

Results for the period 29 May to 31 December 2019

Released : 30 April 2020

RNS Number : 3951L
National World PLC
30 April 2020

National World plc

("National World," or the "Company")

Results for the period 29 May 2019 to 31 December 2019

Notice of Annual General Meeting

National World, (LSE: NWOR.L), the investment business established to create a modern platform for news publishing by implementing a new operating model powered by the latest technology, today announces its results for the period from 29 May 2019 to 31 December 2019, together with details of its forthcoming Annual General Meeting, ("AGM").

David Montgomery, Executive Chairman, said:

"Since Admission, we have evaluated several potential transactions in line with our strategy.

"The onset of the COVID 19 pandemic has demonstrated the weakness of the sector's legacy operating models, highlighting the urgent need for a transformation of the industry, with a new operating model and increased collaboration.

"The Board remains confident in its strategy and will continue to monitor and engage with businesses and potential partners as it considers new acquisition and investment opportunities."

Results for period 29 May 2019 to 31 December 2019

The 2019 Annual Report is available on our website: <https://www.nationalworld.com/investors/reports-presentations-and-publications/year/2020>.

Excerpts of the consolidated report and audited financial statements of the Company for the period from 29 May 2019 to 31 December 2019 are set out below.

Notice of AGM

Notice of the Annual General Meeting of the Company will be posted to shareholders in the coming days. The AGM is to be held on 30 June 2020 at 11.00 am.

The Board encourages shareholders to vote on the AGM Resolutions in advance by proxy, submit any questions in advance of the meeting and listen to the AGM remotely.

In light of the ongoing COVID-19 pandemic, the Company is invoking certain provisions in the Companies Act 2006 and its articles of association to establish satellite meetings.

These provisions allow the Company to facilitate a shareholder meeting where, on grounds of the personal safety of all concerned, it

must avoid the need for persons to be in the same physical location. For the purposes of the satellite meeting provisions of the Articles of Association, we are designating the location of the meeting to be the place where the Chairman is located and all other shareholders and "attendees" will be deemed to be at their own individual satellite location. All satellite locations will be connected via audio through a digital meeting platform.

At the AGM, the Company will also submit updated Articles of Association for shareholder approval.

Full details will be contained in the AGM documents sent to shareholders and made available on the Company's website:
<https://www.nationalworld.com/investors/reports-presentations-and-publications/year/2020>.

Other

This announcement contains inside information for the purposes of the Market Abuse Regulation (EU) NO. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of National World is Vijay Vaghela, Chief Operating Officer.

- Ends -

For further information please contact:

National World plc

David Montgomery
Vijay Vaghela
c/o Montfort Communications

Montfort Communications

Nick Miles
Olly Scott

+44 (0)78 1234 5205

Excerpts from the consolidated report and audited financial statements of National World plc for the period 29 May 2019 to 31 December 2019.

Chairman's statement

I am pleased to present the audited financial statements to shareholders of National World Plc (the "Company") for the period from 29 May 2019 to 31 December 2019.

The Company has been established to pursue opportunities in the news publishing and digital media sector and/or in associated complementary technologies. Our objective is to create a modern platform for news publishing by implementing a new operating model powered by the latest technology.

National World will jettison legacy systems and archaic industrial practices to create efficient dissemination of news and to monetise it by matching content to audience.

Since incorporation and the subsequent listing of the Company's shares on the Standard Segment of the FCA's Official List and the Main Market of the London Stock Exchange on 19 September 2019, the Company has evaluated and considered several businesses for acquisition or investment.

At this stage, no acquisitions or investments have progressed to a stage where exclusivity has been granted or a detailed due diligence process initiated. Progress during 2019 was impacted by the uncertainty created by Brexit and the General Election, creating volatility on valuations.

There has been increased economic uncertainty as a result of the COVID-19 outbreak, impacting news publishing businesses. This further highlights the importance and urgent need for a transformation of the industry with a new operating model and increased collaboration. We continue to explore a range of opportunities despite a rapidly changing situation.

The Board remains confident in its strategy and will continue to monitor and engage with key businesses and consider acquisitions and investments.

The Company incurred a loss for the period ended 31 December 2019 of £335,067. The loss for the period results from the on-going administrative expenses of £167,392 required to operate the Company, one-off costs of £87,615 for setting-up the Company and costs

incurred for the Admission to the Official List and the London Stock Exchange of £81,268. The Board continues to minimise ongoing operating costs prior to making an acquisition. Where possible, the Board will also ensure that it does not incur costs for due diligence prior to being granted exclusivity by the vendor.

The Group had a cash balance of £4,383,077 at 31 December 2019 and minimal expenditure has been incurred since the 31 December 2019.

I look forward to presenting an acquisition for shareholders to consider as soon as we have more clarity on the economic outlook and impact on the news publishing sector arising from COVID-19.

Strategic report

The Directors present the Strategic Report of National World Plc for the period from 29 May to 31 December 2019.

Review of Business in the Period

Operational Review

The Company was incorporated in England and Wales on 29 May 2019 as a private company with limited liability under the Companies Act with registered number 12021298 and re-registered as a public limited company on 25 July 2019 by way of a share subdivision to split the existing 100 ordinary shares into 100,000 ordinary shares. The Company's LEI is 213800NL4ICLKYSYU749. On 25 July, the Company issued 3,900,000 ordinary shares for a consideration of £100,000 raising gross proceeds of £100,000 representing an average 2.5 pence per ordinary share. On 30 July, the Company changed its name from Carno Capital Limited to National World plc.

The Company was set up by David Montgomery to pursue opportunities in the news publishing and digital media sector and/or in associated complementary technologies. Vijay Vaghela joined the Company in July 2019 following his retirement from Reach plc.

David Montgomery and Vijay Vaghela have many years of experience in the news publishing and digital media sector. The Company intends to implement a new operating model to modernise and stabilise performance of print publishing through driving efficiencies by sharing services across the publishing industry and building a growing digital news publishing business.

Upon Admission on 19 September 2019, the Company issued 50,000,000 Ordinary Shares at 10 pence per share and all ordinary shares were admitted by the FCA to a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the Main Market of the London Stock Exchange (LSE).

Since Admission, the Company has evaluated several potential acquisitions which were deemed unsuitable due to either the outlook and/or the consideration being sought by the vendors. The Board continues to evaluate several acquisitions and is in preliminary discussions regarding a potential acquisition. The Board will update the market on progress once exclusivity has been granted and/or there is a high probability that a transaction can be completed.

Since December 2019, the Company's Ordinary Shares have been suspended from trading on Main Market of the LSE as the Company was considering a potential acquisition. The Company is continuing to consider a potential acquisition and other acquisitions and its shares remain suspended.

Business Strategy

The objective of the Company is to create a modern platform for news publishing by implementing a new operating model powered by the latest technology.

National World intends to deliver its strategy by:

- creating a leading position in the UK news publishing and digital media sector by implementing a strategy of consolidation of audience reach, digital focus and modernisation;
- jettisoning legacy systems and archaic industrial practices to create efficient dissemination of news and to monetise it through matching content to audience; and
- establishing a new operating model which will drive efficiencies and aggregate audiences of multiple brands.

National World will deliver its strategy by acquiring a number of media and digital technology assets, (including publishing assets) to develop and deploy its new operating model. The strategy also accommodates services provisions to industry partners as an alternative to transfer of ownership and may involve the Company entering into contractual or corporate joint ventures.

National World's strategy will involve consolidation and change by combining acquired digital technology innovation and traditional print assets in a new industry model designed to grow revenues by aggregation of audiences and reduce costs via shared services. This will include a consolidated operating platform for multiple media brands that provides a system for content management, digital sales and

content dissemination facilities capable of serving many publishers across all news segments and platforms.

As the operating model can be applied to many territories, the Company will not be limited to particular geographic regions. However, the initial focus will be to invest in the UK and continental Europe.

Acquisition strategy

In selecting acquisition opportunities, the Board will focus on:

- traditional media assets where opportunities exist to implement the new strategy and there is the prospect of adding considerable value; and
- new technologies to enable and accelerate implementation of the change strategy.

Following completion of any acquisition, the Company intends to operate the acquired businesses and implement its strategy for generating value for its shareholders. This strategy is likely to involve additional complementary acquisitions.

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.

Following an acquisition and in the event that any subsequent acquisition is deemed a Reverse Takeover, the Company intends to seek re-admission of the Group to listing on the Official List and trading on the Main Market of the London Stock Exchange or Admission to another stock exchange dependent upon the nature of the acquisition and its stage of development.

Events since the year end

The economic environment has changed materially since the year end following the onset of the global COVID-19 pandemic. The United Kingdom and many countries across the world have imposed unprecedented restrictions on the movement of their population, leading to the suspension or closure of many businesses not deemed critical.

The changes arising from COVID-19 are having a material impact on news publishing, in particular newspaper sales and advertising revenues. Many readers are unable to buy newspapers as they follow government guidelines to stay at home or their regular newsagent has closed. Advertising, both national and local, has seen a material fall off as businesses, in particular retailers, stop trading. Whilst digital audiences for news publishing have seen material growth, we understand that revenue is not growing in line with audience due to business closures and some advertisers insisting their advertisements are not placed next to COVID-19 related content. We note, however, efforts by the government to encourage advertising by leading brands and through its own public information programme. The Company has access to discussions with government and regulators regarding the COVID-19 impact on the media sector and the planning for recovery across all media platforms.

The Board continues to engage and maintain strong relationships with the news publishing sector and believes its vision for transformation of the news publishing sector is even more urgent and will continue to pursue acquisitions and investments which we believe will drive value for shareholders.

Financial review

Results for the period from 29 May 2019 to 31 December 2019

The Company incurred a loss for the period ended 31 December 2019 of £335,067. The loss for the period results from: the on-going administrative expenses of £167,392 required to operate the Company; one-off costs of £87,615 for setting-up the Company and costs incurred for the Admission to the Official List and the London Stock Exchange of £81,268.

Cash flow

Net cash inflow for 2019 was £4,383,077. This includes gross proceeds of £5,100,000 for the issue of 54,000,000 (4,000,000 on 30 July 2019 and 50,000,000 on the public offering on 19 September 2019) ordinary shares, costs specifically incurred on the issue of shares (£321,885) charged to share premium, IPO costs expensed to the Income Statement (£81,268), one-off costs associated with establishing a governance and operational framework for a public listed company (£87,615) and ongoing net cash outflows (£226,155). The ongoing net cash outflows of £226,155 includes VAT of £82,403 which has been reclaimed subsequent to the period ended 31 December 2019, insurance of £47,040 which covers the period to 31 December 2020, of which £33,205 relates to the year ending 31 December 2020, financial advisers fees of £75,000 which covers the 12 months from Admission, of which £53,125 relates to the year ending 31 December 2020 and an annual website fee of £7,500 which covers the period to 30 June 2020, of which £3,750 relates to the year ending 31 December 2020. Therefore, the ongoing net cash outflows in the period ended 31 December 2019 that relates to this period net of VAT was £53,672.

As at 31 December 2019, the Company held £4,383,077 of cash.

Statement of Comprehensive Income

	Note	31 December 2019
		£
Continuing operations		
Non-recurring costs to establish National World	6	(87,615)
Listing expenses	7	(81,268)
Administrative expenses	8	(167,392)
Operating loss		<u>(336,275)</u>
Finance income	9	1,208
Loss before tax		<u>(335,067)</u>
Taxation	10	-
Total comprehensive loss for the period attributable to the equity owners		<u><u>(335,067)</u></u>
Loss per share		
Basic and diluted (pence per share)	11	<u>(0.01)</u>

The above results were derived from continuing operations.

Statement of Financial Position

	Note	As at
		31 December 2019
		£
ASSETS		
Current assets		
Trade and other receivables	12	127,628
Cash and cash equivalents	13	4,383,077
Total current assets		<u>4,510,705</u>
Total assets		<u>4,510,705</u>
LIABILITIES		
Current liabilities		
Trade and other payables	14	67,657
Taxation	10	-
Total current liabilities		<u>67,657</u>
Total liabilities		<u>67,657</u>
NET ASSETS		<u><u>4,443,048</u></u>
EQUITY		
Share capital	15	54,000
Share premium	16	4,724,115
Accumulated losses	16	(335,067)
Total equity		<u><u>4,443,048</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 April 2020.

Vijay Vaghela

Statement of Changes in Equity

	Share Capital £	Share Premium £	Accumulated Losses £	Total Equity £
As at 29 May 2019	-	-	-	-
Comprehensive income				
Loss for the period	-	-	(335,067)	(335,067)
Transactions with owners				
Issue of ordinary shares	54,000	5,046,000	-	5,100,000
Cost to issue shares	-	(321,885)	-	(321,885)
Share based payment expense	-	-	-	-
As at 31 December 2019	<u>54,000</u>	<u>4,724,115</u>	<u>(335,067)</u>	<u>4,443,048</u>

Statement of Cash Flows

	Note	31 December 2019 £
Cash flow from operating activities		
Operating loss		(336,275)
Cash outflow from operating activities		<u>(336,275)</u>
Changes in working capital		
Increase in trade and other receivables	12	(127,628)
Increase in trade and other payables	14	67,657
Net cash used in operating activities		<u>(396,246)</u>
Cash flows from investing activities		
Interest received	9	1,208
Net cash generated from investing activities		<u>1,208</u>
Cash flows from financing activities		
Proceeds from issue of shares, net of issue costs		4,778,115
Net cash generated from financing activities		<u>4,778,115</u>
Net increase in cash and cash equivalents		4,383,077
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		<u>4,383,077</u>

The notes form part of these financial statements.

Notes

1. Company information

National World PLC (the "Company") 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 201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT.

The principal activity of the Company is that of identifying and acquiring investment projects.

This was the Company's first year of operations and the accounting period runs from incorporation on 29 May 2019 to 31 December 2019. Therefore, no comparative figures have been presented.

2. 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.

2.1 Basis of preparation

These financial statements of the Company have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union, in accordance with the Companies Act 2006.

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 3.

2.2 Going concern

The Company had £4,383,077 cash as at 31 December 2019 and ongoing operational costs of £300,000 per annum providing significant headroom to fund 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.

2.3 Functional and presentation currency

The financial information is presented in the functional currency, pounds sterling ("£") except where otherwise indicated.

2.4 New standards, amendments and interpretations

New standards, interpretations and amendments

There were no IFRSs or IFRICS interpretations relevant to the Company that were effective for the first time for the financial period that had a material impact on the Company.

Standards, interpretations and amendments in issue but not yet effective and not early adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these is are as follows, which are all effective for the period beginning 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Material)
- IFRS 3 Business Combinations (Amendment - Definition of Business)
- Revised Conceptual Framework for Financial Reporting

National World Plc is currently assessing the impact of these new accounting standards and amendments.

2.5 Segment reporting

Identifying and acquiring investment projects is the only activity the Company is involved in and is therefore considered as the only operating segment.

The financial information therefore of the single segment is the same as that set out in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows.

2.6 Net finance income

Finance income

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.

2.7 Financial assets

Classification

The Company classifies all its financial assets at amortised cost. Financial assets do not comprise prepayments. Management determines the classification of its financial assets at initial recognition.

Amortised cost

The Company's financial assets held at amortised cost comprise solely of cash and cash equivalents 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-.

2.8 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 are included in this category.

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.

2.9 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.
- Accumulated losses include all current period results as disclosed in the Statement of Comprehensive Income.

2.10 Income tax

Income tax for the period presented 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.

2.11 Share-based payments

Where share options are awarded to 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 will be made for the Value Creation Plan until such time the Company completes an acquisition.

2.12 Non-recurring costs

Non-recurring costs are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are items that are material, either because of their size or their nature and are presented within the line items to which they best relate.

3. Significant judgments and estimates

The preparation of the Company's financial statements under IFRS as endorsed by the EU requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the statement of financial position 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.

4. Directors and employees

Staff costs for the Company for the period (including directors):

	31 December 2019
	£
Wages and salaries	4,750
Social security costs	-
Other pension costs	-

4,750

Average monthly number of people (including all directors) employed by activity:

	31 December 2019
	No.
Directors	5
Management and administration	-
	<u>5</u>

Directors' emoluments:

	31 December 2019
	£
Salaries and fees	4,750
Other pension costs	-
	<u>4,750</u>

Highest paid director:

	31 December 2019
	£
Salaries and fees	1,250
Other pension costs	-
	<u>1,250</u>

There are no other employees other than the directors of the company.

5. Loss before income tax

The loss before income tax is stated after charging:

	31 December 2019
	£
Fees payable to the Company's auditors - audit of the Company's annual accounts	18,000
Fees payable to the Company's auditors - non-statutory audit in relation to the Company's re-registration as a plc.	2,500
Fees payable to the Company's auditors - Reporting Accountant fees	15,000
	<u>35,500</u>

6. Non-recurring costs to establish National World

The Company incurred costs of £87,615 which were considered to be one-off to establish National World Plc, therefore these costs have been disclosed separately in the Statement of Comprehensive Income.

7. Listing Expenses

During the period from incorporation on 29 May 2019 to 31 December 2019, the Company incurred £81,286 in IPO costs and other fees.

8. Analysis of expenses by nature

The breakdown by nature of administrative expenses is as follows:

	31 December 2019
	£
Staff costs	4,750
Accounting fees	8,000
Audit fees	18,000
Professional fees	97,577
Other costs, including financial PR, insurance and other fees	<u>39,065</u>

Total administrative expenses	167,392
-------------------------------	---------

9. Finance income

	31 December 2019
	£
Bank interest	1,208
Total finance income	1,208

10. Taxation

	31 December 2019
	£
Analysis of charge in period	
Loss before tax on continuing operations	(335,067)
Tax at the UK corporation tax rate of 19%	(63,663)
Tax losses carried forward	63,663
Tax charge for the period	-

The standard rate of corporation tax applicable for the period was 19 per cent.

The Company has tax losses carried forward of £63,663. The Directors believe that it would not be prudent to recognise any deferred tax assets before such time as the Company generates taxable income.

11. Loss per share

The loss per share has been calculated using the profit for the period and the weighted average number of ordinary shares entitled to dividend rights which were outstanding during the period, as follows:

	31 December 2019
	£
Loss for the period attributable to equity holders of the Company	(335,067)
Weighted average number of ordinary shares	26,813,426
Loss per share	(0.01)

12. Trade and other receivables

	31 December 2019
	£
Amounts falling due within one year:	
Prepayments	41,863
Other receivables	85,765
	127,628

It is the Company's policy to assess receivables for recoverability based on historical data available to management in addition to forward looking information utilising managements knowledge. The Directors consider that the carrying amount of trade and other receivables is approximately equal to their value.

Other receivables comprise VAT due on expenses incurred during the period and £82,329 was recovered on 7 March 2020.

13. Cash and cash equivalents

	31 December 2019
	£
Cash at bank	4,383,077
	4,383,077

All bank balances are denominated in pounds sterling with £4.2 million held on a term deposit with Barclays Bank plc which requires 30 days' notice for any withdrawal.

14. Trade and other payables

	31 December 2019
	£
Amounts falling due in one year:	
Other taxation and social security	699
Trade payables	31,969
Other payables	1,234
Accruals	33,755
	<u>67,657</u>

15. Share capital

	Number of Shares	Share Capital	Share premium £
			£
Issued and fully paid Ordinary shares of 0.1p each			
At 31 December 2019	<u>54,000,000</u>	<u>54,000</u>	<u>4,724,115</u>

The Company was incorporated on 29 May 2019. On incorporation, 100 ordinary shares of £1 per par value were issued at par. On 22 July the Company performed a share subdivision to split the existing 100 ordinary shares into 100,000 ordinary shares. The new par value of the shares was 0.1p.

On 25 July 2019 a further 1,700,000 ordinary shares of 0.1p were issued at 2.64p for a cash consideration of £44,900 and 2,200,000 ordinary shares of 0.1p were issued at 2.5p for a cash consideration of £55,000.

On 19 September 50,000,000 ordinary shares of 0.1p were issued at 10p, this totalled further cash consideration of £5,000,000.

Voting rights

The holders of ordinary shares are entitled to one voting right per share.

Dividends

The holders of ordinary shares are entitled to dividends out of the profits of the Company available for distribution.

16. Reserves

Share premium

Includes all premiums in excess of the nominal value of shares received on issue of share capital.

Accumulated losses

Includes all losses incurred in the period.

17. Financial instruments

Financial assets

Financial assets measured at amortised cost comprise cash and cash equivalents, as follows:

	31 December 2019
	£
Cash at bank	<u>4,383,077</u>
	<u>4,383,077</u>

Financial liabilities

Financial liabilities measured at amortised cost comprise trade and other payables, as follows:

	31 December 2019
	£
Other taxation and social security	699
Trade payables	31,969
Other payables	1,234
Accruals	33,755
	<u>67,657</u>

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 of Directors. The Company uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

Liquidity risk

Liquidity risk arises from the Company's management of working capital.

The Company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Directors have considered the liquidity risk as part of their going concern assessment (note 2). Controls over expenditure are carefully managed in order to maintain its cash reserves whilst it targets a suitable transaction. Financial liabilities are all due within one year.

The COVID-19 pandemic resulted in a significant fall in the value of global stock markets during March 2020. The pandemic has created a unique environment, which adds additional challenges for any companies seeking future funding from the capital markets.

Credit risk

The Company's credit risk is wholly attributable to its cash balance. The credit risk from its cash and cash equivalents is limited because the counter parties are banks with high credit ratings and have not experienced any losses in such accounts.

Interest risk

The Company's exposure to interest rate risk is the interest received on the cash held, which is immaterial.

Capital risk management

The Company's objectives when managing capital 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. The Company has no borrowings. 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.

Currency risk

The Company is not exposed to any currency risk at present.

18. Related party transactions

The related parties are considered to be the Directors who each have shares on the Company. Their remuneration is as follows:

	31 December 2019
	£
D Montgomery	1,250
V Vaghela	1,250
M Hollinshead	750
J Rowe	750
S Barber	750
	<u>4,750</u>

Of this amount, £1,234 was payable at 31 December 2019.

19. Contingent Liabilities

The Company has agreed that it will pay its former solicitors, Cooley LLP, £90,000 if the Company completes an acquisition. As this is

wholly contingent on an acquisition being made, a liability has not been recognised at 31 December 2019.

20. Ultimate controlling party

The Company has no ultimate controlling party.

21. Subsequent events

The economic environment has changed materially since the year end following the onset of the global COVID-19 pandemic. COVID-19 may impact the Company's ability to raise capital to fund acquisitions and working capital and could adversely impact the outlook for news publishing businesses that are being considered for acquisition or investment. The Directors are closely monitoring the commercial impact of the COVID-19 pandemic on news Publishing and will only propose compelling acquisitions after carrying out significant due diligence for securing capital. There are no operating issues prior to completing an acquisition as the Company maintains a significant cash balance. The Directors believe the company will maintain sufficient working capital to continue in operational existence and will have the ongoing support of its shareholders, if required, for the foreseeable future.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

FR GZGZDRLGGGZM