conclusions relating to going concern section above. We set out below other matters we identified as key audit matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit responded to the key audit matter
Valuation of Goodwill and intangible assets (see note 13 and note 14)	
The Group has a significant balance of intangible assets at 31 December 2022 and there is a risk that it could be impaired. The valuation of the recoverable amount of goodwill and intangible assets has a high degree of estimation uncertainty, with a potential range of reasonably possible outcomes greater than our materiality for the financial statements. There is significant judgement with regard to assumptions and estimates involved in forecasting future cash flows, which form the basis of the assessment of the recoverability of goodwill balances. These include forecast revenues, operating margin, long-term growth rates and the discount rate used. The financial statements disclose the sensitivity estimated by the Group.	Our procedures included: - Assessing the Group's budgeting review and approval procedures upon which the cash flow forecasts are based. - Comparing the Group's assumptions to externally derived data in relation to key inputs such as projected economic growth, market premium and discount rates. To challenge the reasonableness of the assumptions we also assessed the historical accuracy of the Group's forecasting. - Performing scenario-specific models including changes to, and breakeven analysis on, the discount rate, long-term growth rates and forecast cash flows. - Assessing whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill We found the resulting estimate of the recoverable amount of goodwill and intangible assets to be acceptable.

Valuation of Investments in the Parent Company (see note 39)	
We consider the carrying value of investments in subsidiaries by the Parent Company and the risk over potential impairment to be a significant audit risk due to the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. We consider the key inputs into the impairment model to be the approved business plans and assumptions for the growth and discount rates.	Our procedures included: - Assessing the Group's budgeting review and approval procedures upon which the cash flow forecasts are based. - Comparing the Group's assumptions to externally derived data in relation to key inputs such as projected economic growth, market premium and discount rates. To challenge the reasonableness of the assumptions we also assessed the historical accuracy of the Group's forecasting. - Performing scenario-specific models including changes to, and breakeven analysis on, the discount rate, long-term growth rates and forecast cash flows. We found the resulting estimate of the recoverable amount of investments to be acceptable.

Revenue recognition (see note 5)	
Revenue is recognised in accordance with the accounting policy set out in the financial statements. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the Group's profitability, which has a consequent impact on its share price performance.	Our procedures included: - validating that revenue is recognised in accordance with the stated accounting policies in compliance with IFRS - ensuring that cut off was correctly applied across all revenue streams. - evaluating the design and implementation of controls surrounding revenue. - assessing the adequacy of the Group's disclosures related to revenue. We concluded that revenue was reasonably stated.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with 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 those reports have been prepared in accordance with applicable legal requirements;

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent 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; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Parent Company.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's voluntary compliance with the provisions of the UK Corporate Governance Code.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 48;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why they period is appropriate set out on page 48.
- Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 48;
- Directors' statement on fair, balanced and understandable set out on pages 47 to 49;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 34 to 35;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 68; and
- Section describing the work of the audit committee set out on pages 71 to 72.

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 48, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extend the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below however the primary responsibility for the prevention and detection of fraud lies with management and those charged with governance of the Company.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. The most significant identified were the Companies Act 2006, General Data Protection Regulations and the UK Corporate Governance Code. Our work included direct enquiry of Head of Legal, reviewing Board and relevant committee minutes and inspection of correspondence.
- As part of our audit planning process we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas involve significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on the key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.
- We used data analytic techniques to identify any unusual transactions or unexpected relationships, including considering the risk of undisclosed related party transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed in November 2019 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement is three years, covering the periods ending 31 December 2020, 1 January 2022 and 31 December 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

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
55 Ludgate Hill
London
EC4M 7JW, UK

16 March 2023

National World plc
Consolidated Income Statement
For the 52 weeks ended 31 December 2022

	Note	52 weeks ended 31 December 2022 £m	52 weeks ended 1 January 2022 £m
Continuing operations			
Revenue	5	84.1	86.0
Cost of sales		(63.5)	(64.1)
Gross profit		**20.6**	**21.9**
Operating expenses before non-recurring items		(11.7)	(12.9)
Non-recurring items:	6		
Restructuring and redundancy		(3.3)	(3.6)
Onerous IT contracts		-	(0.7)
ROUA impairment		(0.1)	(0.9)
Property rationalisation		-	(0.9)
Aborted transaction costs		(0.3)	-
Acquisition, loan note issue and share re-listing		-	(0.8)
Total operating expenses		**(15.4)**	**(19.8)**
Operating profit		**5.2**	**2.1**
Financing			
Finance costs	10	(0.3)	(0.9)
Interest income	9	0.2	-
Net finance expense		**(0.1)**	**(0.9)**
Profit before tax		**5.1**	**1.2**
Tax credit	11	0.1	4.1
Profit after tax from continuing operations		**5.2**	**5.3**

Earnings per share	12		
Earnings per share – basic		2.0p	2.8p
Earnings per share - diluted		1.9p	2.6p

Note 12 includes the calculation of adjusted earnings per share and Note 31 presents the reconciliation between the statutory and adjusted results.

Consolidated Statement of Comprehensive Income
For the 52 weeks ended 31 December 2022

	52 weeks ended 31 December 2022 £m	52 weeks ended 1 January 2022 £m
Profit for the period	**5.2**	**5.3**
Total other comprehensive profit for the period	**-**	**-**
Total comprehensive profit for the period	**5.2**	**5.3**

National World plc
Consolidated Statement of Financial Position
As at 31 December 2022

	Note	As at 31 December 2022 £m	As at 1 January 2022 £m
Non-current assets			
Goodwill	13	5.2	5.2
Intangible assets	14	5.1	5.3
Tangible assets	15	0.9	0.8
Investments	40	1.1	-
Right of use assets	19	0.4	1.1
Deferred tax	21	4.2	4.1
		16.9	16.5
Current assets			
Inventory	16	0.1	0.1
Trade and other receivables	17	11.3	12.9
Cash and cash equivalents	17	27.0	23.0
		38.4	36.0
Total assets		55.3	52.5
Current liabilities			
Trade and other payables	17	(15.9)	(13.7)
Borrowings	23	(1.0)	-
Lease liabilities	19	(0.5)	(1.2)
Deferred consideration	24	(2.5)	(2.5)
Provisions	22	(0.6)	(1.3)
		(20.5)	(18.7)
Non-current liabilities			
Borrowings	23	-	(1.0)
Lease liabilities	19	(0.3)	(0.7)
Deferred consideration	24	-	(2.5)
Provisions	22	(0.5)	(0.8)
		(0.8)	(5.0)
Total liabilities		(21.3)	(23.7)
Net assets		**34.0**	**28.8**
Equity			
Share capital	29	0.3	0.3
Share premium	29	24.6	24.6
Retained earnings	29	9.1	3.9
Total equity		**34.0**	**28.8**

The financial statements were approved by the Board of Directors and authorised for issue on 16 March 2023.

The notes on pages 83 to 104 form part of these financial statements.

David Montgomery
Executive Chairman

Consolidated Statement of Changes in Equity

For the 52 weeks ended 31 December 2022

	Note	Share capital £m	Share premium £m	Retained earnings/ (accumulated losses) £m	Total equity £m
As at 1 January 2021		**0.1**	**4.7**	**(1.4)**	**3.4**
Issue of shares 7 May 2021	29	0.2	20.4	-	20.6
Costs directly attributable to issuing new shares	29	-	(0.5)	-	(0.5)
Profit for the period	29			5.3	5.3
Total comprehensive profit for the period		**-**	**-**	**5.3**	**5.3**
As at 1 January 2022		**0.3**	**24.6**	**3.9**	**28.8**
As at 1 January 2022		**0.3**	**24.6**	**3.9**	**28.8**
Profit for the period	29			5.2	5.2
Total comprehensive profit for the period		**-**	**-**	**5.2**	**5.2**
As at 31 December 2022		**0.3**	**24.6**	**9.1**	**34.0**

The notes on pages 83 to 104 form part of these financial statements.

National World plc
Consolidated Cash Flow Statement
For the 52 weeks ended 31 December 2022

	Note	52 weeks ended 31 December 2022 £m	52 weeks ended 1 January 2022 £m
Cash flow from operating activities			
Cash generated from operations	25	9.5	8.2
Net cash inflow from operating activities		**9.5**	**8.2**
Investing activities			
Acquisition of subsidiaries	24	(2.6)	(2.2)
Cash acquired in subsidiaries		-	0.5
Subsidiary acquisition costs		-	(0.5)
Investment in The News Movement	40	(1.1)	-
Interest earned	9	0.2	-
Acquisition of Intangible assets		(0.2)	-
Purchase of Tangible assets	15	(0.4)	(0.2)
Repayment of outstanding inter-company balance payable to JPIMedia Limited		-	(4.7)
Net cash outflow from investing activities		**(4.1)**	**(7.1)**
Financing activities			
Net Interest paid	10	(0.2)	(0.1)
Capital repayments of lease payments	19	(1.1)	(1.6)
Interest element of lease rental payments	10,19	(0.1)	(0.2)
Debt, prospectus and share issue costs		-	(1.5)
Issue of debt		-	12.6
Net cash generated/(utilised) from financing activities		**(1.4)**	**9.2**
Net increase in cash and cash equivalents		4.0	10.3
Cash and cash equivalents at the beginning of the period		23.0	12.7
Cash and cash equivalents at the end of the period		**27.0**	**23.0**

The notes on pages 83 to 104 form part of these financial statements.

1. General information

National World plc ('the Company') is a public limited company listed on the London Stock Exchange in England and Wales. The Company is domiciled in England and its registered office is No 1 Leeds 4th Floor, 26 Whitehall Road, Leeds, England, LS12 1BE, United Kingdom. The principal activities of the Group are to provide news and information services in the United Kingdom through a portfolio of multimedia publications and websites.

The consolidated Financial Statements of the Company and its subsidiaries (together referred to as the 'Group') for the 52 weeks ended 31 December 2022 were approved by the Directors on 16 March 2023.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and the applicable legal requirements of the Companies Act 2006. The consolidated Financial Statements were authorised for issue by the Board of Directors on 16 March 2023.

The financial statements of the Company for the 52 weeks ended 31 December 2022, prepared in accordance with applicable law and UK Accounting Practice, including FRS 101 'Reduced Disclosure Framework', are presented on pages 105 to 110.

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 hundred thousand except when otherwise indicated.

The Company presents the results on a statutory and adjusted basis as described in note 3.

These Financial Statements have been prepared under the historical cost basis.

Going concern

The consolidated financial statements have been prepared on a going concern basis as set out in the Strategic Report of this financial report.

Changes in accounting policies and disclosures

The standards that became applicable for the year did not materially impact the Group's accounting policies and did not require retrospective adjustments.

3. Significant accounting policies

The accounting policies adopted are consistent with those of the Company and National World Group for the previous year. The Company's 2021 annual report is available at nationalworldplc.com.

New and revised IFRS Standards in issue but not yet effective

There are no standards that are issued but not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of the Company and all its subsidiary undertakings owned in the 52 weeks ended 31 December 2022. The comparative financial statements are for the 52 weeks ended 1 January 2022.

Subsidiaries are included in the Group's Financial Statements using the acquisition method of accounting. The results of subsidiaries acquired or disposed of during the period are consolidated from the effective date of acquisition or up to the effective date of disposal, as appropriate. Purchase consideration is allocated to the assets and liabilities on the basis of their fair value at the date of acquisition. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

Business combinations

The acquisition of subsidiaries are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Income Statement as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, including publishing titles, are recognised at their fair value at the acquisition date.

Segments

The performance of the Group is presented as a single reporting segment as this is the basis of internal reports regularly reviewed by the Board and chief operating decision makers (Executive Directors) to allocate resources and to assess performance. The Group's operations are located in the UK and the Group is not subject to significant seasonality.

3. Significant accounting policies (*continued)*

Revenue recognition

The Group recognises revenue when goods/services are provided and the performance obligation is fulfilled.

The categories of revenue for the Group are:

- Print publishing comprises all revenue driven by the local newspaper titles, including all digital revenue packages sold with print, COVID-19 related government spend and circulation revenue (including subscriptions).
- Digital publishing comprises all revenue sold programmatically, digital-led direct sales, subscriptions, syndication and revenue generated from the Google and Facebook content initiatives.
- Other revenue reflects grants from the BBC for local democracy reporters and from Facebook for the funding of journalists.

The Group recognises revenue from the following major sources:

Advertising revenue

Advertising revenue is recognised on publication of the advertisement, which is when the performance obligation has been fulfilled. If an advertising campaign relates to a longer duration of time, revenue will be recognised over the period of the campaign, reflecting the pattern in which the performance obligation was fulfilled.

Circulation revenue

The Group sells newspapers through wholesalers and distributors. Revenue is recognised, net of returns and discounts, when the performance obligation has been fulfilled being when the goods have been delivered to or purchased by a reader. A receivable is recognised by the Group when the wholesaler and distributor confirm the number of copies sold as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Print and digital subscriptions

Subscription revenues are recognised over the duration of the subscription with the provision of a newspaper, digital newspaper edition or full access to the website or App being the performance obligation.

Other print and digital revenue

Other revenues include syndication, provision of leaflets, readers' offers and events. The performance obligation is fulfilled, and revenue is recognised on publication of the product, holding of the event, when goods have been purchased by a reader or at a point when the service is provided, depending on the nature of the other revenue.

Other revenue

Other revenue reflects grants from the BBC for local democracy reporters and from Facebook for the funding of journalists.

Contract assets

Where the performance obligation has been fulfilled, but the customer has not yet been billed, a contract asset is recognised. The contract assets balance is released once the sales invoice has been issued.

Contract liabilities

Sales invoices are raised in line with the contract terms and reported in contract liabilities until the performance obligations identified in the contract are fulfilled and revenue can be recognised. The contract liabilities balance is released once the performance obligation has been fulfilled.

Non-recurring items

Non-recurring items that are considered significant enough to require disclosure on the face of the income statement. See further details in Note 6.

Pension costs

The Group participates in two defined contribution schemes. The costs of the Company's contributions to the defined contribution scheme are charged to the income statement as they become due under the rules of the scheme. Further details regarding pension costs are provided in Notes 8 and 20.

Government grants

The Group participated in the Coronavirus Job Retention Scheme in the prior period. The furlough funding is credited to the income statement to match them with the costs they were intended to compensate for. Further details regarding government grants are provided in Note 8.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

3. Significant accounting policies (*continued)*

Goodwill *(continued)*

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to the Group's Cash-Generating Unit "CGU" (or Groups of Cash-Generating Units "CGUs") expected to benefit from the synergies of the combination. The CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

The Group's principal intangible assets are regional publishing titles. The Group 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 pre-tax and reflects current market assessments of time value of money and risks specific to asset 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 Group Income Statement given these assets are not carried at revalued amounts. For the purpose of impairment testing, regional publishing titles are considered as being one CGU. The CGU is determined by grouping assets at the lowest levels for which there are separately identifiable cash flows. CGUs 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 CGU 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 tangible and intangible assets and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Digital intangible assets

Digital intangible assets relate to the Group's local websites and computer software, which form the core platform for the Group's digital revenue activities and support the Editorial and Sales functions. These assets are being amortised using the straight-line method over the expected life, of three to five years. Amortisation for the period has been charged through cost of sales. Digital intangible assets are tested for impairment only when there is an indication that the carrying amount is less than the recoverable amount. Costs incurred in the development of websites are only capitalised if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured.

Tangible assets

Tangible asset balances are shown at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible assets, excluding land, at varying rates calculated to write-off cost over the useful lives. The principal rates employed are:

Fixtures and fittings (leasehold properties)	Over term of lease
Office equipment	6.67% to 33% straight-line

A tangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Investments

Investments are stated at cost, less provision for any impairment. An impairment review is undertaken at each reporting date or more frequently when there is an indication that the recoverable amount is less than the carrying amount. Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use the estimated future cash flows of the cash-generating units relating to the investment are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which estimates of future cash flows have not been adjusted. Use of a post-tax discount rate to discount the future post-tax cash flows is materially equivalent to using a pre-tax discount rate to discount the future pre-tax cash flows. The impairment conclusion remains the same on a pre or post-tax basis. If the recoverable amount of the cash-generating unit relating to the investment is estimated to be less than its carrying amount, the carrying value of the investment is reduced to its recoverable amount. An impairment loss is recognised in the income statement in the period in which it occurs and may be reversed in subsequent periods.

Inventories

Inventories, largely newsprint for our newspapers, are stated at the lower of cost and net realisable value. Costs incurred in bringing materials to their present location and condition comprises purchase cost on a first-in first-out basis. Net realisable value comprises selling price less any further costs expected to be incurred to completion and disposal.

3. Significant accounting policies (*continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the Consolidated Statement of Cash Flows can be reconciled to the related items in the consolidated reporting position.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade receivables

Trade receivables do not carry any interest. Conversion to a readily known amount of cash occurs over a short period and is subject to an insignificant risk of changes in value, therefore balances are initially recognised at transaction price and subsequently at amortised cost.

The Group recognises a loss allowance for expected credit losses (ECL) on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) Significant financial difficulty of the debtor;
(b) A breach of contract, such as a default or past due event;
(c) It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed in liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the income statement.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Trade payables

Trade payables are not interest bearing. Payments occur over a short period and are subject to an insignificant risk of changes in value. Therefore, balances are stated at their nominal value.

Leases

At inception, the Group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset. The Group recognises a right of use (ROU) asset and lease liability at the commencement of the lease.

The Group has elected not to recognise ROU assets and lease liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of assets with a value less than £4,000. The payments for such leases are recognised in the income statement on a straight-line basis over the lease term. Fees for components such as property taxes, maintenance, repairs and other services which are either variable or transfer benefits separate to the Group's ROU assets are separated from lease components based on their relative stand-alone selling price.

3. Significant accounting policies (*continued)*

Leases

Lease liabilities are initially measured at the present value of future lease payments at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, or where this cannot be readily determined, the lessee's incremental borrowing rate.

Lease payments include the following payments due within the non-cancellable term of the lease, as well as the term of any extension options where these are considered reasonably certain to be exercised:

- fixed payments
- variable payments that depend on an index or rate
- the exercise price of purchase or termination options if it is considered reasonably certain these will be exercised.

Subsequent to the commencement date, the lease liability is measured at the initial value, plus an interest charge determined using the incremental borrowing rate, less lease payments made. The interest expense is recorded in finance costs in the income statement. The liability is re-measured when future lease payments change, when the exercise of extension or termination options becomes reasonably certain, or when the lease is modified.

The ROU asset is initially measured at cost, being the value of the lease liability, plus the value of any lease payments made at or before the commencement date, initial direct costs and the cost of any restoration obligations, less any incentives received.

The ROU asset is subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is adjusted for any re-measurement of the lease liability. The ROU asset is subject to testing for impairment where there are any impairment indicators.

Provisions

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

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 profit or loss 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 Group 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 period

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. Significant accounting policies (*continued)*

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Ordinary shares are classified as equity.

- The share capital account represents the nominal value of the shares issued.
- The share premium account represents premiums received on the initial issuing of the share capital. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds, net of tax.
- Retained earnings/Accumulated losses include all current period results as disclosed in the Statement of Comprehensive Income.

Share-based payments

Where share options are awarded to Executive Directors or employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

No charge has been made for the Value Creation Plan as the fair value was deemed to be zero as no acquisition was undertaken for almost 16 months following the initial listing in September 2019. Full details of the VCP share scheme can be found in the Remuneration Report on pages 50 to 65.

Alternative performance measures

The Company presents the results on a statutory and adjusted basis. The Company believes that the adjusted basis will provide investors with useful supplemental information about the financial performance of the Group, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key performance indicators used by management in operating the Group and making decisions. Although management believes the adjusted basis is important in evaluating the Group, they are not intended to be considered in isolation or as a substitute for, or as superior to, financial information on a statutory basis. The alternative performance measures are not recognised measures under IFRS and do not have standardised meanings prescribed by IFRS and may be different to those used by other companies, limiting the usefulness for comparison purposes. Note 31 sets out the reconciliation between the statutory and adjusted results. An adjusted cash flow and reconciliation to statutory cash flow is presented in Note 32.

4. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

The preparation of financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates. The Directors have identified the following critical accounting judgements or estimates relating to the financial information of the Group.

Key sources of estimation uncertainty

Impairment of publishing titles

The Group is required to test, whether intangible and tangible assets have suffered any impairment based on the recoverable amount of its CGUs, when there are indicators for impairment. Determining whether the regional business is impaired requires an estimation of the value in use of the CGU 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 the CGU 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 business CGU was 19.0%, using the Capital Asset Pricing Method ("CAPM") with a long-term decline rate in perpetuity of 1.0%.

Valuation judgements

Acquisition of Not a Newspaper Limited

On 24 December 2022 National World Publishing Limited acquired Not a Newspaper Limited. The acquisition has been treated as a business combination under IFRS 3, refer to Note 24.

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

Valuation judgements (*continued)*

Intangible Assets

The acquisition of Not a Newspaper Limited and the Scoopdragon assets by National World Publishing Limited was completed in December 2022, and the intangible assets are recognised at the acquired fair value. A value in use calculation determined the fair value of the acquisitions using an income approach based valuation method. The income approach is suitable for assets which generate the majority of their value from their income-generating capacity. It operates under the premise that the value of that asset can be accurately derived from the value of the future net cash flows which will be generated by it over time, discounted back to their present value at an appropriate discount rate.

5. Revenue

The analysis of the Group's contracted revenue from continuing operations is as follows:

	2022 £m	2021 £m
Print publishing	66.3	71.7
Digital publishing	16.3	12.9
Other	1.5	1.4
Total revenue	**84.1**	**86.0**

The description and revenue recognition criteria (timing and performance obligations) for each revenue stream is contained within the accounting policies, in Note 3. The reconciliation for contract assets and liabilities associated with contracted revenue can be found in Note 18.

6. Profit for the period

Profit for the period includes the following items:

	Note	2022 £m	2021 £m
Operating profit for continuing operations is shown after charging/(crediting):			
Depreciation of tangible fixed assets	15	0.4	0.8
Amortisation of intangible assets	14	0.5	0.5
Depreciation of right of use assets	19	0.6	1.4
Staff costs	8	41.6	43.5
Cost of inventory recognised as expense		4.8	3.4
Non-recurring costs:			
Acquisition, loan note issue and share re-listing	a	-	0.8
Aborted transaction costs	b	0.3	-
Restructuring	c	3.3	3.6
Property rationalisation	d	0.1	1.8
Onerous contracts	e	-	0.7

a) Acquisition, loan note issue and share re-listing costs

In the prior period, total acquisition, loan note issue and share re-listing costs of £1.3 million were incurred, of which £0.5 million of costs incurred were directly attributed to the new share issue and have been charged to share premium in the period (Note 29). The remaining £0.8 million cost were expensed as non-recurring costs in the prior period.

b) Aborted transaction costs

£0.3 million of professional advisory fees were incurred in the period.

c) Restructuring costs

Restructuring costs of £3.3 million have been incurred in 2022 for the delivery of annualised cost savings of £4.0 million (2021: £3.6 million non-recurring cost for the delivery of annualised cost savings of £5.1 million (net of National World management costs)).

d) Property rationalisation

In the period the decision was made to vacate the Preston leased office, resulting in an additional impairment of the ROU assets of £0.1 million. There is no assumed increase in the dilapidation provisions for this office. The prior year charge of £1.8 million comprised £0.9 million onerous property provision and £0.9 million ROU asset impairment with respect of a number of office locations, which the group vacated as the business adopted a flexible working policy.

e) Onerous contracts

There is no non-recurring onerous contract expense in the period. In the prior year, the provision of £0.7 million was created for the remaining cost obligations over the unexpired contract term of an existing contract associated with moving technology infrastructure to the Cloud (Note 22).

7. Auditors remuneration

Crowe U.K. LLP were appointed auditors in 2019. The analysis of Crowe U.K. LLP's remuneration is as follows:

	2022 £m	2021 £m
Fees payable for the audit of the annual accounts	0.2	0.2
Fees payable to the Company's auditors – Reporting accountants fees	-	0.1
Total audit fees	**0.2**	**0.3**

Total audit fees payable to Crowe U.K.LLP in respect of the 2022 audit and interim was £218,000 (2021: £180,000). Audit fees relating to the Company totalled £58,500 (2021: £57,000).

8. Employees and Directors

The average number of employees during the period, including Directors was:

	2022 No.	2021 No.
Editorial	722	726
Sales and distribution	260	345
Production	111	106
Administration	67	78
Directors	7	6
Average number of employees	**1,167**	**1,261**

Staff costs, including directors' emoluments, comprised of:

	2022 £m	2021 £m
Wages and salaries	36.2	38.0
Social security costs	3.7	4.0
Other pension costs	1.7	2.0
Government grant	-	(0.5)
Total staff costs	**41.6**	**43.5**

The prior year comparative includes £0.5m of government grants claimed from HMRC for the Coronavirus Job Retention Scheme in the period by JPIMedia Publishing Limited for the total PAYE group.

Wages and salaries include bonuses payable in the period. Restructuring costs are excluded from staff costs and are disclosed in Note 6.

The Executive and Non-Executive Directors are all employed by the Company. Their emoluments totalled £1.0 million (2021: £0.7 million), including consultancy fees, which is disclosed in the Remuneration Report on pages 60 to 61, and presented in the table below:

	2022 £m	2021 £m
Wages and salaries	0.9	0.6
Social security costs	0.1	0.1
Other pension costs	-	-
	1.0	**0.7**

The highest paid director was paid £246,000 (2021: £194,000), as presented in the table below:

	2022 £m	2021 £m
Wages and salaries	0.2	0.2
Social security costs	-	-
Other pension costs	-	-
	0.2	**0.2**

9. Interest Income

	Note	2022 £m	2021 £m
Interest income	17	0.2	-
Total interest income		**0.2**	-

Interest was earned on deposits held on account with Barclays bank, since July 2022, with the majority of funds on account attracting interest at the BOE base rate less 5 basis points. No interest income was earned in the prior period.

10. Finance costs

	Note	2022 £m	2021 £m
Interest on convertible secured loan notes	23	-	0.6
Interest on interest only unsecured loan notes	23	0.2	0.1
Interest on lease liabilities	19	0.1	0.2
Total finance costs		**0.3**	**0.9**

Interest is being accrued and paid at 15% on the £1.0 million of interest only unsecured loan notes (Note 23).

The prior period comparative includes interest accrued at 10% per annum on the £20.0 million of convertible secured loan notes up until 7 May 2021 at which time the loan notes and accrued interest were converted to ordinary shares (Note 29).

11. Tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for 2022 is 19% (2021: 19%).

The corporation tax rate will increase to 25%, substantively enacted by parliament in May 2021, applies from 1 April 2023. The increase in the corporate tax rate to 25% has been accounted for in the calculation of the deferred tax.

The tax on profit comprises:

	2022 £m	2021 £m
Deferred tax		
Credit for the period	(0.1)	(4.1)
Total tax credit for the period	**(0.1)**	**(4.1)**

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

	2022 £m	2021 £m
Profit	5.1	1.2
Tax at the UK corporation tax rate of 19%	1.0	0.2
Effects of:		
Expenses not allowable	-	0.1
Deferred tax asset recognised for tax losses	(0.9)	(4.4)
Effect of increase in deferred tax rate to 25%	(0.2)	0.1
Adjustment relating to acquired balance	-	(0.1)
Total tax credit for the period	**(0.1)**	**(4.1)**
Effective tax rate - credit	**2%**	**355%**

The Group had £26.1 million of tax losses carried forward, from prior periods, of which £5.1 million has been utilised in the period against taxable profits and £18.8 million is recognised as a deferred tax asset at the period-end. The remaining tax losses of £2.2 million have not been recognised as a deferred tax asset due to uncertainty over the timing of future profits and gains (2021: £6.4 million).

11. Tax *(continued)*

Gross brought forward losses of £18.8 million are recognised as a deferred tax asset at the period-end (2021: £19.7 million), calculated using the corporation tax rate of 25% which is effective from 1 April 2023 after which the majority of losses are expected to be utilised.

12. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares during the period and diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares.

	2022 £m	**2021 £m**
Weighted average number of ordinary shares for basic earnings per share	259	189
Effect of dilutive ordinary shares in respect of potential share awards under the value creation plan	16	16
Weighted average number of ordinary shares for diluted earnings per share	**275**	**205**

	Pence	**Pence**
Statutory earnings per share		
Earnings per share – basic	2.0	2.8
Earnings per share – diluted	1.9	2.6
Adjusted earnings per share		
Earnings per share - basic	2.9	3.7
Earnings per share - diluted	2.7	3.4

13. Goodwill

	2022 £m	**2021 £m**
Opening balance	5.2	-
Acquisition of subsidiaries	-	5.2
Carrying value at the end of the period	**5.2**	**5.2**

Goodwill relates to the acquisition of JPIMedia Publishing Limited and its subsidiaries (JPIMedia Group) in the prior period.

14. Intangible assets

	Note	**Publishing titles - Regional £m**	**Digital intangible assets £m**	**Total £m**
Opening balance		4.9	0.4	5.3
Acquisitions		-	0.3	0.3
Amortisation charge for the period	6	(0.4)	(0.1)	(0.5)
Carrying value at the end of the period		**4.5**	**0.6**	**5.1**

Current year acquisitions relate to the Newschain share purchase acquisition (Note 24) and the Scoopdragon intangible asset acquisition consisting of 50 football and sports websites and 120 domain names.

The opening balance relates to acquired JPIMedia Group intangible assets, consisting of regional publishing titles with an acquisition value of £5.3 million and software and digital development assets of £0.5 million.

Intangible assets are amortised over their useful economic life and the carrying value of the titles is reviewed when there are indicators that an impairment has occurred.

Impairment assessment

The impairment review in respect of the regional publishing business cash-generating unit (CGU) concluded that no impairment charge was required.

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.

14. Intangible assets *(continued)*

Impairment assessment *(continued)*

The Group has one identifiable CGU, the regional publishing business, which includes intangible publishing titles, digital intangible assets, goodwill, property, plant and equipment. Within the single CGU there is an interdependency of revenue and costs within a matrix management structure, single wholesale and distribution agreements, substantial packaged advertising sales across all titles and websites and dependence on central support infrastructure.

The value in use calculation at 31 December 2022 was prepared using consistent methodologies to that applied in prior periods. With regard to the methodologies applied in the valuation, the intangible assets of the Group were assessed using an income approach based method. The income approach is suitable for assets which generate the majority of their value from their income-generating capacity. It operates under the premise that the value of that asset can be accurately derived from the value of the future net cash flows which will be generated by it over time, discounted back to their present value at an appropriate discount rate.

The Directors consider that the publishing titles, with a carrying value as at 31 December 2022, have finite lives of 2 to 12 years.

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;
- growth / decline rates; and
- discount rate.

The key assumptions underpinning the Value in Use model are:

	2022	**2021**
Discount rate (pre-tax WACC)	19%	15%
Long-term decline rate	1%	1%

The Group prepares discounted cash flow forecasts using:

- the Board-approved budget for 2023, and projections to 2025 which reflects management's current experience and future expectations of the markets in which the CGU operates and is based on information known at the balance sheet date. This is then forecast into perpetuity beyond 2025. Changes in underlying revenue and direct costs are based on past practices and expectations of future changes in the market by reference to the Group's own experience and, where appropriate, publicly available market estimates. These include changes in demand for newspapers, cover prices, digital subscriptions, print and digital advertising rates as well as movements in newsprint and production costs and inflation;
- capital expenditure cash flows to reflect the cycle of capital expenditure;
- net cash inflows for future years are extrapolated beyond 2025 based on the Board's view of the estimated annual long-term performance. A long-term decline rate of 1% (2021: 1% decline) reflecting the market's view of the long-term decline of the newspaper industry; and
- management estimates of discount rates that reflect current market assessments of the time value of money, the risks specific to the CGUs and the risks that the regional media industry is facing.

The discount rate reflects the weighted average cost of capital of the Group. The current post-tax and equivalent pre-tax discount rate used is 14.3% and 19.0% respectively (2021: post-tax WACC 12.2% and pre-tax WACC 15.0%).

The impairment review is highly sensitive to reasonably possible changes in key assumptions used in the value in use calculations. A combination of reasonably possible changes in key assumptions, such as digital growth being slower than forecast or the decline in print revenue being greater, could lead to an impairment. Based on the existing modelling:

- a decrease in print revenue of 5% would reduce the headroom by £3.0 million. No impairment would be triggered from this sensitivity;
- an increase in the long-term decline rate of 1.0% (which has the effect of increasing the decline from 1% to 2% beyond 2024), would reduce the headroom by £1.5 million. No impairment would be triggered from this sensitivity; and
- an increase in the discount rate of 1% from 19.0% to 20.0% would reduce the headroom by £1.0 million. No impairment would be triggered from this sensitivity.

15. Tangible assets

	Note	Office Equipment £m	Total £m
Cost			
Opening balance 31 December 2020		-	-
Acquired on 2 January 2021		1.4	1.4
Additions		0.2	0.2
Disposals		(0.3)	(0.3)
Balance at 1 January 2022		1.3	1.3
Additions		0.5	0.5
Disposals		(0.1)	(0.1)
At 31 December 2022		**1.7**	**1.7**
Accumulated impairment losses and depreciation			
Opening balance 1 January 2021		-	-
Depreciation for the period		(0.8)	(0.8)
Disposals		0.3	0.3
Balance at 1 January 2022		(0.5)	(0.5)
Depreciation for the period	6	(0.4)	(0.4)
Disposals		0.1	0.1
At 31 December 2022		(0.8)	(0.8)
Carrying value at 31 December 2022		**0.9**	**0.9**
Carrying Value at 1 January 2022		**0.8**	**0.8**

The assets are depreciated over their useful lives.

16. Inventory

Inventory consists of newsprint held at outsourced locations for contract printing of the Groups newspapers.

17. Other financial assets and liabilities

Trade and other receivables

	Note	2022 £m	2021 £m
Trade receivables		7.4	8.1
Allowance for doubtful debts		(0.4)	(0.5)
Trade receivable after allowance for doubtful debts		7.0	7.6
Prepayments		1.3	1.6
Other debtors and contract assets	18	3.0	3.7
Total trade and other receivables		**11.3**	**12.9**

Trade and other receivables reduction of £1.6 million in the current period is primarily due to revenue declines and improved debt collection at the period end.

Net trade receivables

Trade receivables net of credit loss allowance are £7.0 million (2021: £7.6 million). The average credit period taken on sales is 35 days (2021: 33 days). No interest is charged on the receivables. The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The ECL on trade receivables is estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry (including the impact of COVID-19) in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Before accepting any new credit customer, the Group obtains a credit check from an external agency to assess the potential customer's credit quality and then defines credit terms and limits on a by-customer basis. These credit terms are reviewed regularly. In the case of one-off customers or low value purchases, pre-payment for the goods is required under the Group's policy. The Group reviews trade receivables past their due date but not impaired on a regular basis and considers, based on past experience that the credit quality of these amounts at the period end date has not deteriorated since the transaction was entered into and so considers the amounts recoverable.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the balance sheet date. The concentration of credit risk is limited due to the customer base being large and unrelated, except for the Media Concierge companies who are related parties (Note 27). Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

17. Other financial assets and liabilities *(continued)*

Movement in the allowance for doubtful debts

	2022 £m	2021 £m
Balance at the beginning of the period	0.5	-
Acquired on 2 January 2021	-	0.5
Utilised in 2022	(0.1)	-
Balance at the end of the period	**0.4**	**0.5**

Ageing of impaired receivables

	2022 £m	2021 £m
Current	0.2	0.2
<30 days	0.1	0.1
60 – 90 days	-	0.1
150+ days	0.1	0.1
	0.4	**0.5**

Ageing of Trade receivables after allowance for doubtful debts

	2022 £m	2021 £m
Current	5.1	5.8
<30 days	1.7	1.4
30 – 60 days	0.2	0.3
60 – 90 days	-	0.1
	7.0	**7.6**

Cash and cash equivalents

	2022 £m	2021 £m
Cash and cash equivalents	27.0	23.0
Total cash and cash equivalents	**27.0**	**23.0**

Trade and other payables

	Note	2022 £m	2021 £m
Trade creditors		2.7	1.9
Accruals		7.1	5.5
VAT		0.8	1.3
Social security and PAYE		1.5	1.4
Contract liabilities	18	1.7	1.9
Other creditors		2.1	1.7
Total trade and other payables		**15.9**	**13.7**

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

18. Contract assets and liabilities

Contract assets primarily relate to the Group's right to consideration for work completed which have not been billed at the reporting date. Contract liabilities primarily relate to the consideration received from customers in advance of transferring a good or service.

	Contract asset £m	Contract liability £m
At 31 December 2020	**-**	**-**
At acquisition of trading business	2.0	(1.6)
Revenue invoiced in the period	(2.0)	-
Revenue recognised in the period	2.6	1.6
Revenue deferred to 2022	-	(1.9)
At 1 January 2022	2.6	(1.9)
Revenue invoiced in the period	(2.6)	-
Revenue recognised in the period	2.2	1.9
Revenue deferred to 2023	-	(1.7)
At 31 December 2022	**2.2**	**(1.7)**

For instances where the performance obligation has been fulfilled, but the customer has not yet been billed, revenue is recognised and a contract asset is recognised. The contract asset is released once a sales invoice has been issued. The largest contract asset balance is with regards to newspaper circulation revenue for the last week of the period, which was billed after the period end.

Where a performance obligation has not been fulfilled but cash has been received for the service to be provided, revenue is deferred and a contract liability is recognised. Once the performance obligation has been fulfilled, the contract liability is released and the revenue is recognised. Where cash is received in advance for a newspaper sales subscription, a contract liability is recognised until such a time as the performance obligation is fulfilled. Where cash is received in advance for advertising, a contract liability is recognised until such a time as the performance obligation is fulfilled and the sales invoice is raised.

19. Leases

Right of use assets and their associated lease liabilities arose on the acquisition of JPIMedia Group. The Group leases office buildings and motor vehicles for use in its business operations. Leases of offices generally have terms between 2 and 10 years, with longer period leases having a break clause after year 5. Motor vehicles generally have a term of 4 years and are principally utilised by the sales, editorial and IT departments. With the exception of short term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right of use asset and a corresponding lease liability.

Carrying value of right of use assets

The carrying amounts of right of use assets recognised and the movement during the period are set out below:

	Note	Property £m	Motor Vehicles £m	Total £m
Carrying amount at 1 January 2022		0.6	0.5	1.1
Impairment	6	(0.1)	-	(0.1)
Depreciation charge for the period	6	(0.3)	(0.3)	(0.6)
Carrying amount at 31 December 2022		**0.2**	**0.2**	**0.4**

The impairment charge of £0.1 million in the period is for office locations agreed to be vacated at the end of 2022 before the lease termination date (Note 6).

Carrying value of lease liabilities

The carrying amounts of lease liabilities and the movements during the period are set out below:

	Note	Property £m	Motor Vehicles £m	Total £m
Carrying amount at 1 January 2022		1.5	0.4	1.9
Interest charge	10	0.1	-	0.1
Lease payments		(0.9)	(0.3)	(1.2)
Carrying amount at 31 December 2022		**0.7**	**0.1**	**0.8**

	2022 £m	2021 £m
Current liabilities	0.5	1.2
Non-current liabilities	0.3	0.7
Total	**0.8**	**1.9**

19. Leases *(continued)*

Amounts recognised in Income statement

The following amounts are recognised in the income statement for the period:

	Note	2022 £m	2021 £m
Depreciation of right of use assets	6	0.6	1.4
Interest expense	10	0.1	0.2
Total		**0.7**	**1.6**

In addition to the above, the Group occupies serviced office accommodation and other short-term rental arrangements that do not meet the criteria for reporting under IFRS 16, with a total cost of £0.8 million incurred in the period.

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets (less than £4,000). Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not recognised as lease liabilities and are expensed as incurred.

20. Retirement benefit obligation

The Group contributes to two defined contribution schemes: the National World Publishing Limited Retirement Savings Plan, a defined contribution master trust; and The 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 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 the rules for all new members being agreed at a maximum of 8%. The amount due to be paid into these schemes at the balance sheet date is £0.3 million (1 January 2022: £0.3 million) and this was paid to Scottish Widows on 11 January 2023. Refer to Note 8 for full employee salary details.

From 1 April 2022, the Executive Directors received a cash allowance in lieu of pension contribution of 8% of base salary, capped at £125,000 salary, to align their pension benefit to the wider workforce. Prior to this change, the Executive Directors received a cash allowance in lieu of pension contribution of 10% of base salary, capped at £120,000 salary.

21. Deferred Tax

Under IFRS, 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, will increase to 25% effective from 1 April 2023.

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

	Tax losses £m	Accelerated tax depreciation £m	Intangible assets £m	Total £m
At 1 January 2022	4.6	0.1	(0.6)	4.1
Credit to Income Statement	0.1	-	-	0.1
Increase in deferred tax rate to 25%	-	-	-	-
At 31 December 2022	**4.7**	**0.1**	**(0.6)**	**4.2**

The Group had £26.1 million of tax losses carried forward, from prior periods, of which £5.1 million has been utilised in the period against taxable profits and £18.8 million has been recognised as a deferred tax asset at the period-end. The remaining tax losses of £2.2 million have not been recognised as a deferred tax asset due to uncertainty over the timing of future profits and gains (2021: £6.4 million).

Gross brought forward losses of £18.8 million are recognised as a deferred tax asset at the period-end (2021: £19.7 million), calculated using the corporate tax rate of 25%, which is effective from 1 April 2023 after which the majority of losses are expected to be utilised.

Certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances (before offset) for financial reporting purposes.

	2022 £m	2021 £m
Deferred tax liabilities	(0.6)	(0.6)
Deferred tax assets	4.8	4.7
Net deferred tax asset	**4.2**	**4.1**

21. Deferred Tax *(continued)*

No deferred tax asset has been recognised in respect of the following net accumulated amounts carried forward (available for offset against future taxable profits) as there is uncertainty regarding the timing of when these amounts will be recovered:

	2022 £m	2021 £m
Losses carried forward – gross	2.2	6.4
Total - gross	**2.2**	**6.4**

22. Provisions

	Note	Onerous IT contracts £m	Property rationalisation £m	Dilapidations £m	Total £m
At 1 January 2022		0.7	0.9	0.5	2.1
Charged in 2022	6	-	0.1	0.2	0.3
Utilised in 2022		(0.6)	(0.6)	(0.1)	(1.3)
At 31 December 2022		**0.1**	**0.4**	**0.6**	**1.1**
Current provision		0.1	0.2	0.3	0.6
Non-current provision		-	0.2	0.3	0.5
Total provision		**0.1**	**0.4**	**0.6**	**1.1**

Onerous IT contracts

The provision for onerous IT contracts relates to the remaining contractual obligations over the unexpired term of remaining contract obligations on IT Infrastructure, which overlap with the transition to Cloud computing (Note 6).

Property rationalisation

The Group has continued with its policy of flexible working and continued to vacate certain office locations. In 2022, the ROU asset for the Preston office location (£0.1 million) was written off in full (Note 6), and a corresponding provision for onerous occupation costs related to this vacant space was expensed to Operating costs until the end of the lease term.

Leasehold property dilapidations provision

The provision for leasehold dilapidations relates to the contractual obligations to reinstate leasehold properties to their original state at the lease expiry date. The Group has assessed the entire portfolio and made provisions depending on the state of the property and the duration of the lease and likely rectification requirements, resulting in an additional £0.2 million provision in the current year. £0.3 million of the provision has been classified as current at the period-end as this lease expired in 2022, and the settlement for the property is currently being negotiated and is expected to be concluded in 2023.

23. Borrowings

	Note	2022 £m	2021 £m
Balance at 1 January 2022		1.0	8.4
Issue secured convertible loan notes		-	11.6
Issue of unsecured interest only loan notes		-	1.0
Accrued interest capitalised	10	-	0.6
Conversion of loan notes to equity	29	-	(20.6)
Balance at 31 December 2022		**1.0**	**1.0**

Borrowings at 31 December 2022 comprise of the £1.0 million 15% interest only unsecured loan notes, repayable on 31 December 2023.

In the prior period, the Company issued £8.4 million 10% convertible secured loan notes in December 2020 to fund the acquisition of JPIMedia Group. During 2021, there were a further two issues of 10% convertible secured loan notes: £5.5 million on 21 January and £6.1 million on 8 February 2021 increasing the total of convertible secured loan notes in issue to £20.0 million, the maximum allowed under the convertible loan note documentation. On 7 May 2021, the convertible secured loan notes, 10% conversion premium and accrued interest of £0.6 million were converted to 205.4 million ordinary shares.

23. Borrowings *(continued)*

A maturity analysis of the Company's borrowings is shown below:

	2022 £m	2021 £m
Less than one year	1.0	-
One to two years	-	-
Two to five years	-	1.0
Total principal cash flows	**1.0**	**1.0**

24. Business combinations

On 24 December 2022, National World Publishing Limited acquired 100% of the issued shares in Not a Newspaper Limited ("Newschain"), a video-first innovator serving connected chains of content driven by data intelligence.

The acquisition meets the definition of a business combination and has been accounted for using the acquisition accounting method in accordance with the Company's accounting policies.

The cash paid on completion was £130k.

The fair value of the assets and liabilities recognised as a result of the acquisition are as follows:

	Note	£m
Digital intangible asset	14	0.1
Total initial consideration		**0.1**

Deferred consideration

The share purchase agreement stipulates that deferred consideration will be payable in 31 December 2023 and 31 December 2024, subject to future performance conditions. As the deferred consideration is based on future performance the value and expectation of any deferred consideration is uncertain and the fair value is determined as £nil.

Acquisition related costs

The acquisition related costs totalled £0.0 million.

JPIMedia Group acquisition - Deferred consideration

The £2.5 million deferred equity consideration represents the second and final tranche payable to the former owners, JPIMedia Limited, due on 31 March 2023. The first tranche of £2.5 million deferred consideration was paid on 31 March 2022. The deferred consideration has not been discounted as we do not believe that the impact of such discounting is material.

25. Notes to the Cash Flow Statement

	Note	2022 £m	2021 £m
Operating profit		5.2	2.1
Adjustments for non-cash/non-operating items:			
Amortisation of intangible assets	6	0.5	0.5
ROUA and tangible assets depreciation expense	6	1.0	2.2
ROUA Impairment	6	0.1	0.9
Acquisition, loan note issue and share re-listing costs	6	-	0.8
Operating cash flow before working capital changes		6.8	6.5
Net (decrease) / increase in provisions		(1.0)	1.6
		5.8	**8.1**
Changes in working capital:			
Decrease in receivables		1.6	0.2
Increase / (decrease) in payables		2.1	(0.1)
Cash generated from operations		**9.5**	**8.2**

Cash and cash equivalents (which are presented as a single class of assets on the face of the Statement of Financial Position) comprise cash at bank (Note 17).

25. Notes to the Cash Flow Statement *(continued)*

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows are, or future cash flows will be, classified in the Group's Consolidated Cash Flow Statement as cash flows from financial activities.

	Note	1 January 2022 £m	Acquisition of subsidiaries £m	Cash inflow from issue of debt £m	Cash outflow on repayment of debt £m	Non-cash movements £m	31 December 2022 £m
Leases	19	1.9	-	-	(1.0)	(0.1)	0.8
Borrowings	23	1.0	-	-	-	-	1.0
Total liabilities from financing activities		**2.9**	**-**	**-**	**(1.0)**	**(0.1)**	**1.8**

The £1.0 million unsecured interest only loan notes raised to fund working capital remain outstanding at 31 December 2022 and are repayable on 31 December 2023.

26. Commitments, guarantees and contingent liabilities

Banking guarantee

A guarantee has been provided to Barclays Bank plc for the provision of banking services to the Group.

27. Related party transactions

Transactions between members of the National World plc group are not disclosed where the transactions are between wholly owned subsidiaries. The Group has traded with related parties in the normal course of operations.

Trading transactions

In December 2020 Media Concierge (Holdings) Limited subscribed to £6 million secured convertible loan notes and converted these plus accrued income into a 24% shareholding in the Company on 7 May 2021. Media Concierge (Holdings) Limited is the ultimate parent of the "Media Concierge companies" which the Group trades with. The Group also traded with Local TV Limited during the period which David Montgomery, Executive Chairman, is a Director and has a significant shareholding.

Sales of goods and services to related parties would be made at the Group's usual list prices less average volume discounts. Purchases were made at market prices discounted to reflect volume purchase and the relationship between the parties. Any outstanding amounts will be settled by cash payment.

During the period, the Group traded with the following Media Concierge companies which are considered related parties:

- Mediaforce Marketing UK Limited
- Mediaforce (London) Limited
- The Distribution Business Limited
- Closehill Limited
- The National Leaflet Company
- The Insert Company
- Mailbox Door Drop Limited

The Group traded with Media Concierge companies during the year, earning revenue of £9.4 million (2021: £8.5 million) and incurring charges for services received of £2.7 million (2021: £2.1 million). The amount outstanding at 31 December 2022, reflecting a stronger trading period in December 2022 and timing of the period end, is £2.4 million (2021: £2.5 million) owed by Media Concierge companies to the Group, and £0.7 million is owed to Media Concierge companies by the Group (2021: £0.4 million).

The Group traded with Local TV Limited during the period, and incurred charges for services received of £0.2 million (2021: £0.1 million). There is £nil owed by the Group to Local TV Limited at 31 December 2022 (2021: £nil) as the December invoice was issued in advance and paid prior to the period end.

Compensation of key management personnel

Key management are the Executive Directors. The remuneration of the Executive Directors is determined by the Remuneration Committee having regard to competitive market position and performance of individuals. Further information regarding the remuneration of the Executive Directors is provided in the Remuneration Report on pages 50 to 65.

28. Share based payments

On 12 December 2022 the Group awarded 2022 Long term Incentive Shares ("LTIP") to two Executive Directors. The awards vest after three years if certain performance criteria are met during that period and are subject to continued employment of each participant. Full details of the LTIP share scheme can be found in the Remuneration Report on pages 50 to 65.

No charge has been expensed in relation to the 2022 LTIP share scheme, due to the short period between award grant and the period end 31 December 2022.

29. Share capital and reserves

	As at 31 December 2022 £m	As at 1 January 2022 £m
Share capital	0.3	0.3
Share premium	24.6	24.6
Retained earnings	9.1	3.9
Total equity	**34.0**	**28.8**

At the period end, the Company had 259,432,801 shares in issue. All 259,432,801 shares in issue rank equally for voting purposes, on any dividend declared and distributions made on winding up of the Company.

On 7 May 2021, the 10% convertible secured loan notes were converted into 205,432,801 ordinary shares with a nominal value of 0.1 pence each.

29. Share capital and reserves *(continued)*

The 205.4 million ordinary shares issued on 7 May 2021 at a price of £0.11 per share (including the 10% conversion premium on the £20.0 million secured convertible loan notes) giving rise to a share premium of £20.4 million. £0.5 million of costs incurred in the period were directly attributed to the new share issue and have been charged to share premium.

The Value Creation Plan (VCP) was put in place on Admission in September 2019. The overall effect of the VCP is that the three Executive Director participants together will be able to earn Ordinary Shares equivalent in value to 10% of any equity value created above an 8% compound annual growth rate based on the measurement of absolute total shareholder return generated over the VCP performance period, refer to the Remuneration Report for further information.

At 31 December 2022, all the Company's accumulated profits are distributable, however, the available amount may be different at the point any future distributions are made. The Group intends to pay a final dividend of 0.5 pence per share. Subject to approval by shareholders at the forthcoming Annual General Meeting, the dividend will be paid on 5 July 2023 to shareholders on the register at 2 June 2023. The maiden dividend reflects the Board's confidence in the ongoing strong cash generation of the business, the future prospects of the Group and its strong balance sheet. The Board continues to adopt a progressive dividend policy.

30. Financial Instruments

The Company's major financial instruments include bank balances and amounts payables to suppliers. The risks associated with these financial instruments, and the policies on how to mitigate these risks are set out below. Risk management is carried out by the Board.

The Group's treasury function supports the business and, with the Group's finance department, monitors and manages the financial risks relating to the operations of the Group through assessment of the exposures by degree and magnitude of risk.

Categories of financial instruments

		2022 £m	2021 £m
Financial assets (current and non-current)			
Trade and other receivables	17	10.0	11.3
Cash at bank	17	27.0	23.0
		37.0	**34.3**
Financial liabilities (current and non-current)			
Trade and other payables	17	7.1	6.3
Accruals	17	7.1	5.5
Interest only unsecured loan notes	23	1.0	1.0
		15.2	**12.8**

30. Financial Instruments *(continued)*

Each of the financial instruments identified are measured at amortised cost.

The component parts of trade and other receivables are presented in Note 17 but excludes prepayments. The component parts of trade and other creditors are presented in Note 17 but excludes contract liabilities.

Liquidity risk management

Liquidity risk results from having insufficient financial resources to meet day-to-day fluctuations in working capital and cash flow. Ultimate responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The contractual maturities (representing undiscounted contractual cash flows) of financial liabilities, being trade and other payables and the interest only unsecured loan notes, are as follows:

	2022 £m	2021 £m
<3 months	12.7	8.8
3 – 12 months	2.5	3.0
1 -2 years	-	1.0
	15.2	**12.8**

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a way of mitigating the risk of financial loss from defaults. The Group's policy on dealing with trade customers is described in Note 17.

The Group's largest credit exposure is with Media Concierge (Note 27) and newspaper sales distributors Menzies and Smiths. The Group's exposure and the credit ratings of its counterparties are continuously monitored. As far as possible, the aggregate value of transactions is spread across a number of approved counterparties.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, the latter being defined as connected entities, other than with some of the larger advertising agencies. In the case of the latter, a close relationship exists between the Group and the agencies and appropriate allowances for doubtful debts are in place. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The following table shows the total estimated exposure to credit risk for all of the Group's financial assets, excluding trade receivables which are discussed in Note 17:

	2022		2021	
	Carrying value £m	Exposure to credit risk £m	Carrying value £m	Exposure to credit risk £m
Cash and cash equivalents	27.0	-	23.0	-

Capital risk management

The Company's objective when managing its financial headroom is to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Market and foreign currency risk management

The Group's activities do expose it to the financial risk of changes in foreign currency exchange, but this is not considered to be material. At a Group and Company level, market risk exposures are assessed using sensitivity analyses.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities at the reporting date are immaterial.

31. Alternative performance measures

To provide clarity of the underlying trading performance of the Group, the operating results are presented on an adjusted basis. Adjusted results are before non-recurring restructuring and organisational charges, IFRS 16 adoption, transaction costs, amortisation of intangible assets and impairment charges. The Directors believe that it is appropriate to additionally present the alternative performance measures used by management in running the business, and that it will present a more meaningful and comparable financial result.

31. Alternative performance measures *(continued)*

The adjusted results provide supplementary analysis of the 'underlying' trading of the Group.

	Adjusted results		Statutory results	
	2022 £m	2021 £m	2022 £m	2021 £m
Revenue	84.1	86.0	84.1	86.0
Operating costs	(74.4)	(75.9)	(73.7)	(74.3)
Depreciation and amortisation	(0.4)	(0.8)	(1.5)	(2.7)
Operating profit pre non-recurring items	9.3	9.3	8.9	9.0
Non-recurring items	-	-	(3.7)	(6.9)
Operating profit	9.3	9.3	5.2	2.1
Net finance expense	-	(0.7)	(0.1)	(0.9)
Profit before tax	9.3	8.6	5.1	1.2
Tax credit / (charge)	(1.8)	(1.6)	0.1	4.1
Profit after tax	**7.5**	**7.0**	**5.2**	**5.3**

The adjusted profit before tax is £9.3 million, and the adjusted tax rate is 19% with a £1.8 million tax charge in the period. The adjusted tax charge does not benefit from the brought forward tax losses so as to provide a more meaningful and comparable financial result.

Operating profit as determined under IFRS to adjusted operating profit:

	Note	2022 £m	2021 £m
Operating profit as determined under IFRS		**5.2**	**2.1**
Adjustments:			
Lease costs		(0.7)	(1.6)
Depreciation on right of use assets	6	0.6	1.4
Amortisation of intangible assets	6	0.5	0.5
Restructuring costs	6	3.3	3.6
Onerous IT contracts	6	-	0.7
ROUA Impairment	6	0.1	0.9
Property Rationalisation	6	-	0.9
Aborted transaction costs	6	0.3	-
Acquisition, loan note issue and share re-listing costs	6	-	0.8
Adjusted operating profit		**9.3**	**9.3**

EBITDA and adjusted EBITDA are:

		2022 £m	2021 £m
Operating Profit as determined under IFRS		**5.2**	**2.1**
Depreciation and amortisation	6	1.5	2.7
ROUA Impairment	6	0.1	0.9
EBITDA		**6.8**	**5.7**
Adjusted operating profit		**9.3**	**9.3**
Depreciation	15	0.4	0.8
Adjusted EBITDA		**9.7**	**10.1**

32. Reconciliation of statutory to adjusted cash flow

	IFRS 2022 £m	Adjustments £m	Adjusted 2022 £m
Cash flow from operating activities			
Operating profit	5.2	4.1	9.3
Impairment on ROUA	0.1	(0.1)	-
Depreciation and amortisation	1.5	(1.1)	0.4
Adjusted EBITDA	6.8	2.9	9.7
Restructuring costs paid	-	(2.5)	(2.5)
Aborted transaction costs	-	(0.4)	(0.4)
Provisions	(1.0)	1.0	-
Working capital and other	3.7	(2.2)	1.5
Net cash flow generated from operations	**9.5**	**(1.2)**	**8.3**
Investing activities			
Acquisition of subsidiaries	(2.6)	-	(2.6)
Interest received	0.2	-	0.2
Investment in The News Movement	(1.1)	-	(1.1)
Purchases of tangible assets	(0.4)	-	(0.4)
Acquisition of digital assets	(0.2)	-	(0.2)
Net cash outflow from investing activities	**(4.1)**	**-**	**(4.1)**
Financing activities			
Interest paid	(0.3)	0.1	(0.2)
Principal repayment of leases	(1.1)	1.1	-
Net cash utilised from financing activities	**(1.4)**	**1.2**	**(0.2)**
Net increase in cash and cash equivalents	**4.0**	**-**	**4.0**

The adjustments for 2022 are:

- £4.1 million increase in operating profit reflects £0.1 million impairment of ROUA, £0.6 million depreciation of IFRS 16 leased assets, £0.5 million amortisation of intangible assets, £0.4 million on aborted transaction costs, and £2.5 million restructuring costs (includes £0.4 million paid relating to 2021 schemes);
- £0.1 million reduction in ROUA impairment of IFRS 16 lease assets;
- £1.1 million reduction in depreciation and amortisation reflects the £0.6 million depreciation of IFRS 16 lease assets and £0.5 million amortisation of intangible assets which has been added back to operating profit;
- £2.5 million reduction for restructuring, reflecting the £3.3 million restructuring costs charged in the period of which £2.5 million has been paid in the period including £0.4 million of 2021 restructuring costs, with the remaining £1.2 million accrued at the period-end;
- £0.4 million aborted transaction costs reduction as these were added back to operating profit
- £1.0 million provision movement;
- £2.2 million negative working capital adjustment; and
- £0.1 million interest and £1.1 million principal payments on IFRS 16 leases are added back as they have already been charged to operating profit.

The prior year comparative statutory to adjusted cash flow reconciliation is presented below:

	IFRS 2021 £m	Adjustments £m	Adjusted 2021 £m
Cash flow from operating activities			
Operating profit	2.1	7.2	9.3
Impairment on ROUA	0.9	(0.9)	-
Depreciation and amortisation	2.7	(1.9)	0.8
Adjusted EBITDA	5.7	4.4	10.1
Restructuring costs paid	-	(3.2)	(3.2)
Acquisition, loan note issue and share re-listing costs	0.8	(0.8)	-
Working capital and other	1.7	(2.2)	(0.5)
Net cash flow generated from operations	8.2	(1.8)	6.4

£7.2 million increase in operating profit reflects £0.9 million impairment of ROUA, £1.4 million depreciation of IFRS 16 leased assets, £0.5 million amortisation of intangible assets, £3.2 million restructuring costs, £0.8 million of acquisition, loan note issue and share re-listing costs, £1.6 million provisions (comprising £0.7 million onerous IT contracts and £0.9 million property rationalisation), and £0.6 million negative working capital adjustment representing non-recurring costs unpaid at the period-end.

National World plc
Company Statement of Financial Position
As at 31 December 2022

	Note	As at 31 December 2022 £m	As at 1 January 2022 £m
ASSETS			
Non-current assets			
Investments in subsidiaries	39	7.2	7.2
Investments	40	1.1	-
Deferred tax	38	0.5	0.4
		8.8	7.6
Current assets			
Other receivables	43	0.1	0.1
Intercompany receivables	41	2.1	5.2
Cash and cash equivalents	42	22.0	15.5
		24.2	20.8
Total assets		33.0	28.4
LIABILITIES			
Current liabilities			
Trade and other payables	43	(0.9)	(0.8)
Borrowings	23	(1.0)	-
Deferred consideration	24	(2.5)	(2.5)
		(4.4)	(3.3)
Non-current liabilities			
Borrowings	23	-	(1.0)
Deferred consideration	24	-	(2.5)
		-	(3.5)
Total liabilities		(4.4)	(6.8)
Net assets		**28.6**	**21.6**
EQUITY			
Share capital	29	0.3	0.3
Share premium	29	24.6	24.6
Accumulated profit / (losses)		3.7	(3.3)
Total equity		**28.6**	**21.6**

The Company reported a statutory profit after tax for the period of £7.0 million (2021: loss £1.9 million), having received an intragroup dividend in the period from National World Publishing Limited. As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the period.

These parent company financial statements on pages 105 to 110 were approved by the Board of Directors and authorised for issue on 16 March 2023.

The notes on pages 83 to 104 form part of these financial statements.

They were signed on its behalf by:

David Montgomery
Executive Chairman

National World plc
Company Statement of Changes in Equity
For the 52 weeks ended 31 December 2022

	Share Capital £m	Share Premium £m	Accumulated profit / (losses) £m	Total Equity £m
As at 31 December 2020	0.1	4.7	(1.4)	3.4
Comprehensive loss				
Loss for the period	-	-	(1.9)	(1.9)
Total comprehensive loss	-	-	(1.9)	(1.9)
Issue of shares on 7 May 2021	0.2	20.4	-	20.6
Costs directly attributable to issuing new shares	-	(0.5)	-	(0.5)
As at 1 January 2022	**0.3**	**24.6**	**(3.3)**	**21.6**
As at 1 January 2022	0.3	24.6	(3.3)	21.6
Comprehensive profit				
Profit for the period	-	-	7.0	7.0
Total comprehensive profit	-	-	7.0	7.0
As at 31 December 2022	**0.3**	**24.6**	**3.7**	**28.6**

The notes on pages 83 to 104 form part of these financial statements.

At 31 December 2022, all the Company's accumulated profits are distributable, however, the available amount may be different at the point any future distributions are made. The Group intends to pay a final dividend of 0.5 pence per share. Subject to approval by shareholders at the forthcoming Annual General Meeting, the dividend will be paid on 5 July 2023 to shareholders on the register at 2 June 2023. The maiden dividend reflects the Board's confidence in the ongoing strong cash generation of the business, the future prospects of the Group and its strong balance sheet. The Board continues to adopt a progressive dividend policy.

33. Company information

National World plc (the "Company" or "National World") is a public company listed on the London Stock Exchange in England and Wales. The Company is domiciled in England and its registered office is No 1 Leeds 4th Floor, 26 Whitehall Road, Leeds, England, United Kingdom, LS12 1BE.

The principal activity of the Company is to operate in the news publishing sector.

The prior period was for the 52 weeks ended 1 January 2022.

34. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These separate financial statements of the Company have been prepared on a going concern basis in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101). The Financial Statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company is a qualifying entity under FRS 101 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate Financial Statements. The following exemptions have been taken in relation to the presentation of a cash-flow statement, capital management, financial instruments, change in accounting policy, retrospective restatement or reclassification, capital management, standards not yet effective and related party transactions. Where relevant, equivalent disclosures have been given in the Group accounts, the applicable note reference is provided.

Measurement bases

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in Note 33.

Going concern

The Company had £22.0 million cash as at 31 December 2022 providing significant headroom to repay the £2.5 million deferred consideration due on 31 March 2023 and to fund operating expenses and costs associated with evaluating acquisitions and investments, including due diligence. On this basis, the Board considers the Company to have sufficient resources to remain in operational existence for the foreseeable future.

Functional and presentation currency

The financial information is presented in the functional currency, pounds sterling except where otherwise indicated.

New standards, interpretations and amendments

There are no new standards that are issued but not yet effective which would be expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

Net finance costs

Finance income comprises interest receivable on funds invested and other interest receivable. Interest income is recognised in profit or loss as it accrues using the effective interest method.

Finance expense comprises interest on the £1 million interest only Loan notes with a due date of 31 December 2023.

Financial assets

The Company classifies all its financial assets at amortised cost. Management determines the classification of its financial assets at initial recognition.

The Company's financial assets held at amortised cost comprise cash and cash equivalents and intercompany receivable in the statement of financial position.

The cash and cash equivalents in the statement of financial position is entirely made up of deposits held with Barclays Bank Plc, a counterparty with independent credit ratings of a minimum of A-.

Financial liabilities

The Company classifies its financial liabilities in the category of financial liabilities at amortised cost. All financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provision of the instrument. Trade and other payables and borrowings are included in this category.

34. Summary of significant accounting policies *(continued)*

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Convertible debt

In 2021, the proceeds received on issue of the Company's short-term (less than 12 months) £20 million secured convertible debt was initially accounted for as debt. On conversion the debt was converted to equity and the costs associated with the issue of equity was recognised in share premium.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Income tax

Income tax for the period comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts only to the extent that it is likely that they will be recovered in the foreseeable future.

35. Significant judgements and estimates

The preparation of the Company's financial statements under IFRS as endorsed by the United Kingdom requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date, amounts reported for revenues and expenses during the period, and the disclosure of contingent liabilities, at the reporting date.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors consider that there are no critical accounting judgements or estimates relating to the financial information of the Company.

36. Profit before income tax

The profit before income tax is stated after charging:

	Note	2022 £m	2021 £m
Staff costs	8,37	1.0	1.2
Fees payable to the Company's auditors – audit of the Company's annual accounts	7	0.1	0.1
Non-recurring costs:			
Acquisition, loan note issue and share re-listing	6	-	0.8
Restructuring costs	6	0.2	-
Aborted transaction costs	6	0.3	-
Finance costs:			
Interest on convertible loan notes	9	-	0.6
Interest on interest only unsecured loan notes	9	0.2	0.1

37. Directors and employees

The employees of the Company are all Executive and Non-Executive Directors, and disclosed in the Group staff costs (Note 8).

Staff costs of £1.0 million comprise of £0.8 million remuneration paid to the Executive and Non-Executive Directors and £0.2m of consultancy, social security and pension costs (Note 8).

Other than the salaries and fees, detailed in (Note 8), and the Executive Directors' VCP participation, no other remuneration was paid, payable or will be paid or payable for 2022. Further disclosure is included in the Remuneration Report.

38. Taxation

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The annual tax rate used for 2022 is 19%, the same as for the full year ended 1 January 2021.

The corporation tax rate will increase to 25% for the year beginning 1 April 2023. The change to the standard rate of corporation tax rate to 25%, substantively enacted by parliament in May 2021, has been accounted for in the calculation of the deferred tax.

	2022 £m	2021 £m
Deferred tax		
Credit for the period	(0.1)	(0.4)
Total tax credit for the period	**(0.1)**	**(0.4)**

The difference between the total 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:

	2022 £m	2021 £m
Analysis of charge in period		
Profit / (loss) before tax on continuing operations	**6.9**	**(2.3)**
Tax at the UK corporation tax rate of 19%	1.3	(0.4)
Effects of:		
Income not taxable / expenses not allowable	(1.5)	0.1
Group relief	0.2	-
Rate difference	(0.1)	-
Deferred tax asset recognised for tax losses	-	(0.1)
Tax credit for the period	**(0.1)**	**(0.4)**

The Company has tax losses carried forward of £2.4 million (2021: £2.4 million), of which £2.0 million have been recognised in the period (£0.5 million deferred tax asset). The remaining tax losses of £0.4 million (2021: £0.6 million) have not been recognised as a deferred tax asset, at the period end, due to uncertainty over the timing of future profits and gains.

39. Investment in Subsidiaries

	2022 £m	2021 £m
1 January 2021	7.2	-
Acquisition of JPIMedia Group	-	7.2
Investment in Subsidiaries	7.2	7.2

The Company's subsidiaries as at 31 December 2022 are as follows:

	Country of incorporation and operation	Proportion of ownership interest and voting power	Class of share owned	Nature of business	Status
National World Publishing Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World Scotsman Publications Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World SWP Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World North East Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World North West Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World Off Road Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World Yorkshire Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World NMSY Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World Midlands Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World South Limited	England	100%	Ordinary	Newspaper publishers	Agency
National World NI Ltd	England	100%	Ordinary	Newspaper publishers	Agency
Not a Newspaper Limited	England	100%	Ordinary	Newspaper publishers	Agency
Connect Local Limited	England	100%	Ordinary	Newspaper publishers	Dormant
JPIMedia Publishing Limited	England	100%	Ordinary	Newspaper publishers	Dormant

The registered office of all subsidiaries is No1 Leeds, 4th Floor, 26 Whitehall Road Leeds, LS12 1BE, England.

There is no difference in the proportions of ownership interest shown above and the voting power held. All investments in subsidiary undertakings are held at cost less, where appropriate, provisions for impairment. All subsidiaries have been included within the consolidated accounts.

On 7 February 2023, the Group acquired the issued share capital of Bann Media Limited (Note 46).

40. Investments

On 27th October 2022, the Company invested £1.1 million (US$1.25 million) for a 3% stake in social-first media company, The News Movement, as part of a strategic partnership to provide National World's audiences with high quality, fact-based, engaging news and useful information on platforms including TikTok, Instagram, YouTube, Twitter and Snap.

The partnership will accelerate National World's development of a new operating model while welcoming a younger audience to its portfolio of franchises, such as The Yorkshire Post, The Scotsman and nationalworld.com.

As part of the relationship, The News Movement will produce news content for National World websites in addition to The News Movement's social platforms. The editorial process will be a blend of traditional and social-first techniques, including The News Movement team's attendance at the long-standing daily news conference meetings.

41. Intercompany receivables

Amounts falling due within one year:	2022 £m	2021 £m
Intercompany receivables	2.1	5.2

The amount outstanding at year end is receivable from National World Publishing Limited.

The Company has no intention to demand repayment of the receivables balance in the foreseeable future, and the intercompany receivable balance remains interest free and repayable on demand by counterparties.

42. Cash and cash equivalents

	2022 £m	2021 £m
Cash at bank	22.0	15.5
Total cash and cash equivalent	**22.0**	**15.5**

All bank balances are denominated in pounds sterling.

43. Other financial assets and liabilities

Other receivables

	2022 £m	2021 £m
Prepayments and other debtors	0.1	0.1
Total Other receivables	**0.1**	**0.1**

Trade and other payables

Amounts falling due in one year:	2022 £m	2021 £m
Trade payables	0.1	0.1
Accruals	0.3	0.2
Taxes and social security	0.5	0.5
Total Trade and other payables	**0.9**	**0.8**

Taxes and social security

The £0.5 million Tax and Social balance relates to National Insurance contributions attributable to the Executive Directors' VCP which operates over a performance period commencing on listing (September 2019) and ending on the date of publication of the Company's results for the financial year ending 31 December 2022. Refer to the Remuneration Report.

44. Ultimate controlling party

The Company has no ultimate controlling party.

45. Commitments, guarantees and contingent liabilities

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 31 December 2022 the total VAT liability of the Group amounted to £0.8 million.

46. Subsequent events

On 20 January 2023 the Group acquired the Newry Reporter title and website. On the same day the Group sold TMX title and tmxnews.co.uk. On 7 February 2022, the Group acquired the Banbridge Chronicle title and website (and the issued share capital of Bann Media Limited).