

# **National World Plc**

Annual Report and Accounts

For the year ended 31 December 2020

Company Number: 12021298

# National World Plc

## Contents

---

### Page

2	Company Information
3	Chairman's Statement
4	Strategic Report
12	Board of Directors
14	Directors' Report
17	Directors' Remuneration Report
22	Governance Report
26	Nomination Committee Report
27	Audit Committee Report
29	Independent Auditors' Report
33	Statement of Comprehensive Income
34	Statement of Financial Position
35	Statement of Changes in Equity
36	Statement of Cash Flows
37	Notes to the Financial Statements

# National World Plc

## Company Information

---

### Directors & Advisers

<b>Directors</b>	David Montgomery Vijay Vaghela Mark Hollinshead John Rowe Stephen Barber Daniel Cammiade	Executive Chairman Chief Operating Officer Chief Commercial Officer Non-Executive Director Non-Executive Director Non-Executive Director
<b>Company Secretary</b>	ONE Advisory Limited	
<b>Registered Office</b>	201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT	
<b>Company number</b>	12021298 (England and Wales)	
<b>Brokers</b>	Dowgate Capital Limited 15 Fetter Lane London EC4A 1BW	
<b>Independent Auditors</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
<b>Solicitors</b>	Orrick Herrington & Sutcliffe (UK) LLP 107 Cheapside London EC2V 6DN	
<b>Registrars</b>	Link Market Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	
<b>PR Advisers</b>	Montfort Communications 2nd Floor Berkeley Square House Berkeley Square London W1J 6BD	
<b>Financial Advisers</b>	Alvarium MB (UK) Limited 10 Old Burlington Street London W1S 3AG  Stanhope Capital LLP 35 Portman Square Marylebone London W1H 6LR	
<b>Company Website</b>	<a href="http://www.nationalworldplc.com">www.nationalworldplc.com</a>	

# National World Plc

## Chairman's Statement

### For the year ended 31 December 2020

---

National World Plc (the "Company" or "National World") was launched to create a modern platform for news publishing through acquisition and transformation.

On 2 January 2021 the Company completed its first acquisition, JPIMedia Publishing Limited and its subsidiaries (the "JPI Group"), owner of 13 regional and city daily newspapers and over one hundred other franchises in print and online. The historic titles purchased include the Yorkshire Post, The Scotsman, The Portsmouth News and The Sheffield Star stretch from the south of England to the north of Scotland. In addition, the Northern Ireland titles include The Newsletter, the oldest English language newspaper in the world, and The Derry Journal.

In the last four months the JPI Group has been undergoing a comprehensive overhaul in line with the Company's policy of Localise, Energise, Digitise, Monetise in pursuit of a sustainable news platform.

The centralised structure is in the process of being dismantled, transferring resources to the local franchises to bring journalists and sales staff closer to the communities and the advertisers they serve. Content and commercial responsibility has been transferred to the individual franchises grouped in seven regions.

Many titles, print and online, are in the process of being upgraded with richer and exclusive content. This accords with National World's strategy to introduce payment for premium online content at an early stage which recognises that original and unique local content is highly prized by social media platforms. Those platforms are now making payment for such content, including to JPI Group, and this trend is likely to increase either through voluntary arrangements or as seems possible through legislative intervention.

The Company is also planning to leverage the JPI Group market position and talent to launch new online products and exploit its UK wide footprint. The Company has liberated itself from the traditional geographical restrictions of regional publishing by launching nationalworld.com as a website serving the whole of the UK. This has been facilitated by an expansion of high quality content generated by our existing editorial team and exploiting specialist knowledge in a number of key consumer areas. NationalWorld.com is edited outside London but with the authority and stance of a national newspaper and featuring an illustration of the front page on the website each day. In parallel with this, National World is expanding e-commerce operations across both its regional and national estate to take account of the attractive demographics of its quality audience that some other publishers lack.

Since inception National World has been forging partnerships with technology businesses in order to match content to audiences, optimising sales and subscription revenue. The Company expects to announce further launches and technology partnerships in the near future. These will be accompanied by a rolling programme of product enhancements and relaunches.

Since the completion of the acquisition, the pace of change has been swift with a focus on preparing the business to deliver on the revenue potential of the country emerging from lockdown in the second quarter of 2021. The National World management team has previous experience of many of the franchises and the regions in which the JPI Group operates. This has been of assistance as the acquisition and transformation to date has been conducted remotely in accordance with COVID-19 pandemic restrictions.

Whilst trading in the first quarter of 2021 has been adversely impacted by the lockdown arising from COVID-19, management has taken appropriate steps to mitigate the impact to support profits and cash flow.

On behalf of the Board, I thank the JPI Group staff for the enthusiasm with which they have supported the restructure and the commitment shown to the publications and the communities served.

National World expects to issue an update on trading after its shares return to trading on the London Stock Exchange.

**David Montgomery**  
Executive Chairman  
22 April 2021

# National World Plc

## Strategic Report

### For the year ended 31 December 2020

---

The Directors present the Strategic Report of National World Plc for the year ended 31 December 2020.

## Review of Business in the Period

### Operational Review

The Company's principal activity is set out in the Directors' Report on page 15.

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.

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

Since September 2019, when the Company's shares started trading on the London Stock Exchange, the Company evaluated several potential acquisitions a number of which were deemed unsuitable due to either the outlook and / or valuation. Following a three month due diligence process supported by our investment banking advisers, brokers, lawyers and external accounting support the Company completed the acquisition of JPIMedia Publishing Limited and its subsidiaries (the "JPI Group") on 2 January 2021. JPI Group was acquired for £10.2 million, on a debt free cash free basis with a normalised level of working capital, with £5.2 million paid in cash on Completion (£500,000 for equity and £4.717 million repayment of debt due to the previous vendors, JPIMedia Limited) and two deferred payments of £2.5 million each on 31 March 2022 and 31 March 2023. Following Completion, a further payment of £1.686 million to the previous vendors was made on 31 March 2021 representing the cash left in the business on Completion (£0.472 million) and working capital in the JPI Group on Completion being higher than the normalised level of working capital.

The acquisition was funded by the issue of £8.425 million convertible secured loan notes issued on 31 December 2020 and cash resources of £4.2 million held by the Company at that time. During January and February 2021, the Group issued a further £11.575 million convertible secured loan notes and a £1.0 million interest only unsecured loan notes to provide working capital facilities and headroom to explore further acquisitions and investments. The secured convertible loan notes have a right to elect to convert into new ordinary shares in the Company when its shares are readmitted to trading on the London Stock Exchange. The Company has received irrevocable elections from the holders of all the convertible secured loan notes to convert into new ordinary shares at admission.

The JPI Group is the UK's third largest local news publisher and its iconic titles and websites include: The Scotsman, The Yorkshire Post, Belfast Newsletter, Sheffield Star, Edinburgh Evening News, Portsmouth News and Lancashire Evening Post.

In the 52 week period ended 2 January 2021 the JPI Group had revenue of £88.2 million and EBITDA (before non-recurring costs) of £7.7 million.

The Board will continue to evaluate acquisitions and 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 the London Stock Exchange as it was considering a potential acquisition. The Company anticipates the publication of a prospectus by no later than May 2021 to seek re-admission to a Standard Listing and trading on the Main Market of the London Stock Exchange.

### Business Strategy

The Company's objective is:

*"To create a modern platform for news publishing through the implementation of a new operating model across multiple brands and platforms by acquiring a number of media and digital technology assets and leveraging its portfolio to launch new media brands across the UK."*

#### Key pillars of transformation

In a world of media commoditisation and increasing domination by a handful of tech behemoths National World's strategy is to create a new publishing business model that enables us to "localise, energise, digitise and monetise" relevant and unique content:

# National World Plc

## Strategic Report

### For the year ended 31 December 2020

---

- **Localise** – Our publishing assets provide compelling content for local communities; both consumers and businesses. A greater sense of community awareness has also been generated during the COVID-19 pandemic as more consumers have lived their lives in a smaller locale. With this new spirit of localism, we will ensure our journalists and commercial teams are more connected with the local communities they serve.
- **Energise** – Enhance users' experience of our products and services to increase engagement and provide a strong platform to leverage our unique quality content to launch new products and services across multiple platforms. While our print news-brands will be managed creatively and profitably, our strategic focus is on growing local, regional and national online audiences who are deeply engaged with our content.
- **Digitise** – Enhance our digital infrastructure to improve responsiveness, engagement, data analytics, AI content generation and user insights.
- **Monetise** – Create enhanced first party data and use the latest available digital technology to more effectively define audiences to drive multiple digital revenue streams: digital display advertising - targeting growth in higher yielding video content and local digital advertising, digital subscription - targeting both consumers and businesses and e-commerce -focusing on specific categories of content.

National World will retain, recruit and develop talented people, appropriately incentivised and motivated, and provide them with the pre-requisite 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 print 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. However, the initial focus will be to invest in the UK.

#### *Implementation plans*

National World will deliver its vision through a clear set of strategic initiatives:

- **Materially reduce the size of the central infrastructure.** Minimise central infrastructure for the key functions of editorial and commercial to ensure all parts of the organisation have full clarity and responsibility for the delivery of product and performance enhancements. The central function will provide efficient back office functions (IT, Finance, HR, etc) and will have editorial and commercial expertise to support local management to drive engagement and revenue;
- **Significantly strengthen local management** to prioritise the generation of unique local content and building revenue supported by a focused central expertise;
- **Focused portfolio management** to ensure the right titles on the appropriate platforms are serving the right local communities and businesses. The titles in both print and digital need to be energised through relaunch with enhancements to content, layout and commercial appeal increasing engagement with consumers and providing advertisers with an improved response on their marketing spend;
- **Capitalise on opportunities to launch new products and services** by leveraging the strong base of editorial and commercial expertise initially across the UK; and
- **Continue to evaluate acquisitions, investments and strategic partnerships** to build scale, accelerate digitisation, product enhancement and drive efficiencies.

#### *Key deliverables*

To monitor progress the Board will assess the appropriate KPIs which will be actively monitored and reported and will cover:

- **Digital audience.** Including unique users, page views and registrations;
- **Digital revenue.** Build through display, subscriptions, video and e-commerce;
- **Revenue trends.** Improve revenue trends with KPIs that monitor a transition from dependency on print sales to an accelerating digital performance; and
- **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. Management are keen to ensure financial flexibility will be a key KPI.

During the first half of 2021 the Board has and will focus on stabilising the JPI Group and establishing the appropriate organisation structure of the JPI Group and will present detailed KPIs for monitoring performance in the 2021 interim results.

# National World Plc

## Strategic Report

### For the year ended 31 December 2020

---

#### Acquisition strategy

In selecting acquisition opportunities, the Board will focus on:

- media assets where opportunities exist to implement its new strategy and add value; and
- new technologies to enable and accelerate implementation of the change strategy.

The acquisition of the JPI Group provides a strong base from which to build the strategy. As the acquisition of the JPI Group is a reverse takeover, the Company anticipates the publication of a prospectus by no later than May 2021 to seek re-admission to a Standard Listing and trading on the Main Market of the London Stock Exchange.

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.

#### Events since the year end

- The acquisition of JPI Group announced on 31 December 2020 completed on 2 January 2021.
- On 1 January 2021, Mark Hollinshead was appointed Chief Commercial Officer and Daniel Cammiade was appointed as a non-executive director.
- On 4 January 2021, the Company paid £4,717,000 to JPI Media Limited representing the outstanding borrowing due at Completion.
- On 21 January 2021, the Company issued a further £5.7 million convertible secured loan notes.
- On 8 February 2021, the Company issued a further £5.9 million convertible secured loan notes, bringing the total convertible secured loan notes issued to £20 million.
- On 12 February 2021, the Company issued £1 million interest only unsecured loan notes.
- On 31 March 2021, the Company paid £1,686,000 (including £472,000 cash retained in the business on Completion) to JPI Media Limited representing the amount by which the working capital in the JPI Group on Completion was greater than normalised working capital.
- On 20 April 2021, Steve Barber was appointed as Senior Independent Director.

Loan notes of £21 million (£20 million convertible secured and £1 million interest only unsecured) have been issued to fund the acquisition of the JPI Group, future investment and ongoing working capital requirements. As at 22 April 2021 the Company had received irrevocable elections to convert all £20 million of convertible secured loan notes into new ordinary shares conditional upon the Company's shares being admitted to trading on the London Stock Exchange.

From the beginning of 2021, the Company has commenced the transformation process for the JPI Group and has made good progress on:

- streamlining a large head office function and transformation of the operating structure with the creation of seven regional media divisions covering commercially homogeneous geographical markets;
- realigning local and regional editorial and commercial resource, with P&L responsibility vested with local management;
- enhancement of existing news websites and development of launch plans in contiguous markets to strengthen market share and grow audience;
- enhancing the quality and appeal of newspapers and websites with increased unique local content;
- development and launch of a new national news website which will have a particular emphasis on promoting life outside London;
- trialling of a new subscription platform to engage on our website for premium content on a daily basis;
- training and development of commercial teams in digital marketing skills; and
- the delayering and flattening of the management structures and other efficiencies is expected to deliver annualised savings of £5.0 million (£4.0 million annualised already secured) during 2021 with restructuring costs of £4.0 million.

The reorganisation of the operations will provide a strong base to drive shareholder value.

# National World Plc

## Strategic Report

### For the year ended 31 December 2020

---

#### Financial review

##### Results for the year ended 31 December 2020

The Company incurred a loss for the year ended 31 December 2020 of £1.1 million (2019: £0.3 million loss). The loss for the year results from: the on-going administrative expenses of £0.2 million (2019: £0.2 million) required to operate the Company; and non-recurring costs related to the acquisition of the JPI Group of £0.8 million.

##### Cash flow

Net cash inflow for 2020 was £8.3 million (2019: inflow £4.4 million). This represents the £8.4 million raised through the issue of convertible secured loan notes partially offset by net cash outflows of £0.1 million in relation to ongoing administration costs, working capital and interest receipts.

As at 31 December 2020, the Company held £12.7 million (2019: £4.4 million) of cash.

##### Key Performance Indicators

Other than continued monitoring and minimisation of all operating costs expenditure, there are no key performance indicators for the year ended 31 December 2020 as the Company had not completed an acquisition.

During the first half of 2021 the Board has and will focus on stabilising and establishing the appropriate organisation structure of the JPI Group and will present detailed KPIs for monitoring performance in the 2021 interim results.

##### Position of Company's Business

As at 31 December 2020 the Company's Statement of Financial Position shows net assets totalling £3.3 million (2019: £4.4 million). The Company has minimal liabilities apart from the convertible secured loan notes and is considered to have a strong cash position of £12.7 million at 31 December 2020.

The Board contains personnel with 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.

The Company has three Executive Directors and three Non-Executive Directors. Mediaforce (Holdings) Limited ('Mediaforce') which subscribed for £6.0 million of convertible secured loan notes and has elected (subject to the Company's shares being admitted to a Standard Listing and to trading on the Main Market of the London Stock Exchange) to convert their convertible secured loan notes into ordinary shares, has board appointment rights. If Mediaforce has a shareholding of at least 15% it can appoint one non-executive director and can appoint two non-executive directors if it has a shareholding of at least 20%.

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 all 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. As the Company completed the acquisition of the JPI Group on 2 January 2021, the principal risks have been revised with a few combined into Strategy, and a number no longer applicable as these related to the Company's ability to raise capital and execute an acquisition. The principal risks in 2019 and 2020 are summarised in the table below:

2019	2020
Unproven business model	Not applicable and combined into strategy
The Company relies on the experience and talent of its management and advisers	Not applicable as acquisition completed and stronger management structure now in place with the enlarged group

# National World Plc

## Strategic Report

For the year ended 31 December 2020

2019	2020
The Company is unable to complete any acquisitions	Not applicable, as acquisition of the JPI Group completed on 2 January 2021
Strategy	Retained with broader coverage of risks
Raising funding	The Company has proven its ability to raise capital to fund the acquisition of the JPI Group
The Company may be subject to changes in regulation affecting the news publishing sector.	This has been incorporated into infrastructure and operations risk.
COVID-19	Retained as a separate risk due to ongoing implications and longer term impact on the economic outlook
Not applicable	Cyber security
Not applicable	Loss of key senior management
Not applicable	Re-admission of the ordinary shares to a Standard Listing and to trading on the Main Market of the London Stock Exchange
Not applicable	Acquisition of JPIMedia Publishing Limited and its subsidiaries

The Directors consider 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
Strategy	The news publishing sector continues to face ongoing challenges with newspaper circulation volume and print advertising in structural decline, increased competition in local markets with the launch of new online news sites and the dominance of Google and Facebook impacting the monetisation of digital websites through advertising and the multiple sources of news online impacting the growth of subscription and e-commerce revenue.	<p>The Board has a clear strategy and a very experienced management team that is highly motivated to deliver against the strategy.</p> <p>The Board is fully engaged on the operating performance of the business and regular updates are provided to the Board on strategic initiatives.</p>
Acquisition of JPIMedia Publishing Limited	Financial exposures are identified post acquisition that are not covered by warranties.	Detailed due diligence was undertaken pre acquisition by the experienced management team supported by external accountants and legal advisers.

# National World Plc

## Strategic Report

For the year ended 31 December 2020

Issue	Risk/Uncertainty	Mitigation
Infrastructure and operations	<p>The Group is reliant on an effective and efficient infrastructure to support its operations. This includes a robust: IT Infrastructure, regulatory compliance framework, financial control environment and contracts with suppliers, in particular for our websites and printing of our newspapers.</p> <p>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.</p>	<p>The Group has established a risk management framework which will be overseen by the Risk Management Committee and chaired by the Executive Chairman and includes senior management representing all operations across the Group. The first meeting of the Risk Management Committee was held during March 2021.</p>
Cyber security	<p>The Group is at risk of a cyber attack on systems and websites</p>	<p>In-line with industry best-practice, multiple layers of security systems are in-place. These include managed firewalls, anti-virus software, Single-Sign-On, ransomware protection and a managed email platform that has a number of sophisticated security configurations built-in. The principal news websites are hosted independently of the main IT infrastructure on Amazon Web Services under the management of a third-party vendor. An insurance policy is in-place that provides cover for cyber security-related issues. The change advisory board regularly review the internal risk register and update accordingly in response to any identified issues.</p>
Loss of key senior management	<p>The Group's performance could be adversely impacted by the loss of key senior management</p>	<p>The Remuneration Committee will regularly review and ensure that adequate incentive schemes are in place for senior management.</p> <p>The Board also intend to, at least annually, review succession planning to ensure there are appropriate plans in place to minimise disruption to operations arising from the loss of key personnel.</p>
Re-admission of the Company's ordinary shares to Standard Listing on the Main Market of the London Stock Exchange	<p>Following the completion of the acquisition of the JPI Group, the Company is unable to issue a Prospectus to gain re-admission of the ordinary shares to Standard Listing and to trading on the Main Market of the London Stock Exchange</p>	<p>The Board, working with its key advisers has made good progress on the prospectus, drafts of which have already been presented to the FCA, and are confident that re-admission should be achieved by no later than May 2021.</p>
COVID-19	<p>COVID-19 continues to impact the UK economy and the JPI Group's trading post acquisition.</p>	<p>The Directors are closely monitoring the commercial impact of the COVID-19 pandemic on the JPI Group, the wider news publishing sector and the implications for the UK economy.</p>

**National World Plc**  
**Strategic Report**  
**For the year ended 31 December 2020**

Issue	Risk/Uncertainty	Mitigation
		The Company maintains significant financial flexibility considering the uncertain trading outlook and management are already taking steps to mitigate future implications on revenues and profits.

**Going concern statement**

The Directors consider it appropriate to adopt the going concern basis of accounting in the preparation of the Group's annual consolidated financial accounts. Further details are provided in the Directors Report on page 15.

**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. Further details are provided in the Directors Report on page 15.

**Composition of the Board**

A full analysis of the Board, its function, composition and policies, is included in the Governance Report on pages 22 to 25.

**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. 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.

**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, and 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 was a special purpose acquisition vehicle during 2020 and was seeking an acquisition. It completed the acquisition of the JPI Group on 2 January 2021. The Company only had 5 employees in 2020 being the 5 Directors and this increased to 6 employees, being the current 6 Directors on 1 January 2021 following the appointment of Daniel Cammiade as a Non-Executive Director. As the Board and business came together in conjunction with the admission to a Standard Listing and to trading on the Main Market of the London Stock Exchange of the Company's ordinary shares in September 2019, the Company has had relatively little interaction with its members and internal stakeholders during the year ended 31 December 2020 (the "Reporting Period").

It should be noted that due to the early stage of the Company's development, the Board also deems the Company's impact on external stakeholders to have been minimal during 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 print publishing through driving efficiencies by sharing services across the publishing industry and building a growing digital news publishing business. Post the acquisition of the JPI Group on 2 January 2021 and anticipated re-admission of the Company's ordinary shares to a Standard Listing and to trading on the Main Market of the

# National World Plc

## Strategic Report

### For the year ended 31 December 2020

London Stock Exchange, the Company will have a wide range of internal and external stakeholders, relations with which the Board will take 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.

Post the Reporting Period end, 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.

As outlined above, the Company did not retain any employees during the Reporting Period and therefore this Section 172 statement does not make reference to how we consider their interests. The Company will monitor the need to incorporate the interests of employees in its decision making as the Company grows.

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	<ul style="list-style-type: none"> <li>Comprehensive review of financials</li> <li>Business sustainability</li> <li>High standard of governance</li> <li>Success of the business</li> <li>Ethical behaviour</li> <li>Awareness of long-term strategy and direction</li> </ul>	<ul style="list-style-type: none"> <li>Regular reports and analysis of investors and shareholders</li> <li>Annual Report</li> <li>Company website</li> <li>Shareholder circulars</li> <li>AGM</li> <li>RNS announcements</li> <li>Press releases</li> </ul>
Regulatory bodies	<ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>Company reputation</li> <li>Insurance</li> </ul>	<ul style="list-style-type: none"> <li>Company website</li> <li>RNS announcements</li> <li>Annual Report</li> <li>Direct contact with regulators</li> <li>Compliance updates at Board meetings</li> <li>Consistent risk review</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Business strategy</li> <li>Application of acquisition strategy</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and negotiations</li> <li>Reports and proposals</li> <li>Dialogue with third party stakeholders where appropriate</li> </ul>

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 22 April 2021

**David Montgomery**  
Executive Chairman  
22 April 2021

# National World Plc

## Board of Directors

### For the year ended 31 December 2020

---

#### ***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 print titles and associated websites.

David served as an editor of News of the World and as an 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 currently chairman of Local TV, a network of eight public service broadcasting city channels.

#### ***Vijay Vaghela, Chief Operating Officer***

Vijay Lakhman Vaghela was most recently group finance director of Reach (formerly known as Trinity Mirror), he held this position from May 2003 until his resignation on 1 March 2019; he also served as group company secretary. Prior to this, Vijay was director of accounting and treasury. Vijay served as the interim chief executive officer of Trinity Mirror from June 2012 to August 2012. From 1994 to 1999, Vijay held various roles at Mirror Group plc, including Head of Internal Audit and Group Treasurer.

Vijay was a non-executive director and chair of the audit and risk committee of Local World Holdings Limited between 2013 and 2015 and was a member of the audit committee of the Football Association for six years from 2011 to 2017.

Since September 2019 Vijay has been undertaking some short consultancy contracts providing advice to businesses on operational and finance structures and processes.

Vijay is a Chartered Accountant and member of the Institute of Chartered Accountants of England and Wales.

Vijay is a non-executive director and Chair of the Audit and Risk Committee of Dods Group plc.

#### ***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 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, and subsequently took up the role of Chief Operating Officer and director of Trinity Mirror, 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, part of Midland Independent Newspapers Plc and Marketing Director of Thomson Regional Newspapers. 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 in the company portfolio. In 2017 Mark formed Hollicom Ltd, a media and strategic communications consultancy of which he is the Chair. Following the acquisition of Express Newspapers Ltd by Reach Plc in February 2018 Mark was appointed Interim CEO of the acquired business during the six month "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.

# National World Plc

## Board of Directors

For the year ended 31 December 2020

---

### ***John Rowe, Non-Executive Director***

John Rowe has extensive experience in digital data insights and understanding of customer behaviour. Currently John advises and invests in a range of digital businesses including media and online retailing through the better use of data.

Until March 2020 John was chairman and chief executive officer of Clicksco and where he had been a controlling shareholder and grew the business to annual sales of over £80 million.

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.

### ***Stephen Barber, Non-Executive Director***

Stephen (Steve) David Barber has been an independent non-executive director of several listed and private companies over the past decade.

He is currently chairman of Fenwick Limited. Previously he was the chairman of the audit committee of intu Properties plc (2019-20), chairman of the audit committee of AA plc (2018-21) and a director and chairman of the audit committee of Next plc (2007-17) and served as a director and chairman of the audit committee of Domino's Pizza Group plc (2015-19).

Prior to becoming a non-executive director, Steve was a senior partner at Price Waterhouse where he led the Entertainment, Media and Communications group (1973-98), the chief financial officer of Mirror Group plc (1998-99) and subsequently a partner in Ernst & Young (2001-04).

In the private arena, Steve has been chairman of the Design Objectives Group (2013-18), a founder of AFC Energy plc, the founder of The Objectivity Partnership LLP, the chief operating officer of the Palladian Group and a director of several start-ups. Steve is a member of the steering group of the Audit Quality Forum and is a graduate of the London School of Economics.

### ***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 Tindle Newspapers Ltd, 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.

He is also Independent Chair of Newsprinters, the wholly owned Printing & Logistical subsidiary of News UK. In addition to these positions Danny has held NED roles at Precision Colour Printing and Midlands News Association.

# National World Plc

## Directors' Report

### For the year ended 31 December 2020

The Directors present their report with the audited financial statements of the Company for the year ended 31 December 2020. A commentary on the business for the year is included in the Chairman's Statement on page 3.

A review of the business is also included in the Strategic Report on pages 4 to 11.

#### Directors

The Directors of the Company and their beneficial interest in the Ordinary Shares of the Company at 31 December 2020 were as follows:

Director	Position	Appointed	Ordinary shares
David Montgomery	Executive Chairman	29/05/2019	18,200,000
Vijay Vaghela	Chief Operating Officer	12/07/2019	3,350,000
Mark Hollinshead*	Chief Commercial Officer	12/07/2019	500,000
John Rowe	Non-Executive Director	12/07/2019	500,000
Steve Barber	Non-Executive Director	12/07/2019	500,000
Danny Cammiade	Non-Executive Director	01/01/2021	-

\*Mark Hollinshead was a Non-Executive Director until 31 December 2020 and was appointed Chief Commercial Officer on 1 January 2021.

On 19 September 2019, David Montgomery and Vijay Vaghela were each entitled to 35% of the potential share options to be awarded in a Value Creation Plan (VCP). The remaining 30% of the awards were allocated to Mark Hollinshead after his appointment as Chief Commercial Officer on 1 January 2021. Further details are provided in the Remuneration report on pages 17 to 21.

#### 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 2020, the total number of issued ordinary shares with voting rights in the Company was 54,000,000.

Details of the Company's capital structure and voting rights are set out in note 17 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 the date of approval of this report.

Party Name	Number of Ordinary Shares	% of Share Capital
David Montgomery	18,200,000	33.7%
Alasdair Locke	5,000,000	9.3%
Canaccord Genuity	4,750,000	8.8%
Vijay Vaghela	3,350,000	6.2%
Paul Curtis	2,695,000	5.0%
David Poutney	2,495,000	4.6%
Lorna Tilbian	1,850,000	3.4%

#### 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 19 of the financial statements.

#### Greenhouse Gas (GHG) Emissions

The Company is aware that it needs to measure its operational carbon footprint to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint.

Following the acquisition of the JPI Group on 2 January 2021, the Company will measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically at this stage.

# National World Plc

## Directors' Report

### For the year ended 31 December 2020

---

#### Dividends

The Directors do not propose a dividend in respect of the year ended 31 December 2020.

#### 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 4 to 11.

#### Corporate Governance

The Governance report forms part of the Directors' Report and is disclosed on pages 22 to 25.

#### 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 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. In particular, the Directors have considered the acquisition of the JPI Group which completed on 2 January 2021.

Having considered the factors impacting the Group's businesses, including downside sensitivities, the £12.7 million cash held as at 31 December 2020 and the £12.6 million raised through the issue of convertible secured loan notes and interest only unsecured loan notes during January and February 2021, 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 2021 and projections for 2022 and 2023 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.

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. Following the acquisition of the JPI Group, potential future acquisition and investments will support the transformation of the sector.

# National World Plc

## Directors' Report

### For the year ended 31 December 2020

---

#### 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 European Union.

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 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 share 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 European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements 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 page 2 confirm that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with IFRS as adopted by the European Union, 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 22 April 2021 and signed on its behalf by:

**David Montgomery**  
Executive Chairman  
22 April 2021

# National World Plc

## Directors' Remuneration Report

### For the year ended 31 December 2020

---

Dear Shareholder

On behalf of the Board, I am pleased to present our Remuneration Report. It 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 areas: the Remuneration Policy and the Annual Report on Remuneration.

National World was incorporated on 29 May 2019 and was admitted to the Standard Listing and to trading on the Main Market of the London Stock Exchange on 19 September 2019. Since the listing, National World has been a cash shell seeking to make acquisitions in the media sector.

Following the appointment of Daniel Cammiade as a Non-Executive Director on 1 January 2021, the Group had six directors, three executive and three non-executives, and no employees. We had outlined in our September 2019 prospectus that prior to completing an acquisition the Directors will be paid nominal annual amounts of £5,000 for executive directors and £3,000 for non-executive directors until such time the Group completes its first acquisition. No other remuneration was paid to Directors since admission to 31 December 2020.

In December 2020, when the acquisition of the JPI Group was being finalised, I undertook a preliminary review of the remuneration, after consulting with member of Remuneration Committee, of the Executive and Non-Executive Directors and recommended a revision to the remuneration of the Directors subject to completing the acquisition of the JPI Group. From 1 January 2021, the annual salaries and fees of Executive and Non-Executive Directors were increased to £120,000 and £20,000 respectively. Additional fees are also payable to the Chairman of the Audit & Risk Committee and Chairman of the Remuneration Committee of £10,000 and £5,000 respectively. The Executive Directors are also provided a pension supplement of 10% of their salary in lieu of pension benefits.

The Remuneration Committee agreed that a formal review of the Remuneration of the Board, supported by our Remuneration advisers, h2glenfern Remuneration Advisory Limited ('h2glenfern'), will be undertaken post re-admission of the Company's ordinary shares following the issue of a prospectus which is anticipated by no later than May 2021. Any changes will be implemented on 1 July 2021.

On 19 September 2019, the Company put in place the Value Creation Plan ("VCP") which is intended to support the delivery of our strategy, to retain the lead executives and reward them for driving its successful delivery. The VCP operates over a performance period commencing on Admission and ending on the date of publication of the Company's results for the financial year ending 31 December 2022. 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. Further details of the VCP are set out later in this report.

While the Company was a cash shell and had limited remuneration arrangements, it is still required to comply with the Regulations. Given the date of the Company's incorporation and the limited nature of the Company's remuneration arrangements during 2020, many of the Regulations are not applicable and we have stated this in the relevant sections of this report. Our Remuneration Policy was approved at the AGM in 2020. The Remuneration Report will be put to an advisory resolution.

Shareholders should note that the policy approved at the 2020 AGM, contained provisions that the Remuneration Committee be granted powers to set new remuneration arrangements on completion of an acquisition that are commensurate with the business acquired because during the initial period director compensation was de minimis. As referred to above, the Remuneration Committee made changes to salary levels of the Executive Directors and introduced pension benefits from 1<sup>st</sup> January 2021. Given the ongoing uncertainty created by COVID-19 there was no annual bonus for 2020, will be no annual bonus for 2021 and new long-term incentive plan ("LTIP") arrangements have not been implemented. A review post re-admission will be undertaken with the support of our Remuneration advisers to ensure Remuneration is competitive and in line with market practice and good governance. No LTIP arrangements other than the VCP will be implemented for the Executive Directors until 19 September 2021. A new Policy will be put to shareholders at the AGM in 2022 following the publication of the 2021 Annual Report, as the acquisition of the JPI Group was only completed on 2 January 2021.

I look forward to setting out a more detailed policy in 2022.

**John Rowe**  
Chairman of Remuneration Committee  
22 April 2021

# National World Plc

## Directors' Remuneration Report

### For the year ended 31 December 2020

#### Remuneration Policy

As the acquisition of JPI Group was not completed until after the reporting date, National World did not have a formal remuneration policy and a preliminary change to remuneration was adopted from 1 January 2021. The de facto current policy is laid out below.

As part of the current Remuneration Policy, the Remuneration Committee has extensive discretionary powers to set new remuneration arrangements on completion of an acquisition that are commensurate with the business acquired. Depending on the scale of the business acquired, the Remuneration Committee would expect to change salary levels of the existing Executive Directors, set salaries and compensation and introduce benefits, pension, annual bonus and long term incentive arrangements which are competitive and in line with market practice and governance guidelines and which would be designed to align the interests of shareholder growth and director compensation. Preliminary changes to salaries and fees of all Directors and pension provisions for Executive Directors were made following the acquisition of the JPI Group. No LTIP arrangements other than the VCP will be put in place for the existing Executive Directors before 19 September 2021.

Element	Detail
Base salary	From 1 January 2021 an initial review of Remuneration to reflect the acquisition of the JPI Group concluded that the salaries of the Executive directors will be increased to £120,000 (2020: £5,000) per annum. A detailed review will be undertaken following re admission which is expected in April 2021 with any changes implemented from 1 July 2021. The review will reflect the scale and complexity of the business acquired.
Benefits	No benefits currently provided. A detailed review will be undertaken following re-admission to Standard Listing and to trading on the Main Market of the London Stock Exchange which is expected in April 2021 with any changes implemented from 1 July 2021. The review will reflect the scale and complexity of the business acquired.
Pension	A pension supplement of 10% of salary was implemented from 1 January 2021 (2020 £nil). A detailed review will be undertaken following re admission which is expected in April 2021 with any changes implemented from 1 July 2021. The review will reflect the scale and complexity of the business acquired.
Annual Bonus	No annual bonus scheme during 2020 and 2021. A detailed review will be undertaken following re admission which is expected by no later than May 2021 with any changes implemented from 1 July 2021. The review will reflect the scale and complexity of the business acquired.
Long term incentive plans	<p>The VCP put in place on Admission in September 2019 is intended to support the delivery of the Company's strategy, to retain the lead executives and reward them for driving its successful delivery. At this stage the VCP is the Company's sole long-term incentive plan for current Executive Directors following re-admission which is expected by no later than May 2021. The VCP operates over a performance period commencing on re-admission to a Standard Listing and to trading on the Main Market of the London Stock Exchange 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.</p> <p>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 the any additional Ordinary Shares issued multiplied by the price per</p>

# National World Plc

## Directors' Remuneration Report

For the year ended 31 December 2020

Element	Detail
	<p>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.</p> <p>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.</p> <p>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 his 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.</p> <p>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.</p> <p>At the outset, entitlements of participants in the pool of returns were split as follows: David Montgomery, Executive Chairman – 35%, Vijay Vaghela, Chief Operating Officer – 35%, Unallocated – 30%. The remaining 30% which was initially unallocated has now been allocated to Mark Hollinshead following his appointment as Chief Commercial Officer following the acquisition of the JPI Group on 2 January 2021.</p> <p>No other LTIP incentive plan will be put in place for the existing Executive Directors until 19 September 2021.</p> <p>The Remuneration Committee envisage the establishment of a new long-term performance share plan for executive directors and other members of the senior management team who will join but not participate in the VCP post September 2021.</p>
Non-executive fees	<p>The Non-Executive Director fees were increased to £20,000 per annum from 1 January 2021 (2020: £3,000) to reflect the acquisition of the JPI Group with supplementary fees of £10,000 for the Chairman of the Audit &amp; Risk Committee and £5,000 for the Chairman of the Remuneration Committee. A detailed review will be undertaken following re-admission which is expected by no later than May 2021 with any changes implemented from 1 July 2021. The review will reflect the scale and complexity of the business acquired.</p>

### Notice periods

Prior to completing an acquisition, the Executive Director service contracts were capable of termination by either party giving one month's notice in writing. On completion of the acquisition of the JPI Group, the notice period for Executive Directors increased to 12 months notice in writing. Non-Executive Directors letters of appointment have a three-month notice period.

### Other Employees

There are no other employees in the Company other than the Directors.

### Other policy matters

Policy sections normally set out approaches in the areas of executive recruitment, termination of employment, shareholder consultation, consideration of employment conditions elsewhere in the Company and employee consultation. Other than items explained above, the Company believes that these issues are not applicable at present and will be fully disclosed in the 2021 Annual Report which will reflect the acquisition of the JPI Group.

We do not set out an illustration of the application of the Remuneration Policy and this will be disclosed in the 2021 Annual Report following a detailed review to be undertaken by the Remuneration Committee post re-admission which is expected by no later than May 2021.

# National World Plc

## Directors' Remuneration Report

### For the year ended 31 December 2020

#### Annual Report on Remuneration

The Remuneration Committee presents its report for the year ended 31 December 2020.

#### The Remuneration Committee's main responsibilities

- The Remuneration Committee considers the remuneration policy, employment terms and remuneration of the Board and advisers;
- The Remuneration Committee's role is advisory in nature and it makes recommendations to the Board on the overall remuneration packages; and
- The Remuneration Committee, when considering the remuneration packages of the Company's Board, will review the policies of comparable companies in the industry.

#### Membership of the Remuneration Committee, meetings and Advisers

The Remuneration Committee comprised of the three Non-Executive Directors and is chaired by John Rowe. A meeting was held on 22 April 2020 and the Chairman of the Remuneration Committee presented an initial recommendation to the Board which was subject to completion of the acquisition of the JPI Group in December 2020.

h2glenfern are the Company's remuneration advisers and provided advice on the VCP which was established at the time of the listing and will attend all Remuneration Committee meetings going forward. Fees in the year were charged according to a fixed quotation and amounted to £5,000 excluding VAT for advice on remuneration and disclosures around the time of the publication of the 2019 annual report. h2glenfern was appointed following a competitive tender process and has no other connection with the Company. h2glenfern is a member of the Remuneration Consultants' Group in relation to Executive remuneration consulting in the United Kingdom. The Remuneration Committee has therefore satisfied itself that all advice provided by h2glenfern was objective and independent.

The items included in this report are unaudited unless otherwise stated.

#### Report Approval

A resolution to approve this report will be proposed at the AGM of the Company. The vote will have advisory status.

#### Directors' emoluments and compensation (audited)

Set out below are the emoluments of the Directors for the year ended 31 December 2020 and the period from 29 May 2019 to 31 December 2019:

Name of Director	Salary and fees	Taxable benefits	Annual bonus and long term	Pension related benefits	Other	Total 2020	Total 2019
	£	£	£	£	£	£	£
David Montgomery	5,000	-	-	-	-	5,000	1,250
Vijay Vaghela	5,000	-	-	-	-	5,000	1,250
Mark Hollinshead	3,000	-	-	-	-	3,000	750
John Rowe	3,000	-	-	-	-	3,000	750
Steve Barber	3,000	-	-	-	-	3,000	750
Daniel Cammiade	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>19,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,000</b>	<b>4,750</b>

#### Long term incentive plan arrangements

During 2019 the Executive Directors were granted participation in the VCP as outlined in the Policy section of this Report. There is no charge to Comprehensive income in the year for the VCP as no acquisition was completed in 2020 and no potential value accrued to the participants. Following the acquisition of the JPI Group on 2 January 2021, the options under the VCP will be granted to the three Executive Directors and a charge will be reflected in the 2021 Income Statement.

# National World Plc

## Directors' Remuneration Report

### For the year ended 31 December 2020

---

#### Other disclosures on remuneration during 2020 and intention for 2021

Other than the salaries and fees, detailed above in this Report, and the Executive Directors' VCP participation, no other remuneration was paid, payable or will be paid or payable for 2020. As such, there are no further disclosures to be made in respect of salary or fee changes for 2020, pension, benefits, annual bonus in respect of 2019 or 2020, vesting, outstanding or forward long-term incentive plan awards. No payments were made for loss of office during the year.

#### UK 10-year performance graph against CEO remuneration

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company only listed on 19 September 2019, the shares have been suspended since December 2019, is not paying dividends, and its sole purpose was to seek an acquisition and no acquisitions were completed in 2020. In addition, and as mentioned above, the remuneration of Directors is not currently linked to performance at this point. The Directors intend to include such a comparison table from 2021 as the acquisition of the JPI Group was completed on 2 January 2021.

#### Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to other financial metrics. Given that the Company had no trading business in 2020, did not generate revenues or pay dividends, the Directors do not believe it is necessary to include such information or that it would serve any meaningful purpose at the current time.

#### UK Remuneration percentage changes

Listed companies are required to make disclosures in respect of percentage year-on-year changes in the lead executive's and employee remuneration, the ratio of the lead executive's remuneration to that of different employee groups. National World has no employees other than its Executive Directors and these disclosures are not applicable.

#### 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. As the Company develops and introduces a formal remuneration policy from the point of acquisition, the Committee will reflect on these issues. The Committee is satisfied that in respect of 2020 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 including 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.

#### UK Directors' shares (audited)

The interests of the Directors who served during the year in the share capital of the Company as at 31 December 2020 and at the date of this report has been set out in the Directors' Report on pages 14 to 16.

#### 2020 AGM

At the 2020 AGM, the binding resolution to approve the Remuneration Report and the advisory resolution to approve the Remuneration Report were both supported by 100 per cent of votes cast.

Approved on behalf of the Board of Directors by:

**John Rowe**  
Chairman of Remuneration Committee  
22 April 2021

# National World Plc

## Governance Report

### For the year ended 31 December 2020

---

#### Governance Report

##### 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](http://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 be compliant within 2021.

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 Company did not have any employees, other than the Directors, during the year ended 31 December 2020.
- 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 will 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 outlined above, the Company did not have any employees during the year ended 31 December 2020. As such there was no Director appointed from the workforce, no formal workforce advisory panel or 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 Company does not presently have a policy on diversity & inclusion and will look to implement a policy following the acquisition of the JPI Group on 2 January 2021.

#### 2. Division of Responsibilities

- The Company's business is directed by the Board, which is comprised of an Executive Chairman, the Chief Operating Officer, Chief Commercial Officer and three Non-Executive Directors, all of whom are considered independent notwithstanding immaterial shareholdings in the Company. As such, in compliance with the Code, half the board, excluding the Chairman, are Non-Executive Directors whom the Board considers 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 Executive Chairman.

# National World Plc

## Governance Report

### For the year ended 31 December 2020

Operational decisions are taken by the Executive Chairman, the Chief Operating Officer and the Chief Commercial Officer.

The biographical details of the Directors are set out on pages 12 and 13. The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the Code have been implemented to an appropriate level.

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 meetings during the year ended 31 December 2020 is outlined below.

Member	Position	Board attendance	Audit Committee attendance	Remuneration Committee attendance
David Montgomery	Executive Chairman	5 of 5	-	-
Vijay Vaghela	Chief Operating Officer	5 of 5	-	-
Mark Hollinshead*	Chief Commercial Officer	5 of 5	2 of 2	1 of 1
Steve Barber	Non-Executive Director	5 of 5	2 of 2	1 of 1
John Rowe	Non-Executive Director	4 of 5	1 of 2	1 of 1

\*Mark Hollinshead was a Non-Executive Director until 31 December 2020 and was appointed Chief Commercial Officer on 1 January 2021.

- 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. It is the Board's opinion that the current arrangements are appropriate to the Company at this stage of development and that 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 Executive Chairman will meet regularly with the Senior Independent Director, Steve Barber, to discuss the operation of the Board and strategy. 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. The Board considers its composition 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. 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.
- 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 Nomination Committee makes recommendations to the Board on all new appointments, re-appointments and advises generally on issues relating to Board composition and balance. Appointments and succession planning are based on merit and the Board does not condone discrimination of any kind, whether negative or positive. The Nomination Committee comprises the Company's Executive Chairman and the Senior Independent Director from 1 April 2021 and is chaired by the Executive Chairman. The Nomination Committee's terms of reference are available upon request.

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

# National World Plc

## Governance Report

### For the year ended 31 December 2020

---

Company's articles of association. The Company currently offers its Directors for re-election by rotation in accordance with its articles of association every three years. The Board considers this appropriate given the size of the Board and the benefit of stability and experience in the Board composition. This re-election process will be kept under review. Accordingly, the Company is non-compliant with the Code insofar as all Directors are not subject to annual re-election.

- As the Company had not undertaken an acquisition in 2020, no formal annual appraisal of the performance of the other Directors is undertaken. A formal process will be undertaken in 2021 as the acquisition of the JPI Group was completed on 2 January 2021. Accordingly, Board Evaluations is an area where the Company is not compliant with the provisions of the Code.

#### **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 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 three Independent Non-Executive Directors. The Committee Chair is Steve Barber, an Independent Non-Executive Director, who has over 45 years of corporate finance experience. The Audit & Risk Committee's terms of reference are available upon request.
- 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**

- 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 John Rowe and is also comprised of the two other Independent Non-Executive Directors. Whilst the Chair of the Committee had not formally served on a Remuneration Committee for 12 months prior to his appointment, the Board was satisfied that his extensive prior experience had given him the required skills, knowledge and expertise for the role. 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 upon request.

#### **6. Nomination Committee**

- The Company has established a Nomination Committee, chaired by the Executive Chairman, David Montgomery, and the Senior Independent Director. No meetings of the Committee have been held during the year. Formal terms of reference and scheduled meetings will be established now that the Company has completed the acquisition of the JPI Group on 2 January 2021.

# National World Plc

## Governance Report

### For the year ended 31 December 2020

---

#### **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 2020:

- 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 in 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  
22 April 2021

# **National World Plc**

## **Nomination Committee Report**

### **For the year ended 31 December 2020**

---

The Nomination Committee is comprised of the Executive Chairman, David Montgomery, and the Senior Independent Director. From 1 April 2021, the Nominations Committee will be chaired by the Executive Chairman.

The Committee will consider 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.

As no acquisitions were completed by the Company during the year, there were no changes required to the Board and no Nomination Committee meetings were held. At the end of the 2020 reporting period, prior to completing the acquisition of the JPI Group, due to timing constraints, the Executive Chairman, proposed the appointment of Danny Cammiade to join the Board as a Non-Executive Director and Mark Hollinshead was appointed as Chief Commercial Officer.

Terms of reference and formal meetings will be instigated now that the Company has completed its first acquisition.

On behalf of the Nomination Committee:

**David Montgomery**  
Executive Chairman  
22 April 2021

# National World Plc

## Audit & Risk Committee Report

### For the year ended 31 December 2020

---

The Audit & Risk Committee comprised the three Non-Executive Directors during 2020 and was chaired by Steve Barber. It 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. Steve Barber has over 45 years of experience working with a wide variety of companies. As a result, the Board is satisfied that the Audit Committee has recent and relevant financial experience.

Members of the Audit & Risk Committee are appointed by the Board and whilst shareholders, the Company believes they are considered to be independent in both character and judgement.

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

#### Meetings

There were two meetings of the Audit Committee in the period to 31 December 2020 (2019: none). The key work undertaken by the Audit Committee is as follows:

- appointment 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 full-year results;
- review of the effectiveness of the Audit & Risk Committee;
- review of internal controls; and
- consideration as to whether an internal audit function is required; the Committee confirmed that an internal audit function was not necessary in 2020 in view of the limited number of transactions.

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 Audit Committee reappointed Crowe U.K. LLP as the external auditor.

There have been three meetings of the Audit & Risk Committee since the 2020 year end. These were to approve the appointment of Auditors and Reporting Accountants, review the financial statements for 2020 for both the Company and to review the consolidated financial statements of JPIMedia Publishing Limited.

#### Items discussed by the Audit & Risk Committee

The Audit & Risk Committee discussed the following items during its meetings in 2020:

- the accounting treatment of costs incurred on the listing of National World plc on 19th September 2019;
- the control environment, including the processing and approval of costs incurred by the Company;
- going concern; and
- the 2019 Annual Report, 2020 Interim results, viability and related announcements.

Since the 2020 year end the Committee has met three times, and discussed the following items:

- review and discussion of the external audit planning report for the 2020 year end audit;
- reviewed and discussed reports from management on the JPI Group control environment;
- consideration and approval of the appointment of Crowe U.K. LLP as the Company's reporting accountants for the Company's forthcoming prospectus;
- review and assessment of the Annual Report for the Company and the consolidated financial statements of the JPI Group;
- review and discussion of reports from management on the Review of Financial Statements, Group Prospects, Impairment of Intangible Assets (JPI Group only), Risk Management & Internal Control and Management of Litigations & Complaints;
- review and discussion of the findings from the external auditor as part of the 2020 year end audit; and
- review and assessment of the first and second drafts of the prospectus

# **National World Plc**

## **Audit & Risk Committee Report For the year ended 31 December 2020**

---

No issues have been identified by the Audit & Risk Committee that are believed to require disclosure. The Company has not prepared consolidated accounts incorporating the JPI Group at 31 December 2020 because the JPI Group only became a subsidiary on 2 January 2021

### **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 year 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 2021 Annual General Meeting.

### **Steve Barber**

Chairman of the Audit & Risk Committee  
22 April 2021

# National World Plc

## Independent Auditor's Report

For the year ended 31 December 2020

---

### Independent auditor's report to the Directors of National World Plc

#### Opinion

We have audited the financial statements of National World plc (the "Company") for the year ended 31 December 2020, which comprise:

- the statement of comprehensive income for the year ended 31 December 2020;
- the statement of financial position as at 31 December 2020;
- the statements of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. An explanation of how we evaluated management's assessment and the key observations arising with respect to that evaluation is detailed below:

The Board is responsible for ensuring that it is appropriate to prepare the Company's financial statements using the going concern basis and that it has sufficient resources to remain in operational existence for a period of at least 12 months from the date of approving the financial statements.

As disclosed in note 23 (subsequent events), after the year end, the company acquired JPIMedia Publishing Limited. The going concern assessment was therefore prepared having regard to the enlarged group.

We have obtained and reviewed the Board's paper setting out the going concern assessment and examined supporting working capital forecasts.

We performed audit procedures, including challenge regarding reasonableness on the inputs into the model as follows:

- we reviewed the forecast revenues and resulting cash flows within the assessment period, with a focus on the forecast trading as well as investing and financing cashflows;
- we agreed the cash inflows from the issue of convertible and non-convertible loan notes to post year end bank statements;
- we agreed the forecast cash outflows relating to the acquisition of JPIMedia Publishing Limited to the share purchase agreement;
- we reviewed the forecast cashflows of National World plc (entity) and agreed a sample of forecast costs to supporting documentation;
- we reviewed the forecast of JPIMedia Publishing Limited having regard to our audit work on the financial information of the group for the period ended 2 January 2021;
- we considered management's sensitivity analysis and also performed an additional range of sensitivities to assess whether a reasonably likely change to a key input would result in an erosion of the headroom in the forecast;
- we tested to ensure the mathematical accuracy of the model presented; and
- we reviewed the appropriateness of the disclosure made and its consistency with our knowledge of the business.

# National World Plc

## Independent Auditor's Report

### For the year ended 31 December 2020

---

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 entity'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 entities 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 director's 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**

##### *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 Company financial statements as a whole to be £56,000 (FY19 £25,000), based on 5% of normalised net loss before tax.

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.

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 £2,800 (2019: £1,250). 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*

National World Plc is the only component included in the scope of the audit. Its location is London, United Kingdom.

##### *Key Audit Matter*

The only matter we determined to be a key audit matter was the use of the going concern basis for which we have reported on under the conclusions relating to going concern section above.

#### **Other information**

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinion on other matter 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:

# National World Plc

## Independent Auditor's Report

### For the year ended 31 December 2020

---

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

#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

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

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

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

# **National World Plc**

## **Independent Auditor's Report**

### **For the year ended 31 December 2020**

---

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

#### **Other matters which we are required to address**

We were appointed by the board on 29 July 2019 to audit the financial statements for the period ending 31 December 2020. Our total uninterrupted period of engagement is 2 years, covering the periods ending 31 December 2019 to 31 December 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the 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  
London

22 April 2021

# National World Plc

## Statement of Comprehensive Income For the year ended 31 December 2020

	Note	31 December 2020 £'000	29 May 2019 to 31 December 2019 £'000
<b>Continuing operations</b>			
Non-recurring costs to establish National World		-	(88)
Listing expenses	6	-	(81)
Acquisition costs	7	(839)	-
Administrative expenses	8	(244)	(167)
<b>Operating loss</b>		<u>(1,083)</u>	<u>(336)</u>
Finance income	9	12	1
Finance expense	10	(2)	-
<b>Loss before tax</b>		<u>(1,073)</u>	<u>(335)</u>
Taxation	11	-	-
<b>Total comprehensive loss for the period attributable to the equity owners</b>		<u>(1,073)</u>	<u>(335)</u>
<b>Loss per share</b>			
Basic and diluted (pence per share)	12	<u>(2.0)</u>	<u>(1.2)</u>

The notes on pages 37 to 46 form part of these financial statements.

**National World Plc**  
Statement of Financial Position  
For the year ended 31 December 2020

Company Number: 12021298

		As at 31 December 2020 £'000	As at 31 December 2019 £'000
	<b>Note</b>		
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	13	8	128
Cash and cash equivalents	14	12,693	4,383
Total current assets		12,701	4,511
<b>Total assets</b>		12,701	4,511
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	15	904	68
Total current liabilities		904	68
<b>Non-Current Liabilities</b>			
Borrowings	16	8,427	-
<b>Total liabilities</b>		9,331	68
<b>NET ASSETS</b>		3,370	4,443
<b>EQUITY</b>			
Share capital	17	54	54
Share premium	18	4,724	4,724
Accumulated losses	18	(1,408)	(335)
<b>Total equity</b>		3,370	4,443

The financial statements were approved by the Board of Directors and authorised for issue on 22 April 2021.

**David Montgomery**  
Executive Chairman

The notes on pages 37 to 46 form part of these financial statements.

# National World Plc

## Statement of Changes in Equity For the year ended 31 December 2020

	Share Capital £'000	Share Premium £'000	Accumulated Losses £'000	Total Equity £'000
<b>As at 29 May 2019</b>	-	-	-	-
<b>Comprehensive income</b>				
Loss for the period	-	-	(335)	(335)
<b>Transactions with owners</b>				
Issue of ordinary shares	54	5,046	-	5,100
Cost to issue shares	-	(322)	-	(322)
<b>As at 31 December 2019</b>	54	4,724	(335)	4,443
<b>As at 1 January 2020</b>	54	4,724	(335)	4,443
<b>Comprehensive income</b>				
Loss for the period	-	-	(1,073)	(1,073)
<b>As at 31 December 2020</b>	54	4,724	(1,408)	3,370

The notes on pages 37 to 46 form part of these financial statements.

**National World Plc**  
Statement of Cash Flows  
For the year ended 31 December 2020

	Note	31 December 2020 £'000	31 December 2019 £'000
<b>Cash flow from operating activities</b>			
Operating loss		(1,073)	(335)
Adjustments for non-cash/non-operating items:			
Finance income	9	(12)	(1)
Finance expense	10	2	-
<b>Cash outflow from operating activities</b>		<u>(1,083)</u>	<u>(336)</u>
<b>Changes in working capital</b>			
Decrease/(Increase) in trade and other receivables	13	121	(128)
Increase in trade and other payables	15	897	68
<b>Net cash used in operating activities</b>		<u>(125)</u>	<u>(396)</u>
<b>Cash flows from investing activities</b>			
Interest received	9	12	1
<b>Net cash generated from investing activities</b>		<u>12</u>	<u>1</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares, net of issue costs		-	4,778
Issue of convertible loan notes	16	8,423	-
<b>Net cash generated from financing activities</b>		<u>8,423</u>	<u>4,778</u>
<b>Net increase in cash and cash equivalents</b>		8,310	4,383
Cash and cash equivalents at the beginning of the period		4,383	-
<b>Cash and cash equivalents at the end of the period</b>		<u>12,693</u>	<u>4,383</u>

The notes on pages 37 to 46 form part of these financial statements.

# National World Plc

## Notes Forming Part of the Financial Statements For the year ended 31 December 2020

---

### 1. 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 201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT.

The principal activity of the Company is to operate in the news publishing sector.

The prior period was from incorporation on 29 May 2019 to 31 December 2019. Therefore, the comparative figures are not directly comparable.

### 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 £12.7 million cash as at 31 December 2020 and raised a further £11.6 million through the issue of convertible secured loan notes and £1.0 million through the issue of interest only unsecured loan notes during January and February 2021 providing significant headroom 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.

#### 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**

The following standards have been endorsed by the EU and are effective in the Company’s accounting year beginning 1 January 2020:

- Definition of Material (Amendments to IAS 1 and IAS 8); and
- Definition of a Business (Amendments to IFRS 3).

These standards have no material impact on the Company.

# National World Plc

## Notes Forming Part of the Financial Statements (continued) For the year ended 31 December 2020

---

### 2. Summary of significant accounting policies *(continued)*

#### 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 are as follows, which are all effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

National World is currently assessing the impact of these new accounting standards and amendments; however, they are not expected to have a material impact on the Company.

### 2.5 Segment reporting

Identifying and acquiring investment projects was the only activity the Company was involved in during 2020 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 costs

#### *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.

#### *Finance expense*

Finance expense comprises interest on convertible debt.

### 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 and borrowings 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.

# National World Plc

## Notes Forming Part of the Financial Statements (continued) For the year ended 31 December 2020

---

### 2. Summary of significant accounting policies *(continued)*

#### *Convertible debt*

The proceeds received on issue of the Company's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert.

Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and are recognised in other reserves.

### 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.

### 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 only to the extent that it is likely that they will be recovered in the foreseeable future.

### 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 was made for the Value Creation Plan as the Company had not completed an acquisition in the reporting period.

### 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 judgements 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 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.

# National World Plc

## Notes Forming Part of the Financial Statements (continued) For the year ended 31 December 2020

### 4. Directors and employees

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

	31 December 2020 No.	31 December 2019 No.
Directors	5	5
Management and administration	-	-
	<u>5</u>	<u>5</u>

Directors' emoluments:

	31 December 2020 £'000	31 December 2019 £'000
<b>Directors' emoluments:</b>		
Salaries and fees	19	5
Other pension costs	-	-
	<u>19</u>	<u>5</u>

**Highest paid director:**

	31 December 2020 £'000	31 December 2019 £'000
Salaries and fees	5	1
Other pension costs	-	-
	<u>5</u>	<u>1</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 2020 £'000	31 December 2019 £'000
Fees payable to the Company's auditors – audit of the Company's annual accounts	18	18
Fees payable to the Company's auditors – non-statutory audit in relation to the Company's re-registration as a plc.	-	3
Fees payable to the Company's auditors – Reporting Accountant fees	-	15

### 6. Listing Expenses

During the year ended 31 December 2020, the Company incurred £nil (2019: £81,268) in IPO costs and other fees.

### 7. Acquisition costs

The Company incurred costs of £839,038 which were considered to be one-off in relation to the acquisition of the JPI Group that completed on 2 January 2021, therefore these costs have been disclosed separately in the Statement of Comprehensive Income.

# National World Plc

## Notes Forming Part of the Financial Statements (continued) For the year ended 31 December 2020

### 8. Analysis of expenses by nature

The breakdown by nature of administrative expenses is as follows:

	31 December 2020 £'000	31 December 2019 £'000
Staff costs	19	5
Accounting fees	29	8
Audit fees	18	18
Tax fees	2	-
Professional fees	17	97
Other costs, including financial PR, insurance and other fees	159	39
Total administrative expenses	244	167

### 9. Finance income

	31 December 2020 £'000	31 December 2019 £'000
Bank interest	12	1
Total finance income	12	1

### 10. Finance expense

	31 December 2020 £'000	31 December 2019 £'000
Interest on convertible loan notes	2	-
Total finance expense	2	-

### 11. Taxation

	31 December 2020 £	31 December 2019 £
<b>Analysis of charge in period</b>		
Loss before tax on continuing operations	(1,073)	(335)
Tax at the UK corporation tax rate of 19%	(204)	(64)
Effects of:		
Expenses not allowable	159	32
Deferred tax asset not recognised for tax losses	45	32
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 £400,139 (2019 £166,184). The unutilised tax losses have not been recognised as a deferred tax asset due to uncertainty over the timing of future profits and gains.

# National World Plc

## Notes Forming Part of the Financial Statements (continued) For the year ended 31 December 2020

### 12. Loss per share

The loss per share has been calculated using the loss 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 2020	31 December 2019
Loss for the period attributable to equity holders of the Company (£'000)	(1,073)	(335)
Weighted average number of ordinary shares ('000)	54,000	26,813
Loss per share (pence)	(2.0)	(1.2)

### 13. Trade and other receivables

	31 December 2020 £'000	31 December 2019 £'000
<b>Amounts falling due within one year:</b>		
Prepayments	4	42
Other receivables	4	86
	8	128

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 management's knowledge. The Directors consider that the carrying amount of trade and other receivables is approximately equal to their value.

### 14. Cash and cash equivalents

	31 December 2020 £'000	31 December 2019 £'000
Cash at bank	6,693	4,383
Cash held in escrow by Lawyers	6,000	-
	12,693	4,383

£6.0 million of cash was held in escrow by the Company's lawyers at year end in advance of the completion of the acquisition of the JPI Group on 2 January 2021. On 4 January 2021 and 5 January 2021, the Company advanced £7.9 million and £2.6 million respectively to the JPI Group for working capital purposes and to fund the repayment of £4.7 million of debt payable to the former vendors.

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. Notice was given on 24 December 2020 to withdraw the funds from this account, and it was received by the Company on 23 January 2021.

### 15. Trade and other payables

	31 December 2020 £'000	31 December 2019 £'000
<b>Amounts falling due in one year:</b>		
Other taxation and social security	-	1
Trade payables	4	32
Other payables	-	1
Accruals	900	34
	904	68

# National World Plc

## Notes Forming Part of the Financial Statements (continued)

For the year ended 31 December 2020

### 16. Borrowings

	31 December 2020 £'000	31 December 2019 £'000
<b>Non-current</b>		
Convertible secured loan notes	8,427	-
	<u>8,427</u>	<u>-</u>

On 31 December 2020, the Company issued 8,425,000 convertible secured loan notes at a face value of £1 each with interest of 10%. The loans are repayable in 3 years from the issue date on 31 December 2023 at the total face value of £8,425,000 or can be converted into shares when the Company relists on the London Stock Exchange at a rate of 1 share per £0.11 of loan. Under the terms of the convertible secured loan, circumstances can arise where a variable number of shares are issued, on this basis the instrument fails the fixed for fixed criteria under IAS 32 and therefore the instrument is recorded as a liability. A fair value exercise was performed on the conversion option but has not been disclosed separately as it is not material to the financial statements. One day's interest of £2,308 has been accrued on the loan balance of £8,425,000 at year end.

A maturity analysis of the Company's borrowings is shown below:

	31 December 2020 £'000	31 December 2019 £'000
Less than one year	-	-
One to two years	-	-
Two to five years	8,427	-
Total including interest cash flows	<u>8,427</u>	<u>-</u>
Less: interest cash flows	(2)	-
Total principal cash flows	<u>8,425</u>	<u>-</u>

### 17. Share capital

	2020 Number	2020 £'000	2019 Number	2019 £'000
Issued and fully paid Ordinary shares of 0.1p each				
At 31 December	54,000,000	54	54,000,000	54

No Ordinary shares were issued by the Company during the year ended 31 December 2020.

#### *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.

### 18. 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.

# National World Plc

## Notes Forming Part of the Financial Statements (continued) For the year ended 31 December 2020

### 19. Financial instruments

#### *Financial assets*

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

	<b>31 December 2020 £'000</b>	<b>31 December 2019 £'000</b>
Cash at bank	6,693	4,383
Cash held in escrow by lawyers	6,000	-
	<u>12,693</u>	<u>4,383</u>

#### *Financial liabilities*

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

	<b>31 December 2020 £'000</b>	<b>31 December 2019 £'000</b>
Trade payables	4	32
Other payables	-	1
Accruals	900	34
Convertible secured loan notes	8,427	-
	<u>9,331</u>	<u>67</u>

The Company's major financial instruments include bank balances and amounts payable 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 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. Trade and other payables are all due within one year, a maturity analysis of borrowings is shown in note 16.

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 objective 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. 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.

# National World Plc

## Notes Forming Part of the Financial Statements (continued) For the year ended 31 December 2020

### 20. Related party transactions

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

	31 December 2020 £'000	31 December 2019 £'000
Directors' emoluments, including salary and fees:		
D Montgomery	5	1
V Vaghela	5	1
M Hollinshead	3	1
J Rowe	3	1
S Barber	3	1
	<u>19</u>	<u>5</u>

Of this amount, £Nil was payable at 31 December 2020. (2019: £1,000).

The Directors holdings in the convertible secured loan notes at 31 December 2020 are: David Montgomery £100,000; Vijay Vaghela £100,000; Mark Hollinshead £25,000; John Rowe £100,000 and Steve Barber £100,000. In January 2021, post his appointment to the Board, Daniel Cammiade subscribed for £50,000 of the convertible secured loan notes.

### 21. Ultimate controlling party

The Company has no ultimate controlling party.

### 22. Subsequent events

The acquisition of JPIMedia Publishing Limited and its subsidiaries announced on 31 December 2020 completed on 2 January 2021. The principal reason for this acquisition is that the JPI Group's portfolio of iconic brands provides a strong base from which to implement the Company's strategy of creating a modern platform for news publishing with a new operational model supporting local sites across the entire UK. The Company obtained control of the JPI Group by acquiring 100% of the share capital. The acquisition was a reverse takeover. However, as the Company was incorporated as a special purpose acquisition vehicle, the acquisition meets the definition of a business combination and will be accounted for using the acquisition accounting method in accordance with the Company's accounting policies.

Details of the provisional fair value of identifiable assets and liabilities acquired purchase consideration and goodwill are as follows:

	Provisional fair values £'000
Publishing and Digital Intangible assets – provisional	10,968
Property, plant and equipment	4,614
Trade and other receivables	13,251
Inventory	16
Cash	472
Trade and other payables	(13,772)
Provisions	(500)
Lease obligations	(3,179)
Borrowings due to JPIMedia Limited	(4,717)
Net assets	7,153
Goodwill – provisional	33
Total purchase consideration	7,186

## National World Plc

### Notes Forming Part of the Financial Statements (continued) For the year ended 31 December 2020

#### 22. Subsequent events (continued)

	£'000
Initial cash consideration for equity	500
Working capital in excess of normalised working capital on Completion	1,686
Deferred cash consideration*	5,000
Total purchase consideration	7,186
Initial cash consideration for equity	500
Working capital in excess of normalised working capital on Completion	1,686
Cash acquired	(472)
Cash outflow on acquisition (net of cash acquired)	1,714

\*Deferred consideration of £5.0 million payable in two instalments, £2.5m on 31 March 2022 and £2.5m on 31 March 2023.

The goodwill represents the potential growth opportunities and synergy effects from the acquisition. The goodwill is not deductible for tax purposes. The initial accounting for the business combination is incomplete as the identifiable intangible assets, expected to be publishing titles and digital assets and have not yet been measured. During the measurement period in 2021, the Company will identify and measure the identifiable intangible assets and adjust the provisional amounts recognised at the acquisition date.

On 1 January 2021, Mark Hollinshead was appointed Chief Commercial Officer and Daniel Cammiade was appointed as a Non-Executive director.

On 4 January 2021, the Company paid £4,717,000 to JPIMedia Limited representing the outstanding borrowing due at Completion.

On 21 January 2021, the Company issued a further £5.7 million convertible secured loan notes.

On 8 February 2021, the Company issued a further £5.9 million convertible secured loan notes, bringing the total convertible secured loan notes issued to £20 million.

On 12 February 2021, the Company issued £1 million interest only unsecured loan notes.

On 31 March 2021, the Company paid £1,686,000 (including £472,000 cash retained in the business on Completion) to JPIMedia Limited representing the amount by which the working capital in the JPI Group on Completion was greater than normalised working capital.

On 20 April 2021, Steve Barber was appointed as Senior Independent Director.