

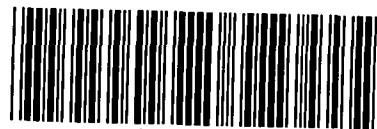
Registered number: 08114933

CLAVERLEY HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 JANUARY 2022

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CLAVERLEY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A B Graham E Alan Graham (resigned 28 July 2021) Edward A Graham S A Graham T W Graham P S Meier
Company secretary	G W Evers
Registered number	08114933
Registered office	51-53 Queen Street Wolverhampton West Midlands WV1 1ES
Independent auditors	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

CLAVERLEY HOLDINGS LIMITED

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CLAVERLEY HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 1 JANUARY 2022

The directors present their strategic report together with the audited financial statements for the period ended 1 January 2022.

Business model

The principal activity of the Company is as parent to a group of companies operating in newspapers and magazine publishing, digital media and design, commercial printing, IT systems and services, print management and procurement services and business-to-business marketing and events management.

Group business review

In December 2021 the Group completed the acquisition of HPCi Media Limited, a London based business-to-business information and marketing solutions provider for professionals working in the personal care and life science sectors. This is the Group's third acquisition since 2018 as it continues to deliver on its diversification strategy. HPCi has delivered year-on-year growth through increased digital advertising and event management revenues across its Cosmetics and Beauty, Pharmaceutical, Nutraceutical, Cleanroom and Healthcare brands.

Kennedy Enterprises Limited, a leading children's magazine publisher, continued to develop magazine portfolios to attract the widest possible audience with compelling content and innovative gifts for the children's magazine sector across the UK, Germany and overseas export territories. Throughout the year, investment in the team, the management structure and the launch of several new titles delivered results significantly above budgeted expectations and provided healthy year-on-year growth.

Cubiquity Limited, a print management and procurement service business, diversified in to new products and developed business opportunities to deliver a notable upturn in operating profit during 2021. Investment in sales resource and infrastructure has taken place throughout the year to ensure the Company is well placed to deliver a high level of new business and continue growing its existing customer base. The Company delivered a very strong trading performance in the second half 2021 as customer spend returned to pre COVID-19 levels.

The publishing businesses have continued to develop print and digital portfolios to attract the widest possible audience, creating compelling opportunities for advertisers across the West Midlands, Shropshire and Jersey in the Channel Islands. This has been done whilst continuing to balance investment with significant cost control, which included the outsourcing of UK news printing in July 2021.

The commercial printing business continued to be hit hard by COVID-19, with sales down in the first quarter of 2021 due to the national lockdown. The surge in the Omicron variant in the fourth quarter led to labour shortages and disruption to shift patterns. However, customer demand has now increased significantly and a steady return to profitability in 2022 is being realised.

The IT systems and services business continues to invest in developing and supporting its portfolio of products. During 2021 the Company completed four customer implementations of its advertising system, which built on the success of 2020. Upgrade plans to existing advertising customers will mean that there is a strong pipeline of activity in 2022 which will allow PCS to grow its recurring revenues.

CLAVERLEY HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2022

Principal risks and uncertainties

The directors have taken appropriate measures to minimise the Health and Safety risks arising from COVID-19 for the Group's workforce and the Group continues to follow best practice communicated by the Government and Public Health England.

The Group acknowledge there are risks and uncertainties from increasing inflationary pressures. Most notably, energy wholesale prices have been rising steadily throughout 2021, with an unprecedented surge in prices for December 2021 onwards. This has placed pressures on parts of the Group, in terms of managing its cost base appropriately but passing increases on to customers where required. The Group actively engages with its energy broker to forward buy appropriate amounts of gas and electricity several months in advance and therefore has been able to mitigate some of the impact of the price increases.

The Group continually monitors costs and reduces exposure to price fluctuations for key consumables such as paper, newsprint and ink by establishing robust supply contracts and developing collaborative relationships with key suppliers. The Group has also reduced its exposure to currency volatility by using flexible financial derivatives to hedge its USD position on the purchase of Chinese goods.

Outlook

The diversification of the Group has meant that the Group has been well placed to deal with market disruptions and uncertainties caused by the COVID-19 pandemic. It has meant that the Group's trading performance has exceeded budgeted expectations and maintained sufficient funds to complete the acquisition of HPCi. A strong start to 2022 has already been made which should see the Group deliver significant year-on-year operating profit growth.

Environmental matters

The Group takes its environmental responsibilities seriously and recognises that business activities inevitably have an impact on the natural environment. It is committed to minimising this impact and uses sustainable newsprint and paper wherever possible as well as reducing secondary packaging and improving the recyclability of its products.

Financial key performance indicators

At Group level the performance of subsidiaries is monitored on a monthly basis. The key performance indicators include revenue, operating profits and sustaining the Group's consolidated net asset position.

The year-on-year recovery on revenue and operating profit is clearly demonstrated below. The net asset movement has also significantly improved as a result of the FRS 102 pension deficit movement (see note 33).

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Revenue	91,784	87,213
Operating profit before exceptional items, depreciation, amortisation and impairment	6,110	299
Consolidated Net assets/(liabilities)	24,148	(1,470)

CLAVERLEY HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2022

Section 172 Statement

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, have acted in a way that they consider, in good faith, promotes the success of the Group for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term.

During the year a number of key decisions have been made by the directors which have been reached through engaging with the relevant stakeholders and fully understanding the long-term implications. The directors are fully briefed through the production of detailed board papers which are distributed well in advance of the Board Meetings.

Diversification through Acquisition

As part of the Group strategy to reduce its reliance on newspaper publishing and diversify risk for the shareholders, the acquisition of HPCi Media Limited was completed in December 2021. The acquisition provides the Group with an internationally diverse and loyal customer base where revenues are primarily driven through digital advertising and event management activities. The acquisition will strengthen the Group's underlying trading position and cash generation. HPCi will continue to operate from its current base in London, with all staff being retained. The directors will work closely with the former shareholders and senior management team in order to ensure the business continues to operate as usual and that the integration in to the wider group is as seamless as possible. Further acquisitions will be sought in order to enhance the long-term strength of the Group, whilst also maintaining significant cash and facilities headroom in the event of further economic uncertainties.

Environment

The Group takes its environmental responsibilities seriously and recognises that business activities inevitably have an impact on the natural environment. In particular, the directors continue to make decisions that ensure Kennedy Enterprises is committed to minimising its environmental impact. Kennedy uses the sustainable Programme for the Endorsement of Forest Certification (PEFC) newsprint and is a member of the On-Pack Recycling Label (OPRL) scheme, ensuring clear guidance is given to consumers on how to dispose of and recycle its magazines responsibly. Ahead of supermarket packaging mandates which come into force at the end of 2022, the Company's packaging is already 100% recyclable at kerbside or in-store. Kennedy continues to work productively with its suppliers to reduce the quantity of packaging which also reduces the environmental impact of the transportation and distribution of its products.

In addition, the directors have fully supported Cubiquity in becoming a carbon net zero business. The Cubiquity senior management team have been proactive in delivering its own industry leading campaign called RISE (Respect / Innovate / Sustain and Empower). RISE is an initiative which brings customers, colleagues, and suppliers together to address the collective impact on the environment and communities that they operate in.

COVID-19

When a UK national lockdown was announced at the start of the year, the directors ensured all of its subsidiaries were able to organise the transition to homeworking for all staff except those directly involved in the printing and distribution of our products. A review of the newspaper print portfolio took place, in conjunction with shareholders and trading partners, of whom a significant number were being forced to temporarily close down. The directors took the decision to suspend publication of the free weekly and monthly paid for titles, with the MNA focusing on providing readers with trusted and up to date news, by continuing to print the daily and paid for weekly titles.

CLAVERLEY HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2022

Section 172 Statement (continued)

COVID-19 (continued)

At key junctures in the pandemic timeline, as government advice changed and in consultation with members of staff and trading partners, the directors took the appropriate actions. As restrictions were eased publication of the free newspaper titles recommenced and MNA's workforce began to return to the office through a phased approach.

The directors ensured the Group's management teams engaged with health and safety advisers to ensure all office buildings remained Covid secure in anticipation of staff returning to offices. This included the implementation of one-way systems, risk assessments, revisions to office layouts in accordance with social distancing guidelines, an increased number of sanitising stations, enhanced cleaning regimes and return to office induction procedures for staff.

Print Outsourcing

Historically the MNA has printed its own titles, at one time operating three press centres but latterly with only a single operation at Ketley, Telford. Investment in printing presses over time has been significant but the last major upgrade was in 2012. Faced with ageing equipment that was increasingly unreliable, powered by electronics that were becoming obsolete, and a shortage in the skills required to maintain the equipment, the directors had to consider how newspaper printing should be managed in the future.

Invitations to tender were sent to all potential outsource partners, and once proposals had been received an analysis comparing them alongside the investment cost to upgrade existing equipment was prepared for the directors. During discussions, which included the shareholders of the Company, it quickly became apparent that the level of investment required to upgrade/ replace the existing equipment was not economically sensible, and the directors made the decision to further explore the outsourced printing option.

A small project team, made up of employees from a cross section of departments within the business were involved in the evaluation of the operational elements of any transition. The project team confirmed that all necessary changes to templates, processes and deadlines could be achieved.

After considering the work of the project team alongside the financial business case, the directors made the decision to move to outsourced printing from July 2021.

Infrastructure Investment

The directors continue to make long term investments in its subsidiaries that drive efficiencies and enhance the level of service provided to customers. During the year the directors approved the purchase of new IT hardware for PCS which would provide greater levels of system performance for the Company and all of its hosted customers. The servers were also relocated from Company owned buildings to specialist data centres in Northampton and Leeds. The switch delivered operating cost savings, but more importantly provided a more robust environment and reduced potential down time risk. In addition, investment has been made in purchasing a new CRM system in order to improve user experience for our print management customers and deliver back-office reporting efficiencies. Each of these investments has been approved on the basis of maximising the business' ability to provide excellent customer service and sustainable profitable growth.

This report was approved by the board and signed on its behalf on 5 May 2022.



T W Graham
Director

CLAVERLEY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 JANUARY 2022

The directors present their report and the financial statements for the period ended 1 January 2022.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the period, after taxation, amounted to £1,363,000 (2 January 2021: £4,757,000).

No dividend has been paid or proposed in the period (2 January 2021: £Nil). The directors do not propose the payment of a final dividend.

Directors

The directors who served during the period were:

A B Graham
E Alan Graham (resigned 28 July 2021)
Edward A Graham
S A Graham
T W Graham
P S Meier

Future developments

Future developments are included in the Strategic Report under Business review and outlook.

CLAVERLEY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2022

Financial instruments

The company is financed by a combination of loans from other group companies and the group's bankers.

The UK group operations are financed by facilities provided by Lloyds Bank including an overdraft facility of £1.5m (2 January 2021: £1.5m) that was renewed in October 2021. In September 2018, the group repaid its previous fixed term loan and entered into a new 5 year fixed term loan of £7.25m with Lloyds Bank until September 2023.

The UK group also has a receivables finance agreement with Lloyds Bank plc to provide additional working capital facilities of up to £4.5m, which was renewed in May 2019.

The current economic conditions create uncertainty particularly with regard to the level of demand for products and services and the cost of raw materials. However, the group's forecasts and projections, taking account changes in trading performance, show that the group should be able to continue operating well within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation 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 annual report and accounts.

Research and development activities

The company through its subsidiaries continues to invest in research and development. This has resulted in improvements in digital and IT solutions products which will benefit the company and the group in the medium to long term.

Employee involvement

The directors recognise the importance of good communications and relations with staff members. Company intranet sites are used to regularly update staff on the progress of the company and to provide other general information. Annual staff surveys are also undertaken to provide management with valuable feedback from employees. The company is proud of its employment policies and of the guidance it gives to those approaching retirement.

CLAVERLEY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2022

Employment of disabled people

The company supports the principle of employing disabled people wherever possible, through recruitment, by retention of those who become disabled during their employment and generally through training, career development and promotion.

Extra report section

UK Greenhouse gas emissions and energy use data for the period 3 January 2021 to 1 January 2022:

	<u>2021/22</u>
Energy consumption used to calculate emissions (kWh)	32,118,944
Scope 1 – Emissions in metric tonnes CO ₂ e	
Gas consumption	3,250.05
Owned transport	304.27
Scope 2 – Emissions in metric tonnes CO ₂ e	
Purchased electricity	2,785.85
Total gross emissions in metric tonnes CO ₂ e	6,340.17
Intensity ratio tonnes per CO ₂ e	142.47

Quantification and reporting methodology

The company have followed the 2019 HM Government Environmental Reporting Guidelines. The company has also used the GHG Reporting Protocol - Corporate Standard and has used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per £m revenue, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The company has installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

CLAVERLEY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 1 JANUARY 2022

Disclosure of information to auditors

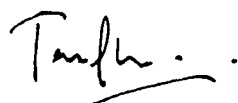
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

This report was approved by the board and signed on its behalf on 5 May 2022.



T W Graham
Director

CLAVERLEY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLAVERLEY HOLDINGS LIMITED

Opinion

We have audited the financial statements of Claverley Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the period ended 01 January 2022, which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated statement of cash flows, the Consolidated and Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 01 January 2022 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

CLAVERLEY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLAVERLEY HOLDINGS LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CLAVERLEY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLAVERLEY HOLDINGS LIMITED (CONTINUED)

Auditors' 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 auditors' 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 Group 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:

Our assessment focussed on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the industry;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - o making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
 - o considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- To address the risk of fraud through management bias and override of controls, we:
 - o tested journal entries to identify unusual transactions;
 - o assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias, in particular the director's assessment of the valuation of the defined benefit pension scheme liability, valuation of land and buildings and valuation of accrued income; and
 - o investigated the rationale behind significant or unusual transactions.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - o agreeing financial statement disclosures to underlying supporting documentation;
 - o reading the minutes of meetings of those charged with governance;
 - o enquiring of management as to actual and potential litigation and claims; and
 - o reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

CLAVERLEY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLAVERLEY HOLDINGS LIMITED
(CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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.



Paul Rowley (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

12 May 2022

CLAVERLEY HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 1 JANUARY 2022

	Note	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Turnover	4	91,784	87,213
Net operating expenses	5	(85,674)	(86,914)
Exceptional items, depreciation, amortisation and impairment	5	(7,829)	(5,237)
Gross loss	6	(1,719)	(4,938)
Income from other fixed asset investments	10	151	-
Interest receivable and similar income	11	31	74
Interest payable and similar expenses	12	(189)	(277)
Other finance costs	13	(728)	(658)
Loss before tax		(2,454)	(5,799)
Tax on loss	14	1,091	1,042
Loss for the financial period		(1,363)	(4,757)

The notes on pages 20 to 54 form part of these financial statements.

CLAVERLEY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 1 JANUARY 2022

		52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
	Note		
Profit/(loss) for the financial period		(1,363)	(4,757)
Other comprehensive income			
Actuarial gain/(loss) on defined benefit schemes	33	31,031	(17,798)
Movement on deferred tax relating to pension gains/(losses)	26	(4,050)	3,452
Other comprehensive income for the period		<u>26,981</u>	<u>(14,346)</u>
Total comprehensive income for the period		<u>25,618</u>	<u>(19,103)</u>
Profit/(losses) for the period attributable to:			
Owners of the parent company		(1,363)	(4,757)
		<u>(1,363)</u>	<u>(4,757)</u>
Total comprehensive income attributable to:			
Owners of the parent company		25,618	(19,103)
		<u>25,618</u>	<u>(19,103)</u>

The notes on pages 20 to 54 form part of these financial statements.

CLAVERLEY HOLDINGS LIMITED
REGISTERED NUMBER: 08114933

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 1 JANUARY 2022

	Note	1 January 2022 £000	2 January 2021 £000
Fixed assets			
Intangible assets	15	20,763	14,485
Tangible assets	16	14,819	19,442
Investments	17	989	791
Investment property	18	200	200
		<u>36,771</u>	<u>34,918</u>
Current assets			
Stocks	19	5,478	4,199
Debtors	20	24,250	25,805
Cash at bank and in hand	21	9,566	19,090
		<u>39,294</u>	<u>49,094</u>
Creditors: amounts falling due within one year	22	<u>(24,374)</u>	<u>(25,149)</u>
Net current assets		<u>14,920</u>	<u>23,945</u>
Total assets less current liabilities		<u>51,691</u>	<u>58,863</u>
Creditors: amounts falling due after more than one year	23	(8,391)	(8,382)
Provisions for liabilities			
Other provisions	27	<u>(335)</u>	<u>(353)</u>
Net assets excluding pension liability		<u>42,965</u>	<u>50,128</u>
Pension liability	33	<u>(18,817)</u>	<u>(51,598)</u>
Net assets/(liabilities)		<u><u>24,148</u></u>	<u><u>(1,470)</u></u>
Capital and reserves			
Called up share capital	28	1,800	1,800
Revaluation reserve	29	383	383
Profit and loss account	29	21,965	(3,653)
Equity attributable to owners of the parent company		<u><u>24,148</u></u>	<u><u>(1,470)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

5 May 2022.



T W Graham
Director

The notes on pages 20 to 54 form part of these financial statements.

CLAVERLEY HOLDINGS LIMITED
REGISTERED NUMBER: 08114933

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 1 JANUARY 2022

	Note	1 January 2022 £000	2 January 2021 £000
Fixed assets			
Investments	17	35,677	35,677
		<u>35,677</u>	<u>35,677</u>
Creditors: amounts falling due within one year	22	(174)	-
Net current (liabilities)/assets		<u>(174)</u>	<u>-</u>
Total assets less current liabilities		<u>35,503</u>	<u>35,677</u>
Creditors: amounts falling due after more than one year	23	(11,141)	(11,141)
Net assets excluding pension liability		<u>24,362</u>	<u>24,536</u>
Net assets		<u>24,362</u>	<u>24,536</u>
Capital and reserves			
Called up share capital	28	1,800	1,800
Profit and loss account	29	22,562	22,736
		<u>24,362</u>	<u>24,536</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

5 May 2022.

T W Graham

T W Graham
Director

The notes on pages 20 to 54 form part of these financial statements.

CLAVERLEY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JANUARY 2022

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 29 December 2019	1,800	-	15,451	17,251
Loss for the period	-	-	(4,757)	(4,757)
Surplus on revaluation of freehold property	-	383	-	383
Actuarial loss on pension scheme net of deferred tax	-	-	(14,347)	(14,347)
At 2 January 2021	1,800	383	(3,653)	(1,470)
Loss for the period	-	-	(1,363)	(1,363)
Actuarial gain on pension scheme net of deferred tax	-	-	26,981	26,981
At 1 January 2022	1,800	383	21,965	24,148

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JANUARY 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 29 December 2019	1,800	22,736	24,536
Loss for the period	-	(155)	(155)
Dividends paid	-	155	155
At 2 January 2021	1,800	22,736	24,536
Loss for the period	-	(174)	(174)
At 1 January 2022	1,800	22,562	24,362

The notes on pages 20 to 54 form part of these financial statements.

CLAVERLEY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 1 JANUARY 2022

	1 January 2022 £000	2 January 2021 £000
Cash flows from operating activities		
Loss for the financial period	(1,363)	(4,757)
Adjustments for:		
Amortisation of intangible assets	2,359	2,910
Depreciation of tangible assets	2,878	3,340
Impairments of fixed assets	2,016	-
Profit on disposal of tangible assets	(112)	(14)
Dividends recieved	(151)	-
Interest paid	189	277
Interest received	(31)	(74)
Taxation credit	(1,091)	(1,042)
(Increase)/decrease in stocks	(1,280)	119
Decrease in debtors	572	9,153
(Decrease)/increase in creditors	(1,169)	247
Decrease in provisions	(18)	(432)
Net fair value gains recognised in income statement	(170)	(2,582)
Corporation tax paid	111	-
Difference between contribution to pension scheme and amount charged to income statement	(1,750)	106
Net cash generated from operating activities	990	7,251
Cash flows from investing activities		
Purchase of intangible fixed assets	(4)	(40)
Sale of intangible assets	-	42
Purchase of tangible fixed assets	(601)	(417)
Sale of tangible fixed assets	474	14
Net cash paid on acquisition of subsidiary	(7,130)	-
Purchase of unlisted and other investments	(28)	-
Interest received	31	67
Dividends received	151	-
Net cash from investing activities	(7,107)	(334)

CLAVERLEY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 1 JANUARY 2022

	1 January 2022 £000	2 January 2021 £000
Cash flows from financing activities		
Repayment of loans	(2,906)	(1,000)
Repayment of/new finance leases	271	-
Interest paid	(179)	(216)
Net cash used in financing activities	(2,814)	(1,216)
Net (decrease)/increase in cash and cash equivalents	(8,931)	5,701
Cash and cash equivalents at beginning of period	12,013	6,312
Cash and cash equivalents at the end of period	3,082	12,013
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	9,566	19,090
Bank overdrafts	(6,484)	(7,077)
	3,082	12,013

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 1 JANUARY 2022

	At 3 January 2021 £000	Cash flows £000	New finance leases £000	Other non- cash changes £000	At 1 January 2022 £000
Cash at bank and in hand	19,090	(9,524)	-	-	9,566
Bank overdrafts	(7,077)	593	-	-	(6,484)
Debt due after 1 year	(4,211)	2,000	-	906	(1,305)
Debt due within 1 year	(906)	906	-	(906)	(906)
Finance leases due after 1 year	-	-	(157)	-	(157)
Finance leases due within 1 year	-	-	(114)	-	(114)
	6,896	(6,025)	(271)	-	600

The notes on pages 20 to 54 form part of these financial statements.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

1. General information

Claverley Holdings Limited is a private company incorporated in England under the Companies Act 2006. The address of the registered office is shown on the company information page. The nature of the group's operations and its principal activities is shown in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The financial statements are for the 52 week period ended 1 January 2022 (2021: 53 week period ended 2 January 2021).

The functional and presentational currency is pounds sterling and the financial statements have been rounded in thousands.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- No statement of comprehensive income has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.4 Going concern

During 2021 the directors have managed the Group through the continued disruption arising from the COVID-19 pandemic. All of the Group's businesses have remained open and have been carefully managed ensuring suitable safety measures are in place.

The directors are pleased with the way in which all of the stakeholders of the business have responded to the situation. Employees, supply chain, customers, lenders and pensions trustees have positively engaged with the Group.

The Group's banking facilities include a net £1.5m overdraft and receivables finance agreements of up to £4.5m. The Group facilities have been renewed from October 2021 on the same terms.

The directors prepared a comprehensive three year business plan in November 2021 which was based on prudent assumptions, given the risks associated with increasing inflationary pressures on costs, particularly on energy tariffs. The business plan showed the Group delivering an EBITDA profit of £3.7m in 2022 with newly acquired businesses driving significant profitability growth in 2023 and 2024. The Group's existing facilities and trading cashflows provide the necessary liquidity for substantial investment across the Group and for future acquisitions. Trading across the Group is currently ahead of the business plan, with trading in the final quarter of 2021 exceeding forecasted EBITDA by £0.3m and it is anticipated that the first quarter of 2022 will achieve an EBITDA of £2.0m which is £1.2m ahead of budget.

In order to provide a level of contingency for any worst-case scenarios in 2021, the directors have mandated that £3m of the Group's facilities are ring fenced for the remainder of the year. This is reduced from £4m in 2020.

The directors are satisfied therefore that it is appropriate to prepare the financial statements on a going concern basis and the financial statements do not include any adjustments that would be necessary if the company was unable to continue as a going concern.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Publishing and printing – Advertising

These criteria are considered to be met when the amount of revenue can be measured reliably, it is probable that the company will receive the consideration due under the transaction and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is when the advertisement has been placed in the newspaper or on the digital platform.

Publishing and printing – Circulation

These criteria are considered to be met when the company has transferred the significant risks and reward of ownership to the customer, the amount of revenue can be measured reliably, it is probable that the company will receive the consideration due under the transaction and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is when newspapers have been delivered to the customer.

Publishing and printing – Commercial printing

Revenue is recognised upon despatch of goods.

Publishing and printing – Creative, digital and design revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognised when the company obtains the right to consideration in exchange for its performance as the contract progresses.

Technology

Revenue from the sales of third party licenses are recognised upon delivery to a customer when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. In circumstances where a considerable vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied.

Income from internally generated software is recognised over the period of the contract. Maintenance and support contracts are recognised rateably over the period of the contract. Where multiple element contracts are entered into and the constituent parts do not stand alone, all revenues are spread over the period of the contract and recognised according to the stage of completion and right to consideration, with attributable profit recognised where the outcome of the contract can be assessed with reasonable certainty. Where the constituent parts do standalone then the contract is unbundled by attributing a fair value to each element and discounting each element where necessary.

Other professional services, such as training and consultancy, are recognised, when the services are performed.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life.

Development costs

Development costs are charged to the statement of comprehensive income in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over the expected project life from the year the company starts to benefit from the expense, which is considered to be the useful economic life.

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted retrospectively is appropriate, or if there is an indication of a significant change since the last reporting date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

In accordance with the transitional exemption available in FRS 102, the group has chosen to retrospectively value certain assets at deemed cost based on the expected fair value of these assets as appropriate.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% per annum
Leasehold buildings	-	2% per annum or the period of the lease if shorter
Plant and machinery	-	5% - 33% per annum
Motor vehicles	-	20% per annum
Fixtures and fittings	-	8% - 33% per annum
Data processing systems	-	20% - 33.3% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the statement of comprehensive income.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.10 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.11 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

2.12 Valuation of investments

Investments in subsidiaries are held at cost. Provision is made for impairment of these investments where required.

Investments in unlisted company shares, which have been classified as fixed asset investments as the group intends to hold them on a continuing basis, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the year.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Any impairment charges are written off against the cost as relevant.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.15 Financial instruments

Financial assets

Financial assets comprise cash at bank and in hand, trade debtors, other debtors, accrued income, and amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The group considers evidence of impairment for all individual trade and other debtors and amounts owed by company undertakings, and any subsequent impairment is recognised in profit or loss.

Impairment of financial assets carried at amortised cost

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

Financial liabilities

Financial liabilities comprise trade creditors, other creditors and accruals; bank overdrafts and amounts due to group undertakings; these are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest method.

Finance costs

Finance costs are charged to the consolidated income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

For loans subject to annual deferral, the carrying value of the asset/liability is as noted above. There is no interest expense/income recognised until at such time the payment terms are not subject to rolling deferral, at which point the discount applied will unwind and will be recognised as a finance cost/income in the statement of comprehensive income.

2.16 Invoice discounting

Trade debtors are subject to a financing agreement whereby an advance is received based upon and secured against trade receivables. Where the group has retained significant rights and risks relating to the financed debts, separate presentation is adopted where the gross debts and a corresponding liability in respect of the advance received are shown separately on the Statement of Financial Position. The interest element of the finance charges is recognised as it accrued and is included in the consolidated statement of comprehensive income within other interest charges. The movement on the advances under debt factoring balance is shown within financing activities in the consolidated statement of cash flows.

2.17 Related party transactions

The group has taken advantage of the exemption conferred by Section 33 of FRS 102 not to disclose transactions with members of the group headed by the company provided that any subsidiary undertaking which is party to the transaction is a wholly owned member of the group.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.18 Government grants

Grants of a revenue nature are recognised in the consolidated income statement in the same period as the related expenditure.

Grants relating to the Coronavirus Job Retention Scheme are recognised when the requirements are met and recognised in the consolidated income statement within net operating expenses in the period to which it relates.

2.19 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.20 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.21 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on the plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a. The increase in net pension benefit liability arising from employee service during the period;
and
- b. The cost of plan introductions, benefit changes, curtailments and settlements

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the statement of comprehensive income as a 'finance expense'.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the statement of financial position as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The employer's portion of current and past service costs are charged to operating profit with the net interest also being recognised in the Income Statement. Actuarial gains and losses are recognised in other comprehensive income.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.23 Onerous lease provision

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the lease obligations under the lease.

2.24 Exceptional items

Exceptional items are items incurred which fall within ordinary activities of the business and are material by virtue of their size or incidence and therefore highlighted separately.

2.25 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2.26 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

2. Accounting policies (continued)

2.27 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation balances are not discounted.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

A. Defined benefit pension scheme liability

The financial statements include a net defined benefit pension scheme liability of £18,817,000 (2 January 2021: £51,598,000), comprising assets of £300,100,000 (2 January 2021: £300,773,000) and liabilities of £315,725,000 (2 January 2021: £351,933,000). These liabilities represent the costs expected to be incurred in making payments to current and past employees who are members of the scheme.

The valuation of the pension scheme liability is determined on an actuarial basis using the projected unit method discounted at a rate using the current rate of return on high quality corporate bonds of equivalent term and currency to the liability. Assumptions are made about the mortality of the beneficiaries of the pension scheme, and future rates of inflation. The assumptions underlying this calculation are discussed in more detail in note 33.

Significant changes to the assumptions underlying these calculations over the next financial year could result in significant changes to the carrying value of the pension scheme liability.

B. Intangible fixed assets

Intangible assets are amortised over their useful economic lives. The economic lives considered appropriate by the directors are 10 years for development costs and goodwill.

C. Accrued income

The group has recognised accrued income in respect of magazines that have been distributed at the balance sheet date and are expected to be sold. The judgements, estimates and associated assumptions are based on historical experience and other reasonable factors.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Publishing and printing	89,728	84,496
Technology	2,056	2,717
	<u>91,784</u>	<u>87,213</u>

Analysis of turnover by country of destination:

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
United Kingdom	77,601	73,214
Rest of Europe	11,468	11,952
Rest of the world	2,715	2,047
	<u>91,784</u>	<u>87,213</u>

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

5. Net operating expenses

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Staff costs (note 8)	28,843	26,141
Raw materials and consumables	38,255	31,929
Other operating charges	19,441	30,952
Depreciation of tangible fixed assets	2,878	3,340
Amortisation of intangible fixed assets	2,359	2,910
Impairment of fixed assets	2,016	-
Exceptional items	576	(1,013)
Other income	(865)	(2,108)
	<u>93,503</u>	<u>92,151</u>

Included within exceptional items are £463,000 (2 January 2021: £2,079,000) relating to severance costs and a gain of £Nil (2 January 2021: £2,609,000) relating to revaluation of freehold property included within tangible fixed assets.

Included within other operating income is £823,000 (2 January 2021: £2,000,000) relating to government grants received in respect of employees placed on "furlough" during the year, as part of the UK Government's Coronavirus Job Retention Scheme.

6. Operating loss

The operating loss is stated after charging/(crediting):

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Profit on disposal of fixed assets	(112)	(14)
Exchange differences	15	-
Operating lease costs	1,143	1,517
Defined contribution pension cost	1,366	1,365
Defined benefit pension cost	1,441	369
	<u>1,441</u>	<u>369</u>

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

7. Auditors' remuneration

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	13	11
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	77	65
All other services	16	17
	93	82

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 52 weeks ended 1 January 2022 £000	Group 53 weeks ended 2 January 2021 £000	Company 52 weeks ended 1 January 2022 £000	Company 53 weeks ended 2 January 2021 £000
Wages and salaries	23,667	22,117	155	138
Social security costs	2,369	2,290	19	17
Cost of defined benefit scheme	1,441	369	-	-
Cost of defined contribution scheme	1,366	1,365	-	-
	28,843	26,141	174	155

In addition to the above, exceptional severance costs of £463,000 (2 January 2021: £2,079,000) were incurred, see note 5.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

8. Employees (continued)

The average monthly number of employees, including the directors, during the period was as follows:

	Group 52 weeks ended 1 January 2022 No.	Group 53 weeks ended 2 January 2021 No.	Company 52 weeks ended 1 January 2022 No.	Company 53 weeks ended 2 January 2021 No.
Publishing and printing	549	554	-	-
Technology	29	31	-	-
Administration	54	170	2	2
	<u>632</u>	<u>755</u>	<u>2</u>	<u>2</u>

9. Directors' remuneration

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Directors' emoluments	732	690
Company contributions to money purchase pension schemes	51	51
	<u>783</u>	<u>741</u>

There were no directors in the group's defined benefit pension scheme (2 January 2021: Nil). There were 3 directors in the group's defined contribution pension scheme (2 January 2021: 3) during the year. Contributions were paid to an external pension scheme during the year on behalf of 1 director (2 January 2021: 1).

The total amount payable to the highest paid director in respect of emoluments was £163,000 (2 January 2021: £198,000). Company pension contributions on £Nil (2 January 2021: £Nil) were made to a defined contribution scheme on their behalf.

10. Income from investments

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Income from fixed asset investments	<u>151</u>	<u>-</u>

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

11. Interest receivable

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Bank deposits	31	74

12. Interest payable and similar expenses

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Bank interest payable	127	229
Other interest payable	62	48
	189	277

13. Other finance costs

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Net interest on net defined benefit liability	728	658

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

14. Taxation

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Corporation tax		
Adjustments in respect of previous periods	-	(3)
Total current tax	-	(3)
Deferred tax		
Origination and reversal of timing differences	(674)	(685)
Changes to tax rates	(73)	(282)
Adjustment in respect of prior periods	(344)	(72)
Total deferred tax	(1,091)	(1,039)
Taxation on loss on ordinary activities	(1,091)	(1,042)

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

14. Taxation (continued)

Factors affecting tax credit for the period

The tax assessed for the period is lower than (2 January 2021: lower than) the standard rate of corporation tax in the UK of 19% (2 January 2021: 19%). The differences are explained below:

	52 weeks ended 1 January 2022 £000	53 weeks ended 2 January 2021 £000
Loss on ordinary activities before tax	(2,454)	(5,798)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(466)	(1,102)
Effects of:		
Expenses not deductible for tax purposes	466	655
Fixed asset differences	20	19
R&D expenditure credits	(9)	(3)
Adjustments in respect of prior periods	-	(71)
Exempt income not chargeable to tax	(61)	(3)
Differences between UK and overseas tax rate	14	(3)
Remeasurement of deferred tax for changes in tax rates	(1,178)	-
Changes to deferred tax charge in respect of prior periods	(344)	(282)
Depreciation of ineligible assets	-	15
Movement in deferred tax on tax losses not recognised	448	-
Other differences	19	(267)
Total tax credit for the period	(1,091)	(1,042)

Factors that may affect future tax charges

The Group has £9,326,000 (2021: £11,026,000) of tax losses at the period end. A deferred tax asset of £364,000 (2021: £334,000) has not been recognised as it cannot be regarded more likely than not that there will be suitable taxable profits against which these losses can be utilised.

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 1 January 2022 is 25% and deferred tax has been calculated using this rate.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

15. Intangible assets

Group

	Development expenditure £000	Goodwill £000	Total £000
Cost			
At 3 January 2021	3,481	18,315	21,796
Additions (see note 30)	4	10,258	10,262
Adjustment to deferred consideration	-	(1,625)	(1,625)
At 1 January 2022	3,485	26,948	30,433
Amortisation			
At 3 January 2021	2,321	4,990	7,311
Charge for the period	171	2,188	2,359
At 1 January 2022	2,492	7,178	9,670
Net book value			
At 1 January 2022	993	19,770	20,763
At 2 January 2021	1,160	13,325	14,485

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

16. Tangible fixed assets

Group

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 3 January 2021	23,866	85,202	7,869	116,937
Additions	-	524	115	639
Disposals	(734)	(4,122)	(134)	(4,990)
At 1 January 2022	23,132	81,604	7,850	112,586
Depreciation				
At 3 January 2021	10,492	79,800	7,203	97,495
Charge for the year	215	2,469	194	2,878
Disposals	(368)	(4,120)	(134)	(4,622)
Impairment charge	-	2,016	-	2,016
At 1 January 2022	10,339	80,165	7,263	97,767
Net book value				
At 1 January 2022	12,793	1,439	587	14,819
At 2 January 2021	13,374	5,402	666	19,442

No revaluation has taken place in the current period as in the directors' opinion, there has been no material change in value. Investment property values are considered annually on 1 January with reference to open market rates by the directors.

Plant and machinery with a cost of £345,000 (2020: £Nil) and net book value of £268,000 (2020: £Nil) were held under finance leases. Depreciation of £77,000 (2020: £Nil) was charged against leased assets during the year.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

17. Fixed asset investments

Group

	Other fixed asset investments £000
Cost or valuation	
At 3 January 2021	791
Additions	28
Revaluations	170
At 1 January 2022	<u>989</u>
Net book value	
At 1 January 2022	<u>989</u>
At 2 January 2021	<u>791</u>

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 3 January 2021 and 1 January 2022	<u>35,677</u>
Net book value	
At 2 January 2021 and 1 January 2022	<u>35,677</u>

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the company:

Name	Principal activity	Class of shares	Holding
Claverley Group Limited	Holding company	Ordinary	100%

CLAVERLEY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022**

17. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Guiton Group Limited	Holding company	Ordinary	100%
Press Computer Systems Limited	Publishing software services	Ordinary	100%
Precision Colour Printing Limited	Commercial printers	Ordinary	100%
Roughton Insurances Limited	Insurance	Ordinary	100%
Jersey Evening Post Limited	Newspaper publishers	Ordinary	100%
CI Newsagents Limited	Retail	Ordinary	100%
Guiton Trustees Limited	Trustees	Ordinary	100%
The Midland News Association Limited	Newspaper publishers	Ordinary	100%
Cubiquity Limited	Creative design and print procurement agency	Ordinary	100%
Bigkid Agency Limited	Dormant	Ordinary	100%
Kennedy Enterprises Limited	Magazine publishing	Ordinary	100%
Express and Star Limited	Dormant	Ordinary	100%
Shropshire Newspapers Limited	Dormant	Ordinary	100%
Shropshire Star Limited	Dormant	Ordinary	100%
HPCI Media Limited	Marketing and event management	Ordinary	100%

Roughton Insurances Limited registered office is Level 5, Mill Court, St Peter Port, Guernsey, GY1 1EJ.

Guiton Group Limited, Jersey Evening Post Limited, CI Newsagents Limited, Guiton Media Limited, Guiton Trustees Limited and EC Events Limited registered office is Le Gallais Chambers, 54 Bath Street, St Helier, JE4, 8XG.

All other companies in the group have the registered office 51-53 Queen St, Wolverhampton, West Midlands, WV1 1ES in England and Wales.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

18. Investment property

Group

Freehold
investment
property
£000

Valuation

200

At 2 January 2021 and 1 January 2022

No revaluation has taken place in the current period as in the directors' opinion, there has been no material change in value. Investment property values are considered annually on 1 January with reference to open market rates by the directors.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	1 January 2022 £000	2 January 2021 £000
Historic cost	268	268
Accumulated depreciation and impairments	(128)	(122)
	<u>140</u>	<u>146</u>

19. Stocks

	Group 1 January 2022 £000	Group 2 January 2021 £000
Raw materials and consumables	1,903	1,406
Work in progress	673	709
Finished goods and goods for resale	2,902	2,084
	<u>5,478</u>	<u>4,199</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

There are impairment provisions in relation to inventories recognised of £907,000 (2 January 2021: £891,000).

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

20. Debtors

	Group 1 January 2022 £000	Group 2 January 2021 £000
Due after more than one year		
Other debtors	704	704
Deferred tax asset	8,278	11,244
	<u>8,982</u>	<u>11,948</u>
Due within one year		
Trade debtors	10,483	9,658
Other debtors	1,083	1,255
Prepayments and accrued income	3,702	2,833
Tax recoverable	-	111
	<u>24,250</u>	<u>25,805</u>

The impairment loss recognised in the group statement of comprehensive income for the period in respect of bad and doubtful trade debtors was £137,000 (2 January 2021: gain of £34,000).

21. Cash and cash equivalents

	Group 1 January 2022 £000	Group 2 January 2021 £000
Cash at bank and in hand	9,566	19,090
Less: bank overdrafts	(6,484)	(7,077)
	<u>3,082</u>	<u>12,013</u>

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

22. Creditors: Amounts falling due within one year

	Group 1 January 2022 £000	Group 2 January 2021 £000	Company 1 January 2022 £000	Company 2 January 2021 £000
Bank overdrafts	6,484	7,077	-	-
Bank loans	906	906	-	-
Trade creditors	8,543	6,296	-	-
Amounts owed to group undertakings	-	-	174	-
Corporation tax	396	80	-	-
Other taxation and social security	1,538	3,564	-	-
Obligations under finance lease and hire purchase contracts	114	-	-	-
Other creditors	1,898	2,397	-	-
Accruals and deferred income	4,495	4,829	-	-
	<u>24,374</u>	<u>25,149</u>	<u>174</u>	<u>-</u>

Refer to note 24 of these financial statements for detail on loan securities.

23. Creditors: Amounts falling due after more than one year

	Group 1 January 2022 £000	Group 2 January 2021 £000	Company 1 January 2022 £000	Company 2 January 2021 £000
Bank loans	1,305	4,211	-	-
Net obligations under finance leases and hire purchase contracts	157	-	-	-
Amounts owed to group undertakings	-	-	11,141	11,141
Other creditors	6,929	4,171	-	-
	<u>8,391</u>	<u>8,382</u>	<u>11,141</u>	<u>11,141</u>

Refer to note 24 of these financial statements for detail on loan securities.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

24. Loans

Maturity of debt:

	Group 1 January 2022 £000	Group 2 January 2021 £000
Amounts falling due within one year		
Bank loans	906	906
Amounts falling due 1-2 years		
Bank loans	1,305	906
Amounts falling due 2-5 years		
Bank loans	-	2,719
Amounts falling due after more than 5 years		
Bank loans	-	586
	<u>2,211</u>	<u>5,117</u>

The bank loan and overdraft with Lloyds Banking Group PLC are secured by a fixed and floating charge over the assets of the group.

In September 2018, the group repaid its previous fixed term loan and entered into a new 5 year fixed term loan of £7.25m with Lloyds Bank until September 2023. This loan accrues interest at 2.75% above LIBOR.

25. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 1 January 2022 £000	Group 2 January 2021 £000
Within one year	114	-
Between 1-5 years	157	-
	<u>271</u>	<u>-</u>

Amounts owed under hire purchase and finance leases are secured over the assets to which they relate.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

26. Deferred taxation

Group

	1 January 2022 £000
At beginning of the year	11,244
Credited to profit or loss	1,091
Charged to other comprehensive income	(4,050)
Arising on acquisition of subsidiary	(7)
At end of the year	8,278

	Group 1 January 2022 £000	Group 2 January 2021 £000
Accelerated capital allowances	2,787	1,572
Tax losses carried forward	177	37
Pension deficit	3,349	7,874
Losses carried forward	1,965	1,761
	8,278	11,244

27. Provisions

Group

	Dilapidations provision £000	Other provision £000	Onerous lease provision £000	Total £000
At 3 January 2021	84	72	197	353
(Utilised)/charged	(64)	(15)	61	(18)
At 1 January 2022	20	57	258	335

The dilapidations provision is expected to be utilised in 2-5 years, but this may vary dependent on lease renewals.

The onerous lease provision is expected to be utilised by 2023.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2022

28. Share capital

	1 January 2022 £000	2 January 2021 £000
Allotted, called up and fully paid		
900,000 (2021: 900,000) Ordinary shares of £1.00 each	900	900
900,000 (2021: 900,000) Voting shares of £0.05 each	45	45
900,000 (2021: 900,000) Preference shares of £0.95 each	855	855
	<hr/>	<hr/>
	1,800	1,800
	<hr/>	<hr/>

The Ordinary shares have no voting rights, but have unlimited right to declared dividends and other distributions.

The Voting shares have no right to any distribution other than a maximum of 5p per share on the winding up of the company, after the payment of the maximum amount to the preference shareholders as indicated above and £10,000 per share to the ordinary shareholder. The company has in issue 900,000 5p voting shares.

The maximum dividend payable on preference shares is 9.21% of the nominal value of the shares and a maximum of 150p per share is payable on winding up of the company. The company has 900,000 95p preference shares, authorised and in issue. The preference shares have no voting rights, and dividends are payable on winding up in preference to other shares in issue.

29. Reserves

Revaluation reserve

Revaluation reserve represents the cumulative gains and losses on revaluation of freehold property, where the gains do not reverse a previous impairment loss or represent a permanent diminution in value.

Profit and loss account

Profit and loss account represents cumulative profits or losses recognised in the statement of comprehensive income, net of dividends paid.

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

30. Business combinations

On 10 December 2021, the Group acquired 100% of the share capital of HPCi Media Limited and its subsidiary undertakings.

Acquisition of HPCi Media Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustments £000	Fair value £000
Fixed Assets			
Tangible	32	-	32
	<u>32</u>	<u>-</u>	<u>32</u>
Current Assets			
Debtors	2,097	-	2,097
Cash at bank and in hand	579	-	579
Total Assets	<u>2,708</u>	<u>-</u>	<u>2,708</u>
Creditors			
Due within one year	(811)	-	(811)
Deferred taxation	(7)	-	(7)
Total identifiable net assets	<u>1,890</u>	<u>-</u>	<u>1,890</u>
 Goodwill			 10,258
Total purchase consideration			<u>12,148</u>
 Consideration			
			£000
Cash			7,709
Deferred consideration			4,439
Total purchase consideration			<u>12,148</u>

31. Contingent liabilities

During the period the company was party to cross guarantees in respect of group banking facilities. These facilities were made available to the company and group to meet its day to day working capital requirements. The facilities are secured by a fixed and floating charge over the assets of the group.

As at 1 January 2022, the contingent liability relating to the cross guarantee amounted to £1.5m (2 January 2021: £5.4m).

CLAVERLEY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022**

32. Capital commitments

At 1 January 2022 the Group had capital commitments as follows:

	Group 1 January 2022 £000	Group 2 January 2021 £000
Contracted for but not provided in these financial statements	28	-

33. Pension commitments

The group provides pensions for its current and past employees through various pensions schemes.

Defined Contribution Schemes

The Claverley Group operates various defined contribution pension schemes for employees. The total pension cost for the year amounts to £1,366,000 (2 January 2021: £1,365,000) which represents contributions payable to the fund.

Defined benefit scheme

The Claverley Group operates three pension schemes (A, C & D). The three schemes provide benefits based on either final pensionable pay or defined contributions for employees of this and certain other group companies. The assets of schemes A and D are held in separate trustee administered funds whilst the assets of scheme C are held under contract with an insurer.

The schemes are subject to independent valuation at least every three years, on the basis of which the rates of the employers' contributions are determined, which, together with the specified contributions payable by the employees and proceeds from the schemes' assets, are sufficient to fund the benefits payable under the schemes. Employers' contributions in respect of all schemes have been paid throughout the period.

Reconciliation of present value of plan liabilities:

	1 January 2022 £000	2 January 2021 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	351,933	327,078
Interest cost	4,990	6,569
Actuarial (gains)/losses	(27,261)	31,943
Benefits paid	(13,937)	(13,753)
Plan amendments cost	-	96
At the end of the year	315,725	351,933

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

33. Pension commitments (continued)

Composition of plan liabilities:

	1 January 2022 £000	2 January 2021 £000
Schemes wholly or partly funded	(315,725)	(351,933)
Total plan liabilities	(315,725)	(351,933)

Reconciliation of present value of plan assets:

	1 January 2022 £000	2 January 2021 £000
At the beginning of the year	300,773	294,856
Interest income	4,268	5,910
Actuarial gains	6,517	13,106
Contributions	2,479	921
Benefits paid	(13,937)	(13,753)
Expenses	-	(267)
At the end of the year	300,100	300,773

The actual return on plan assets is £10,785,000 (2 January 2021: £19,016,000).

Composition of plan assets:

	1 January 2022 £000	2 January 2021 £000
European equities	6,776	6,777
European bonds and gilts	111,484	134,520
Property	79,040	61,194
Cash and other	102,800	98,282
Total plan assets	300,100	300,773

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

33. Pension commitments (continued)

	1 January 2022 £000	2 January 2021 £000
Fair value of plan assets	300,100	300,773
Present value of plan liabilities	(315,725)	(351,933)
Derecognition of surplus	(3,192)	(438)
Net pension scheme liability	(18,817)	(51,598)

The amounts recognised in the Statement of Comprehensive Income are as follows:

	1 January 2022 £000	2 January 2021 £000
Interest on obligation	(728)	(658)
Administration charges	-	(267)
Past service costs - plan amendments	-	(102)
Total	(728)	(1,027)

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Comprehensive Income was £31,303,000 (2 January 2021: £62,334,000).

The Group expects to contribute £1,700,000 to its Defined benefit pension scheme in 2022.

	1 January 2022 £000	2 January 2021 £000
Analysis of actuarial gain/(loss) recognised in Other Comprehensive Income		
Actual return less interest income included in net interest income	6,518	13,106
Experience gains and losses arising on the scheme liabilities	7,617	4,246
Changes in assumptions underlying the present value of the scheme liabilities	15,863	(35,347)
Changes to demographic assumptions	3,781	(842)
Effect of the limit of scheme in surplus	(2,748)	1,039
	31,031	(17,798)

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

33. Pension commitments (continued)

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2022	2021
Pension scheme A		
Discount rate	2.00%	1.45%
RPI inflation	3.40%	2.90%
CPI inflation	2.40%	1.90%
Mortality rates		
- for a male aged 65 now	21.4	21.70%
- at 65 for a male aged 45 now	23.2	23.40%
- for a female aged 65 now	23.3	23.50%
- at 65 for a female member aged	25.2	25.30%
Pension scheme C		
Discount rate	2.00%	1.45%
RPI inflation	3.90%	3.40%
CPI inflation	2.40%	1.90%
Mortality rates		
- for a male aged 65 now	21.7	21.7
- at 65 for a male aged 45 now	23.0	23.8
- for a female aged 65 now	23.8	23.2
- at 65 for a female member aged	25.3	25.4
Pension scheme D		
Discount rate	2.00%	1.45%
RPI inflation	3.90%	3.40%
CPI inflation	2.40%	1.90%
Mortality rates		
- for a male aged 65 now	21.7	21.7
- at 65 for a male aged 45 now	23.0	23.8
- for a female aged 65 now	23.8	23.2
- at 65 for a female member aged	25.3	25.4

CLAVERLEY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

34. Commitments under operating leases

At 1 January 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 1 January 2022 £000	Group 2 January 2021 £000
Not later than 1 year	1,327	1,221
Later than 1 year and not later than 5 years	2,465	2,726
Later than 5 years	445	26
	<u>4,237</u>	<u>3,973</u>

The company has no commitments under non-cancellable operating leases either in the current or prior period.

35. Related party transactions

The group has taken advantage of the exemption conferred by FRS102 section 33.2 not to disclose transactions with wholly owned related parties.

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £876,000 (2 January 2021: £826,000).

36. Controlling party

In the opinion of the directors there is no one ultimate controlling party.