Jaywing plc
Annual Report and Accounts
For the year ended 31 March 2021

Company number 05935923

Contents

Overview

Jaywing is an award-winning, major UK-based agency, with operations in the UK and Australia. Jaywing is home to nearly 300 of the best thinkers across creative and brand strategy, performance marketing and data science. Every day, handpicked teams collaborate to respond to diverse challenges across a range of sectors to connect powerful ideas, rich data and new technologies. With large, specialist technical and creative power and over 70 experienced data scientists, Jaywing is particularly skilled at turning data into value, fuelling brands, connecting on customers' terms and reimagining businesses. Jaywing works with a number of blue chip clients, including first direct, Castrol, PepsiCo, Mazda, HSBC and Yorkshire Water.

Jaywing helps its clients find smart solutions to deliver profit growth and build brand value. It uses its unique expertise to create compelling insights from complex customer behaviour and builds these into effective digital marketing, customer engagement and portfolio management activities.

Clients

In the UK, the Group reorganised its operational structure in August 2020 in order to focus on three core sectors: Retail, Fast Moving Consumer Goods ("FMCG") and Financial & Professional Services, each of which accounts for around a third of revenues. Within these three go-to-market channels, Jaywing also services clients in various industry sub-sectors, including Education, Not-for-Profit, Travel & Leisure, Technology, Utilities, Energy, and Hospitality. The Group's typical clients are divisions of FTSE 250 companies, other large corporates and entrepreneurially-led high-growth businesses.

Client concentration risk is relatively low, with 173 active clients at the year end, with the largest client accounting for around 3% of annual Net Revenue and the two largest industry sub-sectors being Retail and Financial Services, accounting for around 48% of Group Net Revenue.

Net Revenue from the Group's operations in Australia accounted for 21% of Net Revenue (2020: 16%), and we are increasing the collaboration between Australia and the UK both on specific clients and also development of new capabilities.

People

Our people comprise a diverse mix of specialists, many with scarce skill sets. They include:

- Award-winning creative teams
- Experts in brand strategy, client management, PR and performance marketing
- PhD mathematicians
- Marketing analysts and econometric modellers
- Highly skilled AI practitioners

These skills can be applied to a wide spectrum of challenges, ranging from credit risk modelling through to brand advertising and a key strength is our ability to harness cross-functional teams to collaborate on client solutions.

Financial highlights

	2021 £'000	2020 £'000
Net Revenue*	20,165	24,043
Adjusted EBITDA**	2,181	(35)
Cash Generated from Operations	2,258	953
Net Debt pre IFRS 16***	(7,586)	(5,943)

Statutory Results

	2021 £'000	2020 £'000
Net Revenue*	20,165	24,043
Operating Profit / (loss)	91	(8,874)
Loss before Tax	(360)	(9,392)
Loss per share	(0.34p)	(9.95p)
Net Debt post IFRS16	(9,129)	(8,136)

Reconciliation of Operating Profit / (Loss) with Adjusted EBITDA

	2021 £'000	2020 £'000
Operating Profit / (Loss)	**91**	**(8,874)**
Add Back:		
Depreciation of property, plant & equipment	259	331
Depreciation of right of use assets	666	666
Amortisation of intangibles	1,118	1,547
EBITDA	**2,134**	**(6,330)**
Impairment of goodwill	-	5,468
Impairment of other intangibles	690	321
Restructuring charges	488	867
Fair value movement on Put / Call option	(435)	123
Share based payment charges / (credits)	(696)	(484)
Adjusted EBITDA	**2,181**	**(35)**

* Revenue less third-party direct costs of sale
** Adjusted EBITDA represents EBITDA before restructuring costs, impairment charges, share based payment credits and fair value movement on Put / Call options
*** Including accrued interest

Operational Highlights

- Net Revenue lower than prior year, affected by Covid-19
- Strong growth in H2 Net Revenue, with run rate exceeding pre-pandemic level in March 2021
- £2.2m increase in adjusted EBITDA
- Strong cashflow from operations
- Series of notable client wins

Chairman’s Statement

Results

I am pleased to report an increase in underlying earnings in FY21 with an Adjusted EBITDA for the Group of £2,181,000 (2020: Adjusted EBITDA loss of £35,000). This represents a £2.2m turnaround, despite a 16% contraction in Net Revenue in FY21 to £20.2m from £24.0m in FY20. Net Revenue in the second half of FY21 at £10.9m was 16% up on Net Revenue for the first half of £9.3m. Adjusted EBITDA margin as a percentage of Net Revenue for FY21 amounted to 10.8 % compared with a loss in FY20.

Cash Generated from Operations for the year improved by £1,305,000 to £2,258,000 (2020: £ 953,000).

The statutory operating profit was £91,000 (2020: operating loss of £ 8,874,000).

Despite the challenges of FY21 these results reflect improving efficiencies in the business and the impact of a successful restructuring of the Group in late FY20 and FY21. This included a reorganisation of the business in FY21 into market and client facing business divisions with an increased focus on a more comprehensive and solution-based service offering to clients. Jaywing Australia has continued to perform strongly with net revenues for the year of £4.2m, a 9% increase over 2020 and an underlying growth in local currency of 6%.

FY22 Q1 Net Revenue to June 2021 (unaudited) amounted to c.£5.9m. and represents a 23% increase over Q1 in FY21 of £4.8m, demonstrating a continued year on year recovery in our Net Revenue.

Strategy

In the short to medium term the Company plans to focus on further organic growth with the support of recent new business wins and a strong pipeline. The Company will also explore opportunities for further investment in advanced data analysis products, the application of technology to marketing challenges and related people resources to support our data science led service offerings to clients.

In Jaywing Australia we will continue to support a successful and autonomous professional team with a track record of strong financial performance to date. This will include ongoing collaboration with the UK business on clients and services where required. We are working with the Australian team to explore opportunities to accelerate scale and market reach via further local investment.

The Company remains in discussions with each of the holders of the secured debt about a potential debt reorganisation. Details of this debt are contained in Note 18 on page 53 and Note 30 on page 56.

Board

In April 2021 we announced the appointment of Caroline Ackroyd, the Company’s Chief Financial Officer to the Board. Caroline joined the Company in September 2020 and has been closely involved with the reorganisation of the business and its processes. Caroline is an experienced CFO with significant commercial experience in technology-based businesses operating in competitive and client-centric markets.

People

Our staff have demonstrated their ability to adapt to significant external challenges from the pandemic as well as successfully adapting to the internal challenges of the business restructuring and reorganisation in FY21. They have continued to serve our customers without interruption as well as winning new business. The Board would like to thank all our staff for their ongoing hard work and dedication.

Ian Robinson
Non-Executive Chairman

* Adjusted EBITDA represents EBITDA before restructuring costs, impairment charges and share based payment credits and fair value movement on Put / Call options.

Chief Executive's Report

Overview

It has been an extraordinarily difficult twelve months for the economy, the Group and the marketing sector, as a result of the Covid-19 pandemic. However, whilst Net Revenue for FY21 was expectedly lower than FY20 over the 12 months, I am delighted to report that the business has continued to grow and progress from the first half, with Net Revenues up 16% compared with the first 6 months of the year. The month of March 2021 saw Net Revenues 5% ahead of March 2020, the first month to exceed pre-pandemic levels. Underpinned by the cost realignment activities outlined in the interim results, we have been able to rebuild profitability, with adjusted EBITDA of £2.2m for the full year compared with the previous year loss of £35k. Excluding the benefits of covid-related salary sacrifice and government support, Adjusted EBITDA increased from £88k in the first half to £613k in the second half of the financial year, reflecting the progress we are making.

This improvement in Net Revenue and underlying profitability has continued in the first quarter of the new financial year, giving us confidence for the year ahead.

Net cash generated from operations increased to £2.3m. This was before the outlay of £1.9m in the year to acquire the final 25% of Massive Group Pty Ltd in Australia.

Throughout the pandemic restrictions, the business has continued to operate successfully via a home-based model, and, although our offices are now reopening, we expect to operate a hybrid of office-based and home-based working moving forward.

Australia

In Australia, where the impact of Covid-19 in FY21 was less pronounced, we delivered 9% year-on-year growth in Net Revenue despite the pandemic, with second half Net Revenues up 37% on the first half. This reflects both strong growth in new business and also further development of our existing client relationships. Notable wins included a contract to build 18 websites for Navitas, the global education provider, a full service digital marketing contract with CSR (building products) and performance marketing contracts for Fiskars Group, Lyres (non-alcoholic spirits), Princess Polly (apparel) and Noble Oak Insurance.

One impact of Covid-19 in Australia was the closing of its borders, which has contributed to significant wage inflation in the Sydney market, in particular, requiring careful cost management. We are, nonetheless, continuing to deliver year-on-year Net Revenue growth in FY22.

We have previously reported our intention to bring the two Australian businesses together as "Jaywing Australia", and have now restructured the management team to drive that. One of our senior Australian directors, Chris Pittham, is stepping back from day-to-day responsibilities to become a non-executive director of the combined Australian business, with Tom Geekie assuming the role of CEO for Australia, and Matt Barbelli becoming Chief Creative Officer. I would like to thank Chris for his extraordinary contribution, and am delighted that he will remain involved in the business as a non-exec. Tom and Matt have identified significant growth opportunities in the Australian market, and we are now focusing on addressing those.

UK

In the UK, our three client-facing divisions all saw Net Revenue growth in the second half compared with H1. The recovery has been led by Retail, which increased by 15% in H2. Retail Net Revenues were enhanced by new contract wins from La Redoute and Rohan Designs, which will both mostly benefit the current financial year, along with very resilient revenues from Euro Car Parts and Yorkshire Water. By the end of the half, the monthly Net Revenue run rate had recovered to exceed that of 12 months earlier, and in FY22 we expect to see further growth from newly won contracts, including Rush Hair & Beauty, and Cox Automotive. In our FMCG division, the recovery of Net Revenue has been slightly slower at 12% increase in H2, although some clients have increased their spend with us, notably Britvic and ACCA. In our Financial & Professional Services division, H2 growth was initially slower, but we exited Q4 with a strong run rate, ahead of pre-pandemic levels. This was, fuelled by Net Revenue growth with first direct, HSBC and National Bank of Kuwait International. This has been supported further in the new financial year by a significant contract win with Skipton Building Society, and a new umbrella agreement with HSBC, which is underpinning continued Net Revenue growth.

The revised operating structure implemented last summer, which focuses around core client sectors, is now enabling us to cross-sell our services to the existing client base and also more easily offer our broad portfolio of capabilities to new prospects. For example, this has already resulted in sales of marketing services to a Risk client, and risk modelling work to a client who had previously only bought marketing services.

Focus on data

We are continuing to focus on developing our advanced data capabilities, which support both our Risk business and our Marketing Effectiveness proposition, giving us a distinct advantage in the markets in which we operate. Our attribution modelling has made significant contributions to clients such as Studio Retail, Furniture & Choice, and Mazda UK. The application of technology to marketing challenges is a key component of our strategy moving forward, and we are investing in growing this revenue stream.

Employees

Our employees have risen to the challenge magnificently over the last year, both in terms of personal sacrifice to protect the business and adapting to remote working. Despite the 16% net revenue reduction, Net Revenue per employee grew by 4% to £69.8k for the full year (FY20: £66.9k), and Adjusted EBITDA per employee reached £7.5k (FY20: loss of 0.1k).

I would like to thank all our colleagues in both the Australian and UK businesses for their outstanding contributions over the last 12 months in particular.

Current trading

Having protected our cash and profitability through the pandemic, we are now well positioned to focus on growth. The first quarter of FY22 has been encouraging, with Net Revenue up 23% on last year, several new clients, and a good pipeline of opportunities.

Andrew Fryatt
Chief Executive Officer
Jaywing plc
24 August 2021

Strategic Review

Results

The results for the FY21 have been encouraging. Whilst there was a general reduction in client activity following the outbreak of the Covid-19 pandemic, leading to a 16% fall in Net Revenue for the full year compared to the previous year, the Net Revenue run rate had returned to pre-pandemic levels by the end of the year. March 2021 Net Revenue was £2.0m, an increase of 5% on March 2020. This was the result of a number of new client wins and increased spending by existing clients.

The Adjusted EBITDA profit amounted to £2.2m compared with an adjusted EBITDA loss of £35k for the prior year.

The statutory operating profit was £91,000 (2020: operating loss of £8,874,000) and the statutory loss before taxation was £360,000 (2020: loss before taxation of £9,392,000).

Cashflow generated from operations amounted to £2.3m compared with £1.0m for the prior year. The cashflow statement shows the movement in the cash position of the business.

Non-IFRS measures

The financial statements contain all the information and disclosures required by the relevant accounting standards and regulatory obligations that apply to the Group. The annual report and financial statements also include measures which are not defined by generally accepted accounting principles such as IFRS. We believe this information, along with comparable IFRS measures, is useful as it provides investors with a basis for measuring the underlying performance of the Group on a comparable basis. The Board and its executive management use these financial measures to evaluate the Group's underlying operating performance. Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Similarly, non-IFRS measures as reported by us may not be comparable with similar measures reported by other companies.

Key performance indicators used by the Board and executive managers include:

	2021 £'000	**2020 £'000**
Net Revenue*	20,165	24,043
Adjusted EBITDA**	2,181	(35)
Adjusted EBITDA %	10.8%	(0.1%)
Net Debt post IFRS16***	(7,586)	(5,943)
Average headcount	289	360
Net revenue per head	69.8	66.8
Cash generated from operations	2,258	953
Client numbers at year end	173	162

* Revenue less third-party direct costs of sale
** Adjusted EBITDA represents EBITDA before restructuring costs, impairment charges, share based payment credits and fair value movement on Put / Call options
*** Including accrued interest

Net Debt

At 31 March 2021, Net Debt including accrued interest (pre IFRS16) was £7.6m (2020: £5.9m) and was represented by The Jaywing Facility (as described in Note 30 on page 56 and Note 18 on page 53) of £8.3m less cash of £0.7m.

On 21 October 2020, $3.0m (£1.7m) of funds generated by and retained in the Australian business were used as part payment of the Massive Group put option. Further details of the settlement of this put option are provided below.

Restructuring Plan

In August 2019 the Board appointed a consulting firm to assist with the preparation of a restructuring plan to realign the business more closely to its clients and its service offerings with a view to significantly improving post restructuring monthly EBITDA and cash flow run rates of the business. This review resulted in a detailed implementation plan (the "Restructuring Plan") which was implemented during the latter part of FY20 and continued into FY21 under the leadership of Andrew Fryatt, who was appointed as CEO at the end of March 2020. The Restructuring Plan is now complete, and costs related to this plan incurred during FY21 amounted to £488k, principally relating to staff redundancies.

Australia

On 21 October 2020, the business completed the acquisition of the remaining 25% of the shares in Massive Group PTY Ltd ("Massive Group") which were not already owned by Jaywing following the exercise of the put option in relation to that 25% stake by entities controlled by the two directors of Massive Group in Australia. Jaywing and Massive Group had entered into an Agreement on 7 July 2016, whereby Jaywing acquired 75% of the shares of Massive Group, with the remaining 25% subject to a put and call option excerciseable from July 2020. Jaywing now owns 100% of the shares in Massive Group, which has traded as Jaywing Australia since 2017.

The 25% stake was acquired by Jaywing on 21 October 2020 for a consideration of $4.0m (c.£2.2m), comprising $3.0m (c.£1.66m) payable immediately, followed by a series of monthly payments totalling $1.0m (c.£0.5m) between the acquisition date and June 2021. At 31 March 2021 the outstanding balance was $0.5m (c £0.3m) which was fully satisfied on 30 June 2021. The total consideration for the purchase of the 100% interest in Massive Group is $9.6m (c. £5.4m).

Impairment

As required by IAS 36, the Company has carried out an impairment review of the carrying value of our intangible assets and goodwill. The weighted average cost of capital ("WACC") was calculated with reference to long-term market costs of debt and equity and the Company's own cost of debt and equity, adjusted for the size of the business and risk premiums. The calculated WACC rate used for the impairment review was 11.5% (2020: 10.9%). This was applied to cash flows for each of the cash generating units using estimated growth rates in each business unit. The impairment review was based on two main cash generating units being the UK, following the reorganisation of the UK operations into one business unit and Australia. Growth rates were assumed at 7.5% for the financial year 22/23 and 23/24, and then at 2.5% for the following periods, these are below Group forecasts for the periods.

As a result of these calculations the Board has concluded that no goodwill impairment was required for the year (2020: £5,468k).

As part of the review, a number of scenarios were calculated using the impairment model. These looked at what effect changes in the WACC rates and movements in EBITDA would have to the outcome. With no movement in EBIDTA a movement of 0.5% to 12% in the WACC rate gave the result of no impairment, a movement by 1% to 12.5% gave rise to no impairment. Keeping the WACC rate at 11.5% and reducing EBITDA by 5% gave rise to no impairment, a reduction of EBITDA by 10% gave rise to no impairment. The final test was an increase in WACC by 1% to 12.5% and a reduction in EBITDA by 10%, this gave rise to an impairment of £2,313k.

As part of the restructuring we have retired the Epiphany brand in the year, this resulted in an impairment to the carrying value of the trademark of £690k in the reported results.

Share Options

The Company's Performance Share Plan terminated on 8 October 2020 and there are no outstanding share options. This resulted in a credit of £696k to the profit and loss in the period. No further balance remains.

Going Concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

In addition to the normal process of preparing forecasts for the Group, the board has also considered the potential impact of Covid-19 on the cash flows of the Group for a period to 31 March 2023. This has been done by looking at various scenarios within the forecasts for the potential effect of changes in the market during the forecast period.

Since March 2020, the economic impact of Covid-19 has resulted in revenue levels below those of the prior year, although we have been able to provide continuous service to our clients during this period. The Group has taken actions to protect both cash and profitability through this period, including voluntary salary reductions, and taking advantage of the Government Job Retention Scheme and VAT payment deferral. The Group has continued to win new work through the period, and as we come to the end of the year, we have seen revenue levels return to pre-pandemic levels with a period of continued growth on the back of the new client wins and increased spend from existing clients.

At the beginning of the financial year being reported, the impact of Covid-19 indicated the existence of a degree of uncertainty which cast significant doubt, as with many other organisations, about the Group's ability to continue as a going concern. The outcome for the year and the forecasts prepared by the business show that we do not consider there to be same level of uncertainty now as there was 12 months ago.

In considering their position the Directors have also had regard to letters of support in respect of the secured debt which have received from each of the holders of that debt. Details of this debt are contained in Note 18 on page 53 and Note 30 on page 56.

The Group financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future and have concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Principal Risks and Uncertainties

The evaluation of the Company's risk management process is the responsibility of the Board. Jaywing has developed its risk reporting framework in conjunction with the business leadership team who take an active and responsible role in this process. Below is a summary of the current key risks.

Risk	Mitigation
1. Pandemics and major incidents Since late March 2020, Jaywing has been impacted by the Covid-19 pandemic, with disruption to client and staff.	The Company was quick to take action to mitigate the impact of this reduction in demand by putting in place measures to minimise the financial effect on the Company. Most of Jaywing's staff are able to work effectively from home and we continue to provide good levels of service and support to existing clients as well as adding new business. We continue to monitor the well-being of staff working remotely and provide support as required. In July 2021 we started a staged return to the office under a hybrid model of remote working.
2.Loss of key staff Jaywing is dependent on its ability to recruit and retain staff with adequate experience and technical expertise to service its clients.	The expertise of Jaywing's people is a key source of competitive advantage and the Company's remuneration and incentive packages are reviewed regularly to retain and incentivise key staff. The Company also provides an attractive and collaborative working environment and culture.
3. Loss of business from clients Loss of business from clients could lead to a reduction in overall revenue and profitability.	The Company aims to minimise such losses by continuing to focus on providing a high quality service to its clients at all times as well as offering a wide range of services to existing clients and adding new clients through its new business activities. Jaywing has restructured its main business sectors based on clients and markets with the aim of getting closer to each client with Jaywing's full range of services tailored to their needs and the markets they operate in. This has strengthened our ability to use our full range of services to offer them relevant and effective solutions. Jaywing's client concentration risk is low. The impact of revenue losses on profitability is mitigated by ensuring that the Company's cost base is efficiently aligned with its revenues.
4. Changes in technology The digital marketing industry is characterised by constant developments in technology, online media and data science. In this environment, it is vital to be at the forefront of this change, to ensure Jaywing is able to provide the benefits of these changes in technology to its clients and remain competitive.	Jaywing is committed to innovation in data science led products and services and has dedicated resources to this. The Company has close relationships with online media owners (e.g. Google) and has early access to new product developments as a consequence of the significant online media budgets that it manages on behalf of its clients. Jaywing also has a specialist team focused on the use of technology whose brief is to keep themselves abreast of new developments through their own research and through their relationships with technology providers.
5. Liquidity Poor trading and cash flow performance could lead to a lack of ongoing support from its lenders and an inability to raise equity to meet the needs of the business.	Jaywing's key financial measures are focussed on cash generation and net debt. The Company monitors its trading and cash flow performance closely and takes prompt action to mitigate any adverse trends.
6. Compliance with regulations and changes in legislation Failure to comply with regulations such as GDPR and changes in legislation could lead to reputational damage for Jaywing and its clients as well as fines and loss of business.	Jaywing engages advisers in relevant specialisations to assist with compliance. Experts in Jaywing's business areas are able to ensure client initiatives are all compliant, alongside external input where appropriate.

Board of Directors

Ian Robinson, Non-Executive Chairman
Chair of Audit & Risk Committee and member of Remuneration and Nomination Committees

Ian is a Non-Executive Director and Chairman of the Audit Committee of Gusbourne plc, an AIM listed English sparkling-wine business. He is also a nonexecutive Director of a number of other privately-owned businesses. He is a Fellow of the Institute of Chartered Accountants in England & Wales and holds an honours degree in Economics from the University of Nottingham.

Andrew Fryatt, Chief Executive,

Andrew has more than 30 years' experience in technology-dependent businesses, primarily in the Retail and Telecoms sectors. Following an honours degree in Economics from the University of Cambridge, he began his career in the Mars Group, progressing through various marketing roles before joining Kingfisher Group in a senior marketing role. His experience included senior marketing and commercial roles before moving into general management, and he has run major divisions of Daisy and Zen Internet, as well as gaining experience as CEO of Ideal Shopping Direct plc. He has a particular focus on customer excellence and has received several awards on behalf of his businesses for delivering outstanding service.

Caroline Ackroyd, Chief Financial Officer,

Caroline joined the business in September 2020, and was appointed to the board on 21 April 2021. She is an experienced CFO with significant commercial experience in data rich technology-based businesses operating in competitive and client-centric markets. She was previously CFO of Push Doctor, a provider of online GP services, and has held senior finance roles in Sky Betting & Gaming, Coral Interactive and Sky. She is a fellow of the Association of Chartered Certified Accountants having trained with Smith & Williamson in London. In recent years she has been recognised with accolades in both the Yorkshire and Northern Finance Director Awards.

Mark Carrington, Non-Executive Director
Member of Audit & Risk, Remuneration and Nomination Committees

Mark is a Fellow of the Association of Chartered Certified Accountants. He is a Non-Executive Director of a number of privately-owned businesses both in the UK and Overseas. He is also involved in the provision of management services to a number of other privately-owned and AIM listed businesses. Mark is a Non-Executive Director of Political Holdings Limited US and Shutdown Maintenance Services Limited.

Philip Hanson, Non-Executive Director
Chair of Remuneration and Nomination Committees and member of Audit & Risk Committees

Philip is a fellow of the Chartered Institute of Marketing and has extensive experience in marketing and ecommerce both in the UK and internationally, having held a number of senior roles in the FMCG and retail financial services sectors – latterly as Global Marketing & ecommerce Director for Travelex. He is also Non-Executive Director of the Bettys & Taylors Group. He was a Director of the French and Australian entities of the Goelet family wine business (SCEA Domaine de Nizas and Red Earth Nominees Pty Ltd respectively) until December 2020. He is a Non-Executive Director of Silver Blue LLC which oversees the worldwide agriculture assets of the Goelet family. Philip was a Director of Travelex Card Services Ltd until December 2015.

Directors' Report

The Directors submit their Annual Report on the affairs of the Group and the Company and the audited Financial Statements for the year ended 31 March 2021.

Principal activity
The principal activity of the Company, and Group, during the year under review is providing agency and consulting services in the areas of creative and brand strategy, performance marketing, data science and risk.

Results and dividend
The Group's loss after taxation for the year ended 31 March 2021 was £0.2m (2020: loss of £9.0 million). The Directors do not propose to pay a dividend.

Net assets at 31 March 2021 were £21.2m (2020: £22.2m)

Future developments
The future developments of the Group are referred to in the Chief Executive's Report on page 6.

Political and charitable donations
The Group made charitable donations of £3k and no political donations during the year (2020: £Nil).

Directors' interests
The present membership of the Board, together with biographies on each, is set out on page 11. All those Directors served throughout the year or from appointment. The Directors' interests in shares in the Company are set out in the Directors' remuneration report on page 16.

Directors' third-party indemnity provisions
The Group maintains appropriate insurance to cover Directors' and Officers' liability. The Group provides an indemnity in respect of all the Group's Directors. Neither the insurance nor the indemnity provides cover where the Director has acted fraudulently or dishonestly.

Employees
The Group is an Equal Opportunities Employer and no job applicant or employee receives more or less favourable treatment on the grounds of age, gender, marital status, sexual orientation, race, colour, religion or belief.

It is the policy of the Group that individuals with disabilities, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining.

Employees of the Group and its Subsidiaries are regularly consulted by local managers and kept informed of matters affecting them and the overall development of the Group.

The Group is committed to maintaining high standards of Health and Safety for its employees, customers, visitors, contractors and anyone affected by its business activities. Health and Safety is on the agenda for all regularly scheduled Board meetings.

Financial instruments
Details of the financial risk management objectives and policies of the Group, including hedging policies, are given in Note 32 to the Consolidated Financial Statements.

Share Capital
Details of the Company's Share Capital, including rights and obligations attaching to each class of share, are set out in Note 21 of the Consolidated Financial Statements.

There are no restrictions on the transfer of ordinary shares in the capital of the Company, other than customary restrictions contained within the Company's Articles of Association and certain restrictions which may be required from time-to-time by law, for example, insider trading law. In accordance with the Model Code, which forms part of the Listing Rules of the Financial Conduct Authority, certain Directors and employees are required to seek the prior approval of the Company to deal in its shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights. The Company's Articles of Association contain limited restrictions on the exercise of voting rights.

The Company's Articles of Association may only be amended by special resolution at a General Meeting of shareholders.

Major interests in shares

As at 10 August 2021, the Company had been notified, in accordance with chapter 5 of the Disclosure and Transparency Rules, of the following voting rights as shareholder of the Company:

		2021	2020
	Number of voting rights	**%**	%
Lord Michael Ashcroft	23,919,737	25.6	25.6
Lombard Odier Investment Managers Group	22,020,709	23.6	23.6
J & K Riddell	5,372,638	5.8	5.8
A Gardner	5,034,470	5.4	5.4
M Boddy	5,016,667	5.4	5.4
Bailey Family	4,687,500	5.0	4.3
Canaccord Genuity Group Inc	3,805,000	4.1	-
Miton UK Microcap Trust plc	3,569,249	3.8	3.8
H & J Spinks	3,508,772	3.8	3.8

Section 172 statement

The Directors are required by the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote success of the Company for the benefit of its stakeholders as a whole and in doing so are required to have regard for the following:

- the likely long-term consequences of any decision;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between shareholders of the Company.

In 2019 the Company adopted the Corporate Governance Code for Small and Mid-Size Quoted Companies from the Quoted Companies Alliance (the "QCA Code"). The Board considers the QCA Code is an appropriate code of conduct for the Company. There are details of how the Company applies the ten principles of the QCA Code on the Company's investor website. The Corporate Governance Statement is included on pages 19 to 20 and forms part of this report.

The Chairman's Statement and Chief Executive's Report describe the Group's activities, strategy and future prospects, including the considerations for long term decision making on pages 5 to 6.

The Company considers that its major stakeholders are its employees, clients, lenders and shareholders. When making decisions, the interests of these stakeholders are considered informally as part of the Board's group discussions.

The Company is committed to being a responsible employer and strives to create a working environment where its employees are actively engaged and can contribute to its success.

The Company understands the value of maintaining and developing relationships with its clients and suppliers, to support its potential for future growth.

The Board does not believe that the Group has a significant impact on the environments within which it operates. The Board recognises that the Group has a duty to be responsible and is conscious that its business processes minimise harm to the environment, and that it contributes as far as is practicable to the local communities in which it operates. The Group's Corporate and Social Responsibility Policy is available on the Group's investor website and the SECR report for the Group is included in this report.

The Board recognises the importance of maintaining high standards of business conduct. The Group operates appropriate policies on business ethics and provides mechanisms for whistle blowing and complaints which all employees are aware of. These are maintained by the Policy Steering Committee.

The Board aims to maintain good relationships with its shareholders and treats them equally. The Group has presented at forums for retail investors and has regular contact with its major shareholders.

Corporate Social Responsibility

The Board recognises the importance of social, environmental and ethical matters and it endeavours to take account of the interests of the Group's stakeholders, including its investors, employees, clients, suppliers and business partners when operating the business.

Streamlined Energy and Carbon Reporting (SECR)

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we are mandated to disclose our UK energy use and associated greenhouse gas (GHG) emissions. Specifically, and as a minimum, we are required to report those GHG emissions relating to natural gas, electricity and transport fuel, as well as an intensity ratio, under the Streamlined Energy and Carbon Reporting (SECR) Regulations.

To ensure we achieve the transparency required, and deliver effective emissions management, we implement and utilise robust and accepted methods. Accordingly, whilst the Regulations provide no prescribed methodology, we collate our GHG data annually and complete the calculation of our carbon footprint using the latest Defra (Department for Environment, Food and Rural Affairs)/BEIS (Department for Business, Energy & Industrial Strategy) emissions factors.

The period covered for the purposes of the SECR section is 1 April 2020 to 31 March 2021 and our calculations are for the following scope:

- Buildings- related energy – natural gas (Scope 1) and electricity (Scope 2) and
- Employee owned vehicles (grey fleet) (Scope 3)

Calculation Methodology

The Jaywing GHG emissions were assessed in accordance with Defra's 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting Requirements' and use the 2019 emission factors developed by Defra and BEIS.

Results

Element	**2020/21 (tCO2e)**
Direct emissions (Scope 1) – natural gas and LPG	53,625
Indirect emissions (Scope 2) – from purchases electricity	62,450
Total tCO2e (Scope 1 & 2)	**116,075**
Other indirect emissions (Scope 3) – grey fleet travel	1,269
Gross Total Emissions	**117,344**
Intensity metric (Gross Emissions): Tonnes of CO2e per employee	**457**
Total energy consumption (kWh)	**586,891**

Energy Efficiency

As an office-based business, our environmental impact is relatively low and our Corporate Social Responsibility policy is available on https://investors.jaywing.com, which covers our approach to the environment and sustainability.

At Jaywing, we

- encourage the use of remote working facilities to avoid travelling where possible, particularly in the past year where the effect of Covid-19 has meant that our offices have been closed and travel has reduced by over 97%
- encourage the use of public transport wherever possible, both through our environmental policy and expenses policy, and where not possible, encourage car sharing or environmentally friendly alternatives. We discourage, where possible, the use of domestic flights
- operate a cycle to work scheme
- designed our head office to be as energy efficient as possible, with measures such as passive-stack ventilation and a large amount of secure cycle storage plus showering facilities to encourage cycling
- have switch off policies, including PIR activated lighting in some buildings, as well as trying to use energy as efficiently as possible
- have a clear policy on the use of plastics, with particular attention paid to single use plastics
- aim to recycle all waste material that can be recycled and use local facilities to reduce the transportation of waste materials
- aim to purchase energy efficient, environmentally and ecologically friendly products
- monitor our energy usage within our buildings.

All policies, including our environmental policy, are reviewed annually.

General Meeting

Your attention is drawn to the Notice of Meeting either enclosed with this Annual Report or online at https://investors.jaywing.com, which sets out the resolutions to be proposed at the forthcoming General Meeting.

Auditor
The Directors at the date of approval of this Annual Report confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

- the Directors have taken all the steps that they ought to have taken as Directors, in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor, Grant Thornton UK LLP, has indicated its willingness to remain in office, and a resolution that it be re-appointed will be proposed at the General Meeting.

By Order of the Board

Andrew Fryatt
Director
Dated: 24 August 2021

Directors' Remuneration Report

In preparing this report, we have followed the QCA's Corporate Code of Governance and drawn on best practice available, as well as those aspects of the UK Corporate Governance Code that we consider to be relevant to the Group.

The Remuneration Committee
During the year the Remuneration Committee comprised:

Philip Hanson (Chairman)
Ian Robinson
Mark Carrington

The Committee met four times during the year.

The Committee seeks input from the Company Secretary. The Committee makes reference to external evidence of pay and employment conditions in other companies and is free to seek advice from external advisers.

Remuneration policy
The Group's policy on remuneration for the current year and, so far as is practicable, for subsequent years, is set out below. However, the Remuneration Committee believes that it should retain the flexibility to adjust the remuneration policy in accordance with the changing needs of the business. Any changes in policy in subsequent years will be detailed in future reports on remuneration. The Group must ensure that its remuneration arrangements attract and retain people of the right calibre in order to ensure corporate success and to enhance shareholder value. Its overall approach is to attract, develop, motivate and retain talented people at all levels, by paying competitive salaries and benefits to all its staff. Pay levels are set to take account of contribution and individual performance, wage levels elsewhere in the Group, and with reference to relevant market information. The Group seeks to reward its employees fairly and give them the opportunity to increase their earnings by linking pay to achieving business and individual performance targets. Executive Directors are rewarded on the basis of individual responsibility, competence and contribution, and salary increases also take into account pay awards made elsewhere in the Group as well as external market benchmarking.

During the year to 31 March 2021 there was one Executive Director on the Board as follows:

Andrew Fryatt (Chief Executive) – Appointed 21 April 2020

Caroline Ackroyd (Chief Financial Officer) was appointed to the board on 21 April 2021, after the year end.

The Executive Directors participate in a pension scheme but do not participate in any Group healthcare arrangements.

Non-Executive Directors' fees
Fees for Non-Executive Directors are determined by the Board annually, taking advice as appropriate and reflecting the time commitment and responsibilities of the role. The Non-Executive Chairman receives an annual fee of £50,000. Non-Executive Directors' fees currently comprise a basic fee of £30,000 per annum plus £10,000 for chairing a committee.

Non-Executive Directors do not participate in the annual bonus plan, pension scheme or healthcare arrangements. The Company reimburses the reasonable expenses they incur in carrying out their duties as Directors.

Remuneration components – Executive Directors
A proportion of each Executive Director's remuneration is performance related.

Basic salary
Basic salary is set by the Remuneration Committee by taking into account the responsibilities, individual performance and experience of the Executive Directors, as well as the market practice for executives in a similar position. Basic salary is reviewed (but not necessarily increased) annually by the Remuneration Committee.

Annual bonus plan
The Executive Directors are eligible to participate in the annual bonus plan. The range of award is based on annual salary.

The performance requirements, for the ability to earn a bonus, are set by the Committee annually.

Directors' remuneration

The total amounts of the remuneration of the Directors of the Group for the years ended 31 March 2021 and 2020 are shown below:

31 March	**2021**	2020
	£	£
Aggregate emoluments	**276,897**	732,939
Sums paid to third parties for Directors' services	**27,500**	30,000
	304,397	762,939

The emoluments of the Directors are shown below:

31 March		2021 Fees and salary	2021 Benefits in kind	2021 Bonus	**2021 Total**	2020 Total	**2021 Pension contributions**	2020 Pension contributions
		£	£	£	**£**	£	**£**	£
Martin Boddy	Resigned 27 January 2020	-	-	-	**-**	147,416	**-**	16,461
Michael Sprot	Resigned 24 March 2020	-	-	-	**-**	111,954		38,712
Robert Shaw	Resigned 26 March 2020	-	-	-	**-**	237,538	**-**	19,795
Adrian Lingard	Resigned 20 December 2019	-	-	-	**-**	146,031	**-**	12,169
Andrew Fryatt	Appointed 21 April 2020	194,051	-	-	**194,051**	-	**13,712**	-
Mark Carrington~		27,500	-	-	**27,500**	30,000	**-**	-
Ian Robinson		46,025	-	-	**46,025**	50,000	**-**	-
Philip Hanson		36,821	-	-	**36,821**	40,000	**-**	-
Total		**304,397**	**-**	**-**	**304,397**	762,939	**13,712**	87,137

~ paid to a third party for the Director's services

The salary of the highest paid Director was 4.7 times the average salary of all Group employees excluding the Directors in the table above (2020: 5.6 times).

During the year, as part of the Covid-19 mitigation factors, the directors took a 20% pay reduction from April to August 2020.

Pensions

The Group made pension contributions on behalf of the Executive Director. The amount is shown in the table above.

Directors' service agreements and letters of appointment

Contracts of service are negotiated on an individual basis as part of the overall remuneration package. The contracts of service are not for a fixed period. Details of these service contracts are set out below:

	Date of contract	**Date of appointment**	**Notice period**	**Company with whom contracted**
Andrew Fryatt	26 March 2020	21 April 2020	6 months	Jaywing plc
Caroline Ackroyd	7 September 2020	21 April 2021	6 months	Jaywing plc

In the event of termination of their contracts, each Director is entitled to compensation equal to their basic salary and bonus for their notice period.

Non-Executive Directors have letters of appointment, the details of which are as follows:

	Date of contract	Notice period	Company with whom contracted
Ian Robinson	21 May 2014	3 months	Jaywing plc
Philip Hanson	27 April 2017	3 months	Jaywing plc
Mark Carrington	21 March 2018	3 months	Jaywing plc

Directors' interests in shares
The Directors' interests in the share capital of the Company are set out below:

31 March	**2021**	2020
	Number of shares	Number of shares
Ian Robinson	470,267	470,267
Philip Hanson	109,462	109,462
Andrew Fryatt	96,969	-

Other related party transactions
No Director of the Group has, or had, a disclosable interest in any contract of significance subsisting during or at the end of the year.

Disclosable transactions by the Company under IAS 24, Related Party Disclosures, are set out in Note 30. There have been no other disclosable transactions by the Company and its Subsidiaries with Directors of the Company or any of the subsidiary companies and with substantial shareholders since the publication of the last Annual Report.

By Order of the Board

Philip Hanson
Dated: 24 August 2021

Corporate Governance Statement

This report is prepared by the Board and describes how the principles of corporate governance are applied, to the extent applicable for a company the size of Jaywing plc. The Board has adopted the QCA Corporate Governance Code and considers that the Company complies with each of the principles of the Code. The following should be noted with regard to the independence of the Company's Non-Executive Directors. The Board considers Philip Hanson, a Non-Executive Director, to be independent. The Board notes that Ian Robinson and Mark Carrington are associated with one of the Company's major shareholders which could appear to impair their independence for the purposes of the Code. However, the Board considers that both Ian Robinson and Mark Carrington are able to bring an independent view to bear on all matters dealt with by the Board and its various Committees. Independence is a Board judgement.

There are details of how the Group applies the ten principles of the QCA Code on the Group's investor website.

The Board
At 31 March 2021, the Board comprised Non-Executive Chairman Ian Robinson and Non-Executive Directors Philip Hanson and Mark Carrington. Andrew Fryatt was appointed to the Board as Chief Executive Officer on 21 April 2020. Short biographical details of each of the Directors are set out on page 11. The Board is responsible to the shareholders for the proper management of the Group and meets at least six times a year to set the overall direction and strategy of the Group. All strategic operational and investment decisions are subject to Board approval.

Caroline Ackroyd, Chief Financial Officer, joined the business in September 2020, and was appointed to the Board on 21 April 2021.

The roles of Chief Executive Officer and Chairman are separate and there is a clear division of their responsibilities. All Directors are subject to re-election at least every three years

The Chairman's role is to provide leadership to the Board, plan and conduct board meetings effectively, ensure the Board focuses on its key tasks, and engage the board in assessing and improving its performance.

Board committees

Remuneration Committee
The Remuneration Committee comprises Philip Hanson (Chair), Ian Robinson and Mark Carrington. The Remuneration Committee, on behalf of the Board, meets at least once a year and as and when necessary to review and approve as appropriate the contract terms, remuneration and other benefits of the Executive Directors and senior management and major remuneration plans for the Group as a whole.

The Remuneration Committee approves the setting of objectives for all the Executive Directors and authorises their annual bonus payments for achievement of objectives. The Remuneration Committee approves remuneration packages sufficient to attract, retain and motivate Executive Directors required to run the Group successfully, but does not pay more than is necessary for this service.

The Committee did not award any pay rises, bonus payments or share options during the year.

Further details of the Group's policies on remuneration and service contracts are given in the Directors' Remuneration report on pages 16-18.

Audit & Risk Committee
The Audit & Risk Committee comprises Ian Robinson (Chair), Mark Carrington and Philip Hanson. By invitation, the meetings of the Audit & Risk Committee may be attended by the other Directors and the auditor. The Committee meets not less than three times annually. The Audit & Risk Committee oversees the monitoring of the adequacy and effectiveness of the Group's internal controls, accounting policies and financial reporting and provides a forum for reporting by the Group's external auditor. Its duties include keeping under review the scope and results of the audit and its cost effectiveness, consideration of management's response to any major audit recommendations and the independence and objectivity of the auditor.

The Audit & Risk Committee review the significant estimates, judgements and risks in relation to the annual report and these are outlined in the Strategic Review on page 8. The Committee also reviews the risks outlined in the Principal Risks and Uncertainties detailed on page 10 and challenges the Executive Directors on the controls and processes in place to manage these. The effectiveness of the external audit process has been assessed through discussions with both management and the auditors, and it is proposed that Grant Thornton be reappointed as external auditor.

Nomination Committee
The Nomination Committee comprises Philip Hanson (Chair), Ian Robinson and Mark Carrington. It is responsible for nominating to the Board candidates for appointment as Directors, having regard for the balance and structure of the Board. The committee meets at least once a year. The terms of reference for all committees are available on the Group's website.

Company Secretary
The Company Secretary is responsible for advising the Board through the Chairman on all governance issues. All Directors have access to the advice and services of the Secretary.

Board performance and evaluation
In addition to the re-election of Directors every three years, the Board has a process for evaluation of its own performance and that of its committees and individual Directors, including the Chairman.

Attendance at Board and Committee meetings
The Directors attended the following Board and Committee meetings during the year ended 31 March 2021:

	Board	Remuneration	Audit & Risk	Nomination
Total meetings held	11	4	2	1
Ian Robinson	11	4	2	1
Philip Hanson	11	4	2	1
Mark Carrington	11	4	2	1
Andrew Fryatt	11	4	2	1

Relationships with shareholders
The Board recognises the importance of effective communication with the Company's shareholders to ensure that its strategy and performance is understood and that it remains accountable to shareholders. The Company communicates with investors through Interim Statements, audited Annual Reports, press releases and the Company's website: https://investors.jaywing.com. At the Company's AGM shareholders are given the opportunity to question the Board. The Company obtains feedback from its broker on the views of institutional investors on a non-attributed and attributed basis and any concerns of major shareholders would be communicated to the Board.

Internal controls
The Board acknowledges its responsibility for establishing and maintaining the Group's system of internal controls and will continue to ensure that management keeps these processes under regular review and improves them where appropriate.

Management structure
There is a clearly defined organisational structure throughout the Group with established lines of reporting and delegation of authority based on job responsibilities and experience.

Financial reporting
Monthly management accounts provide relevant, reliable, up-to-date financial and non-financial information to management and the Board. Annual plans, forecasts and performance targets allow management to monitor the key business and financial activities and the progress towards achieving the financial objectives. The annual budget is approved by the Board.

Monitoring of controls
It is intended that the Audit Committee receives regular reports from the auditor and assures itself that the internal control environment of the Group is operating effectively. There are formal policies and procedures in place to ensure the integrity and accuracy of the accounting records and to safeguard the Group's assets. Significant capital projects and acquisitions and disposals require Board approval.

Corporate Social Responsibility
The Board recognises the importance of social, environmental and ethical matters and it endeavours to take into account the interests of the Group's stakeholders, including its investors, employees, clients, suppliers and business partners when operating the business.

Employment
At a subsidiary level, each individual company has established policies which address key corporate objectives in the management of employee relations, communication and employee involvement, training and personal development and equal opportunity. The Board recognises its legal responsibility to ensure the wellbeing, safety and welfare of its employees and to maintain a safe and healthy working environment for them and for its visitors. Health and Safety is on the agenda for regularly scheduled plc Board and Executive Team meetings.

Environment
By their nature, the Group's regular operations are judged to have a low environmental impact and are not expected to give rise to any significant inherent environmental risks over the next 12 months.

By Order of the Board

Caroline Ackroyd
Dated: 24 August 2021

Directors’ Responsibilities Statement

The Directors are responsible for preparing the Directors’ Report, the Strategic Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the financial statements in accordance with international financial reporting standards in conformity with the requirements of the Companies Act 2006. 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 and profit or loss of the company and group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable international financial reporting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company’s transactions, and disclose with reasonable accuracy, at any time, the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

Andrew Fryatt
Dated: 24 August 2021

Independent auditor's report to the members of Jaywing plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Jaywing plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated cash flow statement, the Consolidated statement of changes in equity, the principal accounting policies, the notes to the consolidated financial statements, the Company profit and loss account, the Company balance sheet, the Company statement of changes in equity and the notes to the parent company financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2021 and of the Group's and the parent company's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the key audit matters section of our report.

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

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Our approach to the audit

Grant Thornton

Overview of our audit approach

Overall materiality:

Group: £122,000, which represents 3% of the Group's normalised loss before tax.

Parent company: £83,000, which represents 0.25% of the parent company's total assets, capped at its component materiality.

Key audit matters in respect of the Group were identified as:

- Revenue recognition (same as the previous year);
- Impairment of goodwill and other non-current assets (same as the previous year); and
- Going concern (included as a material uncertainty related to going concern, and therefore as a KAM, in the previous year).

A key audit matter in respect of the parent company was identified as:

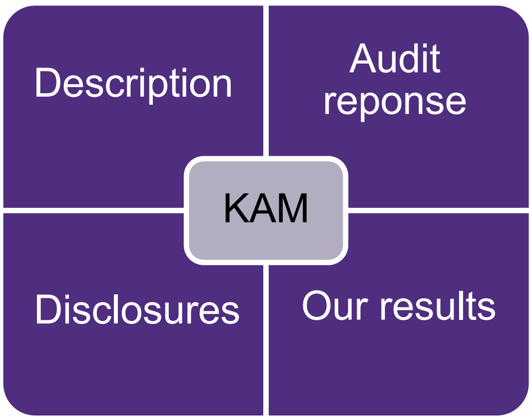
- Impairment of investments in subsidiaries (same as the previous year).

Our auditor's report for the year ended 31 March 2020 included no key audit matters that have not been reported as key audit matters in our current year's report.

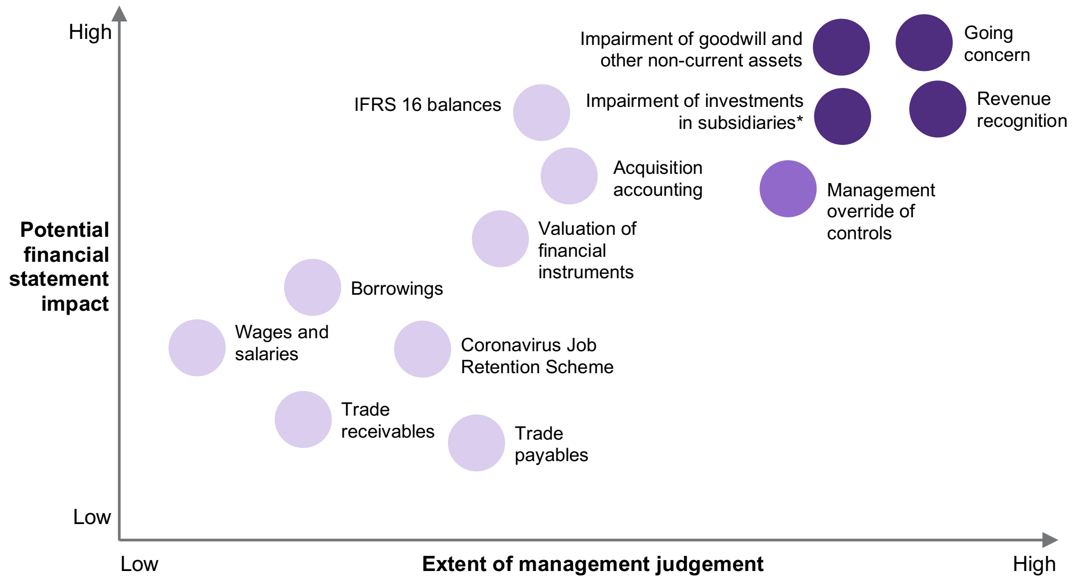
We performed an audit of the financial information of the parent company and of the subsidiary undertakings, using component materiality (full-scope audit procedures). The operations that were subject to full-scope audit procedures made up 100 per cent of consolidated revenue and 100 per cent of the Group's loss before tax. This approach was consistent with the prior year.

Key audit matters

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



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



* Relates to parent company risk

●	**Key audit matter**	●	**Significant risk**	●	**Other risk**

Key Audit Matter – Group

Revenue recognition

We identified revenue recognition as one of the most significant assessed risks of material misstatement due to fraud.

Revenue is a major driver of the business and under ISA (UK) 240 ‘The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements’, there is a presumption that there are risks of fraud in revenue recognition, that could result in material misstatements.

The Group enters into a high volume of transactions and some contracts are entered into which span the 31 March 2021 year end. The contracts across all revenue streams have varying terms and degrees of complexity.

There is a risk that the deferral and recognition of revenues does not match the underlying terms of customer contracts, in particular the period over which the performance obligations are met, or is not in accordance with the requirements of International Financial Reporting Standard (IFRS) 15 ‘Revenue from Contracts with Customers’. There is also a risk that revenue relates to fictitious transactions and therefore did not occur.

Revenue recognition is susceptible to management bias which heightens this risk.

How our scope addressed the matter – Group

In responding to the key audit matter, we performed the following audit procedures:

- assessing the design effectiveness of controls around revenue recognition through the performance of walkthroughs;
- assessing whether the revenue recognition policy is in accordance with IFRS 15;
- selecting a sample of contracts and assessing whether revenue has been recognised in accordance with the Group’s accounting policy;
- selecting a sample of revenue contracts to recalculate the revenue recognition of these contracts in line with IFRS 15, including evaluating each of the 5 steps of revenue recognition, recalculating any contract asset / liabilities in relation to the transaction and agreeing to supporting documentation for each;
- selecting a sample of contract asset / liability balances and agreeing these to supporting documentation for ensure revenue has been recognised appropriately;
- performing analytical procedures, including trend and ratio analysis comparing results to prior year; and
- testing revenue recognised around the year end to confirm that it is recorded in the correct year.

Key Audit Matter – Group	How our scope addressed the matter – Group
Relevant disclosures in the Annual Report and Accounts 2021 • Financial statements: Note 1 to the consolidated financial statements, Segmental analysis	**Our results** Based on our audit work, we did not identify any material misstatements in revenue recognition and we concluded that revenue was recognised in accordance with the Group's accounting policy and IFRS 15.
Impairment of goodwill and other non-current assets We identified impairment of goodwill and other non-current assets as one of the most significant assessed risks of material misstatement due to error. The carrying value of goodwill and other intangible assets at 31 March 2021 was £29.8 million (2020: £27.6 million). Based on the current trading conditions in the environment within which the Group operates, including Covid-19 and the economic impact on the sector, we have identified an elevated risk in relation to the impairment of goodwill and other non-current assets. Management performs an impairment review on an annual basis using discounted cash flows on a value in use basis. The key judgements made by management in assessing goodwill and other intangible assets for impairment include the growth and discount rates applied in the discounted cash flow calculations, due to the sensitivity of these assumptions to changes, and the identification of cash generating units (CGUs).	In responding to the key audit matter, we performed the following audit procedures: • assessed the design effectiveness of controls over the impairment review through the performance of walkthroughs; • assessed whether the accounting policy for intangible assets and goodwill is in accordance with International Accounting Standard (IAS) 38 'Intangible Assets' and IAS 36 'Impairment of Assets', and whether the accounting policy had been applied consistently through our assessment of the impairment model; • assessed the integrity of the impairment models by testing the mechanical and mathematical accuracy; • obtained an understanding the process used by management to determine the discount rates, and using auditor's internal experts to evaluate them against their expectations and the industry norms; • assessed the appropriateness of the CGUs identified and the allocation of assets and cashflows to these CGUs; • assessed the appropriateness of any changes to assumptions since the prior year; • challenged the cash flow forecasts and growth rates with reference to historical forecasts and actual performance to assess management's ability to forecast accurately; and • assessed the adequacy of the disclosures included within the financial statements for compliance with IAS 36.
Relevant disclosures in the Annual Report and Accounts 2021 • Financial statements: Notes 14 and 15 to the consolidated financial statements, Goodwill and Other intangible assets respectively.	**Our results** Based on our audit work, we concluded that the impairment of goodwill and other non-current assets has been accounted for in accordance with IAS 36 and agree that no impairment is appropriate for goodwill and other non-current assets. The disclosures made in notes 14 and 15 to the consolidated financial statements appropriately describe this matter.
Going concern We identified going concern as one of the most significant assessed risks of material misstatement due to fraud and error.	In responding to the key audit matter, we performed the following audit procedures: • obtained management's forecasts covering the period from 1 April 2021 to 31 March 2023,

Key Audit Matter – Group	How our scope addressed the matter – Group
Covid-19 is one of the most significant economic events for the UK, and at the date of this report there is an unprecedented level of uncertainty as to the ultimate impact of these events on the Group and the parent company, given the sector within which they operate. In undertaking their assessment of going concern for the Group and the parent company, the directors considered the impact of Covid-19 in their forecast future performance of the Group and the parent company and the anticipated cash flows as follows: • the current financing available to the Group and associated debt covenants; • cost saving actions that the Group have implemented as a result of the Covid-19 pandemic; • the Government's Coronavirus Job Retention Scheme; and • the potential impact on revenues generated from customers based on a number of Covid related scenarios. The directors have concluded, based on the various scenarios developed, that the Group and the parent company have sufficient resources available to meet their liabilities as they fall due for at least 12 months following the date of approval of the financial statements, and have concluded that there are no material uncertainties that may cast significant doubt over the Group's and the parent company's ability to continue as a going concern. As a result of the judgement required by management to conclude whether there is a material uncertainty related to going concern, we have identified going concern as a key audit matter.	including their assessment of the potential impact of Covid-19 and assessed how these forecasts were compiled, including assessing their accuracy by challenging the reasonableness of the underlying assumptions, including the discount rate and growth rate, and considering whether the assumptions are consistent with our understanding of the business; • obtained post year end management accounts and assessed them against the forecasts used in the impairment review for the same period to assess any potential impact over the forecast period of the variances identified; • assessed the accuracy of management's past forecasting by comparing management's forecasts for the prior year to the actual results for the prior year and considering the impact on the cash flow forecast; • assessed management's cash and available financing facilities as well as the continued support of lenders; • corroborated any mitigating actions taken by management to support the going concern assumption and to relevant documentation and evaluation of their application in the forecasts for accuracy; • performed further sensitivity analysis to management's reverse stress test including assessing the likelihood of the scenario, to determine the reduction in revenue and consequently earnings after tax that would lead to elimination of the headroom in their cash flow forecasts; and • assessed the adequacy of the going concern disclosures included within the financial statements.
Relevant disclosures in the Annual Report and Accounts 2021 • Financial statements (Group): Principal accounting policies, Going concern; and • Financial statements (parent company): Note 1 'Accounting policies' to the parent company financial statements, Going concern.	**Our results** We have nothing to report in addition to that stated in the 'Conclusions relating to going concern' section of our report.

Key Audit Matter – Parent company	How our scope addressed the matter– Parent company
Impairment of investments in subsidiaries We identified impairment of investments in subsidiaries as one of the most significant assessed risks of material misstatement due to error. The carrying value of the parent company's investments in subsidiaries at 31 March 2021 was	In responding to the key audit matter, we performed the following audit procedures: • assessed whether the accounting policy for investments in subsidiaries is in accordance with IAS 27 'Separate Financial Statements' and IAS 36

Key Audit Matter – Parent company	How our scope addressed the matter– Parent company
£34.7 million (2020: £32.5 million). Based on the current trading conditions in the environment within which the Group operates, including Covid-19 and the economic impact on the sector, we have identified an elevated risk in relation to the impairment of investments in subsidiaries. Management performs an impairment review on an annual basis using discounted cash flows on a value in use basis. The key judgements made by management in assessing the carrying value of investments in subsidiaries for impairment include the growth and discount rates applied in the discounted cash flow calculations, due to the sensitivity of these assumptions to changes.	'Impairment of Assets', and whether the accounting policy had been applied consistently; • assessed the position and performance of each subsidiary undertaking to assess whether there were any indications of impairment; • assessed the integrity of the impairment models by testing the mathematical and mechanical accuracy; • understanding the process used by management to determine the discount rates, and using auditor's experts to evaluate them against their expectations and the industry norms; • assessed the appropriateness of any changes to assumptions since the prior year; and • challenged the cash flow forecasts with reference to historical forecasts and actual performance to support any significant expected future changes to the business and ensure that cash can be transferred through the Group.
Relevant disclosures in the Annual Report and Accounts 2021	**Our results**
• Financial statements: Note 12 to the parent company financial statements, Investments	Based on our audit work, we concluded that the impairment of investments has been accounted for in accordance with IAS 36 and that no impairment of the investments balance is required for the year. The disclosures made in note 12 to the parent company financial statements appropriately describe this matter.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

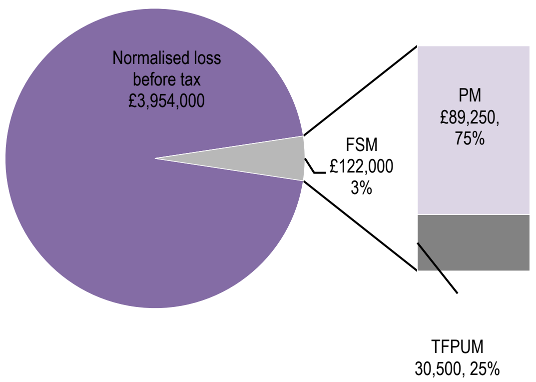
Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£122,000, which is 3% of the Group's normalised loss before tax, based on a three financial year average.	£83,000, which is 0.25% of the parent company's total assets, capped at its component materiality, which is a percentage of Group materiality.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: • The most important KPI to management of the Group is earnings, so we therefore considered the Group's loss before tax to be the most appropriate benchmark for the	In determining materiality, we made the following significant judgements: • The parent company is a holding company which has no trade, so we therefore considered total assets to be the most appropriate benchmark for the parent company; and

Materiality measure	Group	Parent company
	Group. There have been significant fluctuations in the Group's loss before tax year on year and for this reason we normalised the benchmark using a three year average; and • We determined a percentage of 3% to be appropriate based on the Group being listed on AIM and continuing to make losses during the year, as well as experiencing a challenging year due to Covid-19 and other factors. Materiality for the current year is lower than the level that we determined for the year ended 31 March 2020 to reflect the decrease in the Group's loss before tax for the current year, which is included in the three year average noted above.	• The percentage applied of 0.25% was selected based on the risk profile of the parent company as a component within a listed Group. Materiality for the current year is lower than the level that we determined for the year ended 31 March 2020 to reflect the decrease in Group materiality for the current year, at which parent company materiality is capped at a percentage thereof.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£91,500, which is 75% of financial statement materiality.	£62,250, which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we made the following significant judgements: • the strength of the Group's control environment; and • our experience auditing the financial statements of the Group, including the effect of limited misstatements identified in previous audits. Therefore we considered maintaining performance materiality at the higher end of our scale to be appropriate.	In determining performance materiality, we made the following significant judgements: • the strength of the parent company's control environment; and • very few mistatements have been identified in previous audits. Therefore we considered maintaining performance materiality at the higher end of our scale to be appropriate.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • Related party transactions.	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • Related party transactions.
Communication of misstatements to the Audit & Risk Committee	We determine a threshold for reporting unadjusted differences to the Audit & Risk Committee.	

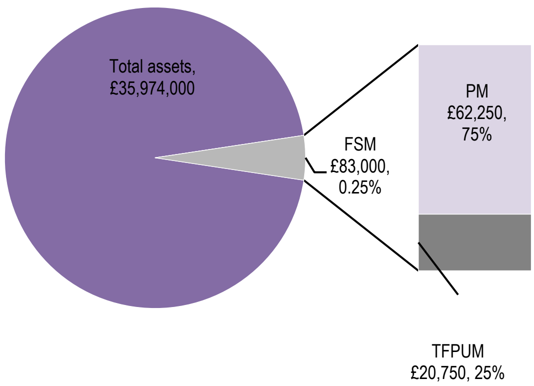
Materiality measure	Group	Parent company
Threshold for communication	£6,100 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£4,150 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group



Overall materiality – Parent company



FSM: Financial statements materiality, PM: Performance materiality, TFPUM: Tolerance for potential uncorrected misstatements

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

Understanding the Group, its components, and their environments, including Group-wide controls

- We obtained an understanding of the Group and its environment, including Group-wide controls, and assessed the risks of material misstatement at the Group level;
- We obtained an understanding of the individual components, including component specific controls, and assessed the risks of material misstatement at the Group level. We held planning discussions with the Group's management team; and
- We performed walkthroughs of key areas of focus, including significant risks, in order to confirm our understanding of the control environment across the Group.

Identifying significant components

- We identified a total of nine components which were all identified as significant based on their individual financial significance to the Group. The measures used to determine significance were based on the Group's revenue, the Group's loss before tax and the Group's total assets.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- We performed a full-scope audit of the financial statements of the parent company, and of the financial information of the subsidiary undertakings.

Communications with component auditors

- All audit work was performed by Grant Thornton member of network firms which includes overseas firms in the Grant Thornton International Limited network. We issued Group instructions to one component auditor in relation to performing two full-scope audits. The Group audit team were involved in the risk assessments of those components and reviewed the audit file for the significant and other risk areas.

Performance of our audit

- The operations that were subject to full-scope audit procedures made up 100 per cent of the Group's revenue and 100 per cent of the Group's loss before tax. This approach was consistent with the prior year.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts, 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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

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

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

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

- 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 for the financial statements

As explained more fully in the directors' responsibilities statement, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the parent company and determined that the most significant are international accounting standards in conformity with the requirements of the Companies Act 2006, Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006;
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and the Audit & Risk Committee, and from inspection of the Group board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations across the Group with the directors and the Audit & Risk Committee;
- We assessed the susceptibility of Jaywing plc's consolidated and parent company financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business, including key management of all significant components, to understand where management considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts;
- The engagement team was assessed to ensure that appropriate competence and capabilities were held to enable the team to identify non-compliance with laws and regulations;
- We communicated with the component auditor to request that they identify any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the Group financial statements;
- Audit procedures performed by the engagement team included:
  - assessing the design effectiveness of controls established by management to address the risks relating to irregularities and fraud;
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
  - identifying and testing related party transactions based on those identified by management and our awareness of the related parties within the Group. Related party transactions identified were agreed to supporting documentation and assessed for reasonableness.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Donna Steel
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
24 August 2021

Consolidated Statement of Comprehensive Income

For the year ended 31 March	Note	2021 £'000	2020 £'000
Revenue	1	**25,957**	29,723
Direct Costs		**(5,792)**	(5,680)
Net Revenue	1	**20,165**	24,043
Other operating income	2	**793**	38
Operating expenses	3	**(20,867)**	(32,955)
Operating Profit / (loss)		**91**	(8,874)
Finance costs	4	**(451)**	(518)
Net financing costs		**(451)**	(518)
Loss before tax		**(360)**	(9,392)
Tax credit	5	**119**	436
Loss for the year		**(241)**	(8,956)
Loss for the year is attributable to:			
Non-controlling interests		**71**	188
Owners of the parent		**(312)**	(9,144)
		(241)	(8,956)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on retranslation of foreign operations	27	**(6)**	(155)
Total comprehensive income for the period		**(247)**	(9,111)
Total comprehensive income is attributable to:			
Non-controlling interests	26	**71**	188
Owners of the Parent		**(318)**	(9,299)
		(247)	(9,111)
Basic loss per share			
Loss per share	6	**(0.34p)**	(9.95p)
Total		**(0.34p)**	(9.95p)

The accompanying Notes form part of these Consolidated Financial Statements.

Consolidated Balance Sheet

As at 31 March	Note	2021 £'000	2020 £'000
Non-current assets			
Property, plant and equipment	12	**2,060**	2,887
Goodwill	14	**29,789**	27,586
Other intangible assets	15	**799**	2,604
		32,648	33,077
Current assets			
Trade and other receivables	16	**6,214**	5,229
Contract assets	17	**619**	648
Current tax asset		**474**	391
Cash and cash equivalents	18	**752**	1,996
		8,059	8,264
Total assets		**40,707**	41,341
Current liabilities			
Borrowings	18	**8,338**	7,939
Trade and other payables	19	**8,065**	7,498
Contract Liabilities	17	**1,163**	949
Current lease liabilities	13	**666**	678
Current tax liabilities		**194**	106
Provisions	19	**42**	42
		18,468	17,212
Non-current liabilities			
Non-current lease liabilities	13	**877**	1,515
Deferred tax liabilities	20	**113**	422
		990	1,937
Total liabilities		**19,458**	19,149
Net assets		**21,249**	22,192
Equity			
Equity attributable to owners of the parent			
Share capital	21	**34,992**	34,992
Share premium	21	**10,088**	10,088
Capital redemption reserve	24	**125**	125
Shares purchased for treasury	23	**(25)**	(25)
Share option reserve	25	**-**	696
Foreign currency translation reserve	27	**(161)**	(155)
Retained earnings	28	**(24,124)**	(24,868)
Equity attributable to owners of the parent		**20,895**	20,853
Non-controlling interest	26	**354**	1,339
Total equity		**21,249**	22,192

These Financial Statements were approved by the Board of Directors on 24 August 2021 and were signed on its behalf by:

Andrew Fryatt
Director
Company number: 05935923
The accompanying Notes form part of these Consolidated Financial Statements.

Consolidated cash flow statement

For the year ended 31 March	Note	2021 £'000	2020 £'000
Cash flow from operating activities			
Loss after tax		**(241)**	(8,956)
Adjustments for:			
Depreciation of property, plant & equipment		**259**	331
Depreciation of right of use assets		**666**	666
Amortisation of intangibles		**1,118**	1,547
Impairment of goodwill		**-**	5,468
Impairment of other intangibles		**690**	321
Financial expenses		**451**	518
Fair value movement of put / call option		**(435)**	123
Share-based payment expense	3	**(696)**	(484)
Taxation charge		**(119)**	(436)
Operating cash flow before changes in working capital		**1,693**	(902)
(Increase) / Decrease in trade and other receivables		**(901)**	2,428
Increase / (Decrease) in trade and other payables		**1,466**	(573)
Cash generated from operations		**2,258**	953
Interest paid		**(74)**	(279)
Tax paid		**(376)**	(309)
Net cash flow from operating activities		**1,808**	365
Cash flow from investing activities			
Payment of deferred consideration		**(377)**	(325)
Acquisition of intangible assets		**(3)**	(108)
Acquisition of non-controlling interest		**(1,925)**	-
Acquisition of property, plant and equipment	12	**(98)**	(66)
Net cash outflow from investing activities		**(2,403)**	(499)
Cash flow from financing activities			
Increase in borrowings	18	**-**	7,700
Repayment of borrowings	18	**-**	(5,650)
Repayment of Lease Liabilities (IFRS16)	13	**(649)**	(610)
Net cash inflow / (outflow) from financing activities		**(649)**	1,440
Net (decrease) / increase in cash and cash equivalents		**(1,244)**	1,306
Cash and cash equivalents at beginning of year		**1,996**	690
Cash and cash equivalents at end of year		**752**	1,996
Cash and cash equivalents comprise:			
Cash at bank and in hand		**752**	1,996

The accompanying Notes form part of these Consolidated Financial Statements.

Consolidated statement of changes in equity

	Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Treasury Shares £'000	Share Option Reserve £'000	Foreign Currency Translation Reserve £'000	Retained Earnings £'000	Equity attributable to parent £'000	Non-controlling Interest £'000	Total equity £'000
Balance at 31 March 2019	**34,992**	**10,088**	**125**	**(25)**	**838**	**-**	**(15,889)**	**30,129**	**1,151**	**31,280**
Charge in respect of share-based payments	-	-	-	-	23	-	-	23	-	23
Transactions with owners	-	-	-	-	23	-	-	23	-	23
Profit/(loss) for the period	-	-	-	-	-	-	(9,144)	(9,144)	188	(8,956)
Transfer in relation to lapsed share options	-	-	-	-	(165)	-	165	-	-	-
Retranslation of foreign currency	-	-	-	-	-	(155)	-	(155)	-	(155)
Total comprehensive income for the period	-	-	-	-	(165)	(155)	(8,979)	(9,299)	188	(9,111)
Balance at 31 March 2020	**34,992**	**10,088**	**125**	**(25)**	**696**	**(155)**	**(24,868)**	**20,853**	**1,339**	**22,192**
Acquisition of Subsidiaries	-	-	-	-	-	-	1,056	1,056	(1,056)	-
Charge in respect of share-based payments	-	-	-	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	1,056	1,056	(1,056)	-
Profit/(loss) for the period	-	-	-	-	-	-	(312)	(312)	71	(241)
Transfer in relation to lapsed share options	-	-	-	-	(696)	-	-	(696)	-	(696)
Retranslation of foreign currency	-	-	-	-	-	(6)	-	(6)	-	(6)
Total comprehensive income for the period	-	-	-	-	(696)	(6)	(312)	(1,014)	71	(943)
Balance at 31 March 2021	**34,992**	**10,088**	**125**	**(25)**	**-**	**(161)**	**(24,124)**	**20,895**	**354**	**21,249**

The accompanying Notes form part of these Consolidated Financial Statements.

Principal Accounting Policies

Jaywing plc is a Company incorporated in the UK and is AIM listed.

The Consolidated Financial Statements consolidate those of Jaywing plc and its subsidiaries (together referred to as the ‘Group’).

The Consolidated Financial Statements have been prepared and approved by the Directors in accordance with International accounting standards in conformity with the Companies Act 2006. The Consolidated Financial Statements have been prepared under the historical cost convention.

The principal accounting policies of the Group are set out below. The policies have remained unchanged from the previous.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

In addition to the normal process of preparing forecasts for the individual companies with the group and a consolidated position for the group, the board has also considered the potential impact of Covid-19 on the cash flows of the group for the assessed period to 31 March 2023. This has been done by looking at various scenarios within the forecasts for the potential effect of changes in the market during the forecast period.

Since March 2020, the economic impact of Covid-19 has resulted in revenue levels below those of the prior year, although we have been able to provide continuous service to our clients during this period. The Group has taken actions to protect both cash and profitability through this period, including voluntary salary reductions, rent deferrals and taking advantage of Government schemes for job retention and VAT payment deferral. The Group has continued to win new work through the period, and it remains on track to improve its performance year on year building on the restructure started in late 2019.

At the beginning of the financial year being reported, the impact of Covid-19 indicated the existence of a degree of uncertainty which cast significant doubt, as with many other organisations, about the Group’s ability to continue as a going concern. The outcome for the year and the forecasts prepared by the business show that we do not consider there to be same level of uncertainty now as there was 12 months ago.

In considering their position the Directors have also had regard to letters of support in respect of the secured debt which have received from each of the holders of that debt. Details of this debt are contained in Note 18 on page 53 and Note 30 on page 56.

The Group financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future and have concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the rights to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. Transactions between subsidiary companies are eliminated on consolidation.

Revenue

Revenue is generated mainly under the following four contractual models:

1. Monthly retainers
2. Project-based
3. Consulting day rates
4. Licences (with and without support)

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue when the performance obligations are satisfied

The Group often enters into transactions involving a range of the Group’s products and services, for example providing a client with data consultancy and brand development work. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Revenue is recognised over time, as the Group satisfies performance obligations by transferring the promised goods or services to its customers.

We recognise revenue and net revenue in the financial statements, net revenue is defined as revenue recognised against a client less any direct third party costs, where we act as principal in the transaction, based on the control which the group holds over the services provided.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these on the face of the consolidated balance sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises a receivable in its consolidated balance sheet as a contract asset.

Monthly retainers
A client will sign up to a contract for a period of between six and 18 months, with a fixed fee each month for an agreed amount of work to be performed. Under each contract, there may be more than one service provided to the customer, each with different performance obligations, such as PPC and SEO management, which will have agreed KPIs. These services will be set out in the contract with revenue amounts associated and the revenue streams will be recognised separately.

The transaction price is set out in the contract for each service provided and revenue is allocated to the various performance obligations on this basis. The customer may choose to take additional services for a period of time, which would be subject to a separate agreement. Any performance fees payable under a contract would relate to a specific month and be calculated in line with the provisions set out in the contract.

Revenue is recognised over time as the customer simultaneously receives and consumes the benefits of the services as the service is performed. It is recognised using the output method, on a straight-line basis over the life of the contract as the amount of work required to perform under these contracts does not vary significantly from month to month, therefore the straight-line method provides a faithful depiction of the transfer of goods or services.

Project-based
A client will enter into a framework agreement that covers all work performed by Jaywing, and will then issue a brief or work order for a specific piece of work to be performed. This could be the development of a website for a client, or the production of a creative campaign. The work would normally take a period of between one and six months to complete.

Normally, a specific brief or work order is provided for a project under the overall framework agreement. This will detail the services to be provided to the customer, with a price set out against each element as appropriate. The transaction price is set out in the work order for each element of the project. The customer may choose to vary the scope at any stage, and that would be subject to an updated work order. That work order would still be part of the original contract as those services would not be distinct from those in the original contract.

Revenue is recognised over time, using the input method as Jaywing's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, and the revenue recognised reflects the efforts or inputs Jaywing has made to the satisfaction of the performance obligation.

Consulting day rates
A client will enter into a contract for a piece of work that is quoted as a number of days charged at a rate per day. This work will be either risk, marketing or data based and could involve building models, databases and analysis of data. Invoices will usually be raised monthly for the number of days of work performed.

A specific piece of work is contracted for, which will normally be a number of days' work charged at a rate per day, with different rates for different levels of seniority. The transaction price is set out in the contract. The customer may choose to vary the scope at any stage, and that would be subject to an updated work schedule. That work order would still be part of the original contract as those services would not be distinct from those in the original contract.

Revenue is recognised over time as the customer simultaneously receives and consumes the benefit of the services as the services are performed. It is recognised using the input method, based on the number of days' work performed during the month.

Licences
A client enters into a contract for a product licence, including support from Jaywing, to run that product and interpret the results from it. The product and support are not separately identifiable because the client is not able to operate the product licence without this support as they do not have the skills or a login to the system. The license price is set out in the contract.

Revenue is recognised over time based on the provision of the licence and support during the month as the customer simultaneously receives and consumes the benefit of the services as the services are provided.

There are no differences in payment terms for each of these categories; the only differences in payments terms are from individual terms agreed with clients which are between 30 and 60 days.

Foreign currency
Transactions in foreign currencies are translated into the entity's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Dilapidations provision
Provision is made for expected future dilapidations costs in respect of property held under leases. The estimated costs are capitalised within leasehold improvements and depreciated over the remaining lease term.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the Consolidated Financial Statements, together with estimates with a significant risk of material adjustment in the next year, are discussed in Note 31 to the Consolidated Financial Statements.

Classification of instruments issued by the Group
Instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets, or to exchange financial assets or financial liabilities with another party, under conditions that are potentially unfavourable to the Company (or Group); and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments, or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the items are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these Financial Statements for called up Share Capital and Share Premium Account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Leasehold improvements	-	over period of lease
Office equipment	-	3 - 5 years
Buildings	-	over period of lease

It has been assumed that all assets will be used until the end of their economic life.

Intangible assets and goodwill
All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those that can be sold separately, or that arise from legal or contractual rights, regardless of whether those rights are separable, and are initially recognised at fair value. Development costs incurred in the year, which meet the criteria of IAS 38, are capitalised and amortised on a straight-line basis over their economic life.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

Customer relationships	-	4 to 12 years
Development costs	-	3 to 6 years
Trademarks	-	2 to 20 years
Order books	-	1 year

Impairment
For goodwill that has an indefinite useful life, the recoverable amount is estimated annually. For other assets, the recoverable amount is only estimated when there is an indication that an impairment may have occurred. The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is determined by assessing net present value of the asset based on future cash flows.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units, are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised no longer exists.

Put/call options
The put/call options in Frank Digital PTY have been valued by an independent assessor and are recognised with both a service and non-service element in the accounts. The non-service element is fully recognised as at the date of acquisition and the fair value reviewed annually. The service element is treated as a cash-settled share-based payment with the share-based payment valued at the point of inception and the cost being spread over the life of the asset.

Fair value measurement
Management uses valuation techniques to determine the fair value of financial instruments and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 32).

Employee benefits

Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss as incurred.

Share-based payment transactions
The weighted average fair value for the EBITDA performance options was calculated using the Black-Scholes Merton Option Pricing Model, and the fair value for the share price options was calculated using the Monte Carlo Model. This is charged to profit or loss over the vesting period of the award. The charge to profit or loss takes account of the estimated number of shares that will vest. Where the options do not have any market conditions attached, the number expected to vest is reassessed at each reporting period. All share-based remuneration is equity-settled. Provision is made for National Insurance when the Group is committed to settle this liability. The charge to profit or loss takes account of the options expected to vest, is deemed to arise over the vesting period, and is discounted. The remaining share based payment schemes were terminated in October 2020.

Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Expenses

Leases
The Company reports using IFRS 16, whereby the Company now recognises a lease liability and a right of use asset.

The Group leases four offices and printers. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable;
• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
• amounts expected to be payable by the group under residual value guarantees;
• the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
• payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

If the Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect, then when adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:
• the amount of the initial measurement of lease liability;
• any lease payments made at or before the commencement date less any lease incentives received;
• any initial direct costs; and
• restoration costs.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

Net financing costs
Net financing costs comprise interest payable and interest receivable on funds invested. Interest income and interest payable are recognised in profit or loss as they accrue using the effective interest method.

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case it is recognised in other comprehensive income or in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except to the extent that it arises on:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination;
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Financial assets

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank borrowings that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Trade and other receivables
IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced IAS 39's 'incurred loss model'.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial liabilities

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Trade and other payables
Trade payables are initially recorded at fair value and thereafter at amortised cost using the effective interest rate method.

Segmental reporting
The Group reports its business activities in three client-facing operating segments: Retail, FMCG and Financial & Professional Services.

Share Capital
Share Capital represents the nominal value of shares that have been issued.

Share Premium
Share Premium includes any premiums received on issue of Share Capital. Any transaction costs associated with the issuing of shares are deducted from Share Premium, net of any related income tax benefits.

Capital Redemption Reserve
Capital Redemption Reserve represents the amount by which the nominal value of the shares purchased or redeemed is greater than proceeds of a fresh issue of shares.

Shares Purchased for Treasury
Represents the nominal value of the shares purchased by the Company.

Share Option Reserve
Represents the fair value charge of share options in issue.

Foreign Currency Translation Reserve
Represents the exchange differences on retranslation of foreign operations.

Retained Earnings
Retained Earnings includes all current and prior period retained profits and share-based employee remuneration.

Non-controlling interests
The profit or loss attributable to the non-controlling ownership stakes in subsidiary companies is transferred from Retained Earnings to non-controlling interests each year.

Significant judgement in applying accounting policies and key estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement
The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Capitalisation of internally developed software
Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Accounting estimates and judgements

Accounting estimates

Impairment of goodwill and other intangible assets
The carrying amount of goodwill is £29,789k (2020: £27,586k) and the carrying amount of other intangible assets is £799k (2020: £2,604k). The Directors are confident that the carrying amount of goodwill and other intangible assets is fairly stated and have carried out an impairment review. The forecast cash generation for each CGU and the WACC represent significant assumptions and should the assumptions prove to be incorrect, there would be a significant risk of a material adjustment within the next financial year. The sensitivity to the key assumptions is shown in Note 14.

Accounting judgements

Recognition of revenue
The Directors consider that they act as a principal in transactions where the Group assumes the credit risk. Where this is via an agency arrangement and the Group assumes the credit risk for all billings, it therefore recognises gross billings as revenue. For other income sources, revenue recognition is assessed in line with the five steps of IFRS.

Recognition of contract assets and liabilities
Contract assets related to the portion of performance obligations already fulfilled by the Group and for which the definitive right to receive cash was subject to completing further work under the relevant contract. Contract assets are converted into trade receivables at the point that work delivered to the client is invoiced resulting in the Group's unconditional right to receive cash. Contract assets therefore represent a portion of future payments receivable by the Group under existing contracts.

Contract liabilities consist of cash advances received from customers on account of work orders received and the remaining liabilities relate to the amount of performance obligations still to be fulfilled and for which payment has already been received from the client.

Put / Call Option
The put/call options in Frank Digital PTY have been valued by an independent assessor and are recognised with both a service and non-service element in the accounts. The non-service element is fully recognised as at the date of acquisition and the fair value reviewed annually. The service element is treated as a cash-settled share-based payment with the share-based payment valued at the point of inception and the cost being spread over the life of the asset.

Identification of performance obligations
The determination of the number of distinct performance obligations in a contract requires judgement, based on whether the customer can benefit from use of the service on its own or together with other resources that are readily available to it, and also whether the promise to transfer the service is separately identifiable from other promises in the contract. As explained in the accounting policy for revenue, contracts usually include just one distinct performance obligation.

Allocation of the transaction price to performance obligations
Where a contract contains multiple performance obligations, the transaction price is required to be allocated to the different performance obligations. Wherever possible, the transaction price is allocated on a standalone selling price basis, by reference to the agreed customer statement of works. In the event that this is not available, the price is allocated to the various performance obligations on a reasonable basis with reference to the expected time involved in performing the service and management's experience of similar projects.

Notes to the Consolidated Financial Statements

1. Segmental analysis

During the year 2020/21, the Group reported its operations by client-facing market segments (Retail, FMCG, Financial & Professional Services), reflecting the revised operating divisions of the Group.

During the year, no customer accounted for greater than 10% of the Group's revenue (2020: None).

Group Net Revenue by Client Facing Operating Segments

	2021	2020
	£'000	£'000
Retail	**7,337**	8,686
FMCG	**6,317**	7,776
Financial & Professional Services	**6,511**	7,581
	20,165	24,043

"Retail" includes:	Retail, Travel & Leisure, Hospitality, Property & Utilities
"FMCG" includes:	Consumer Goods, Industrial, Telecoms, Support Services, Healthcare, Education, Public Sector & Non-Profit
"Financial & Professional Services " includes:	Financial & Professional Services

Net Revenue by Geographic Markets

	2021	2020
	£'000	£'000
United Kingdom	**15,969**	20,180
Australia	**4,196**	3,863
	20,165	24,043

All revenue is recognised over time.

Net Revenue is defined as revenue less third-party direct costs of sale. Revenue in the UK was £21,706k (2020: £25,810k), and in Australia £4,251k (2020: £3,913k).

Non-current assets by Geographic Markets

The Group's non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) are located into the following geographic markets:

	2021	2020
	£'000	£'000
United Kingdom	**32,554**	32,963
Australia	**94**	114
	32,648	33,077

Non-current assets are allocated based on their physical location.

2. Other operating income

	2021	2020
	£'000	£'000
Other operating income	**793**	38

The Group has taken the option to present income received from Government sources in relation to Covid-19 as other operating income, rather than netted against costs. The Group received funds from the UK Government under the Covid-19 Job Retention Scheme of £451,000. Under the corresponding scheme in Australia, Cashflow boost and Job Keepers, the Group received £330,000. Of the £781,000 received in the year to March 2021, £601,000 was received in the six month period to September 2020.

Other operating income includes amounts received from the administrator of a client for a contractual obligation to perform services on their behalf. During the year, the Group received a further distribution of £12,000 (2020: £38,000). It is anticipated there may be further distributions in the future but the Board is unaware of the quantum or timing of these potential receipts.

3. Operating expenses

Continuing operations:	2021 £'000	2020 £'000
Wages and salaries	**13,135**	16,511
Social Security Costs	**1,267**	1,793
Other Pension Costs	**707**	1,021
Share-based payments credits	**(696)**	(484)
Fair value movement on put / call option	**(435)**	123
Depreciation of property, plant & equipment	**259**	331
Depreciation of right of use assets	**666**	666
Restructuring costs	**488**	867
Amortisation	**1,118**	1,547
Impairment to the carrying value of goodwill	**-**	5,468
Impairment of other intangible assets	**690**	321
Other operating expenses	**3,668**	4,791
Total operating expenses	**20,867**	32,955

Impairment of other intangible assets in 2021 relates to the retirement of a brand name as part of the restructuring activities and the move towards trading only as Jaywing in the UK.

The fair value movement in put / call option in 2021 relates to the crystallisation of a gain on the acquisition of the remaining 25% of Massive Group PTY Ltd and a movement in relation to the fair value measurement of the Frank Digital PTY Ltd put / call option.

4. Finance costs

	2021 £'000	2020 £'000
Interest expense	**403**	404
Interest on lease liabilities (see note 13)	**74**	101
Fair values finance charge / (credit) on Put / Call option	**(26)**	13
Total	**451**	518

5. Tax credit

	2021 £'000	2020 £'000
Recognised in the consolidated statement of comprehensive income:		
Current year tax	**224**	(193)
Origination and reversal of temporary differences	**(343)**	(243)
Total tax credit	**(119)**	(436)
Reconciliation of total tax charge:		
Loss before tax	**(360)**	(9,392)
Taxation using the UK Corporation Tax rate of 19% (2019: 19%)	**(68)**	(1,784)
Effects of:		
Non-deductible expenses	**(51)**	1,348
Total tax credit	**(119)**	(436)

6. Loss per share

	2021 Pence per Share	2020 Pence per Share
Basic loss per share	**(0.34p)**	(9.95p)
Diluted loss per share	**(0.34p)**	(9.95p)

Loss per share has been calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

The calculations of basic and diluted loss per share are:

	2021 £'000	2020 £'000
Loss for the year attributable to shareholders	**(318)**	(9,299)

Weighted average number of ordinary shares in issue:

	2021 Number	2020 Number
Basic	**93,432,217**	93,432,217
Adjustment for share options	**-**	3,243,178
Diluted	**93,432,217**	96,675,395

7. Auditor's remuneration

	2021 £'000	2020 £'000
Auditor's remuneration:		
Audit of Company Financial Statements	**40**	37
Other amounts payable to the auditor and its associates in respect of:		
Audit of Subsidiary Company Financial Statements	**97**	90
Audit related assurance services	**4**	4
Taxation compliance services	**30**	28
Taxation advisory services	**66**	44

Amounts paid to the Group's auditor in respect of services to the Company, other than the audit of the Company's Financial Statements, have not been disclosed separately as the information is required instead to be disclosed on a consolidated basis. In addition to last year's reported audit figures an amount was agreed and paid to cover over-runs of £40,000, making the total payable in relation to the audit £167,000.

8. Key management personnel compensation

Key management of the Group is considered to be the Board of Directors and the Senior Leadership Team.

	2021 £'000	2020 £'000
Short-term benefits:		
Salaries including bonuses	**1,429**	1,912
Social security costs	**182**	246
Total short-term benefits	**1,611**	2,158
Share-based payment credit	**(696)**	(484)
Defined contribution pension plan costs	**103**	190
Key management compensation	**1,018**	1,864

Further information in respect of Directors is given in the Directors' Remuneration Report on page 16.

Remuneration in respect of Directors was as follows:

	2021 £'000	2020 £'000
Emoluments receivable	**276**	733
Fees paid to third parties for Directors' services	**28**	30
Company pension contributions to money purchase pension schemes	**14**	87
	318	850

During the current period and the prior year, there were no benefits accruing to Directors in respect of the defined contribution pension scheme.

The highest paid Director received remuneration of £208,000 (2020: £257,000).

9. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2021 Number	2020 Number
Management and administration	**44**	73
Client Service Staff	**245**	287
	289	360

The aggregate payroll costs of these persons were as follows:

	2021 £'000	2020 £'000
Wages and salaries	**13,135**	16,511
Social security costs	**1,267**	1,793
Other pension costs	**707**	1,021
Share option (credits) – PSP Options (see Note 10)	**(588)**	(409)
Share option (credits) – Employers NI (see Note 10)	**(108)**	(75)
	14,413	18,841

10. Employee benefits

The Group had granted share options under the Jaywing plc Performance Share Plan.

The share option schemes terminated in October 2020. Details are as follows:

	2021		2020	
	Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price
At start of the year	**3,301,200**	**5.0p**	6,169,926	5.0p
Issued during the year	**-**	**5.0p**	-	5.0p
Exercised during the year	**-**	**5.0p**	-	5.0p
Lapsed during the year	**(3,301,200)**	**5.0p**	(2,868,726)	5.0p
At end of the year	**-**	**5.0p**	3,301,200	5.0p
Exercisable at end of year	**-**	**5.0p**	850,865	5.0p

The share options scheme was terminated in October 2020.

Share options outstanding at the year-end were as follows:

As at 31 March 2021

Number	**Exercise price**	**Period of exercise From**	**To**
-	-	-	-

As at 31 March 2020

Number	**Exercise price**	**Period of exercise From**	**To**
3,301,200	5.0p	01/04/2017	30/09/2022

Credit to the statement of comprehensive income

Under IFRS 2, the Group is required to recognise an expense in the relevant Company's Financial Statements. The expense is apportioned over the vesting period based upon the number of options which are expected to vest and the fair value of those options at the date of grant. In the year to March 2021 this resulted in a credit to the P&L of £696k.

11. Interests in Subsidiaries

The details of subsidiaries held directly by the Group are set out in Note 12 of the plc Parent Company accounts. After the acquisition of the remaining 25% of Massive Group Pty in October 2020, the Group includes one subsidiary (2020: two) with material non-controlling interests (NCI):

Name	**Proportion of ownership interests and voting rights held by NCI**		**Total comprehensive income allocated to NCI**		**Accumulated NCI**	
	2021	2020	**2021**	2020	**2021**	2020
	%	%	**£'000**	£'000	**£'000**	£'000
Massive Group PTY	-	25	**-**	147	-	1,056
Frank Digital PTY	25	25	**71**	41	**354**	283
			71	188	**354**	1,339

No dividends were paid to the NCI during the financial years 2021 and 2020.

Jaywing plc acquired the remaining 25% of Massive Group PTY on 21 October 2020 after the remaining shareholders exercised their put option. The 25% stake was acquired for $4.0m (£2.2m), the total consideration for the purchase of the 100% interest was $9.6m (£5.4m). At 31 March 2021 an amount of £0.3m was still outstanding to the original shareholders, this was fully paid by 30 June 2021.

12. Property, plant and equipment

	Buildings £'000	Leasehold improvements £'000	Office equipment £'000	Total £'000
Cost				
At 1 April 2019	**-**	**1,438**	**1,411**	**2,849**
Additions		-	66	66
Recognition of right of use assets	2,673	-	130	2,803
Disposals	-	-	(432)	(432)
At 31 March 2020	**2,673**	**1,438**	**1,175**	**5,286**
Additions	-	-	98	98
Disposals	-	-	(679)	(679)
At 31 March 2021	**2,673**	**1,438**	**594**	**4,705**
Depreciation				
At 1 April 2019	**-**	**1,018**	**816**	**1,834**
Depreciation charge for the year	-	40	291	331
Depreciation of right of use assets	640	-	26	666
Depreciation on disposals	-	-	(432)	(432)
At 31 March 2020	**640**	**1,058**	**701**	**2,399**
Depreciation charge for the year	-	67	192	259
Depreciation of right of use asset	640	-	26	666
Depreciation on disposals	-	-	(679)	(679)
At 31 March 2021	**1,280**	**1,125**	**240**	**2,645**
Net book value				
At 31 March 2021	**1,393**	**313**	**354**	**2,060**
At 31 March 2020	2,033	380	474	2,887
At 1 April 2019	-	420	595	1,015

The assets are covered by a fixed charge in favour of the Group’s lenders.

13. Leases

The company has lease contracts for offices occupied and printers. The amounts recognised in the financial statements in relation to the leases are as follows:

(i) Amounts recognised in the consolidated balance sheet

The balance sheet shows the following amounts relating to leases:

	2021	2020
	£'000	£'000
Right of use assets		
Buildings	**1,393**	2,033
Plant and machinery	**78**	104
	1,471	2,137
Lease liabilities		
Current	**666**	678
Non-current	**877**	1,515
	1,543	2,193

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2021	2020
	£'000	£'000
Depreciation charge of right of use assets		
Buildings	**640**	640
Plant and machinery	**26**	26
	666	666
Interest expense (included in finance cost)	**74**	101

There are no other amounts relating to low value or short term leases excluded from the above amounts.

14. Goodwill

	Goodwill
	£'000
Cost and net book value	
At 1 April 2019	**33,054**
Impairment in year	**(5,468)**
At 31 March 2020	**27,586**
Additions (note 11)	**2,203**
At 31 March 2021	**29,789**

Goodwill by Geographic Market

	2021	2020
	£'000	£'000
United Kingdom	**24,873**	24,873
Australia	**4,916**	2,713
	29,789	**27,586**

Goodwill and other intangible assets have been tested for impairment by assessing the value in use of the relevant cash generating units ("CGU"), the cash generating units are measured at UK and Australia level as this is how we will be reviewing the trading positions going forward. This is a change to previous year when there were 6 CGU's used in the forecast, the re-organisation of the business operation means that it is more accurate to use 2 CGU's for forecasting, as this is how the businesses are run on a day to day basis. The value in use calculations were based on projected cash flows in perpetuity. Budgeted cash flows for 2021/22 to 2028/29 were used. These were based on the forecast for 2022 with growth rates of 7.5% then applied to EBITDA for the following two years, and 2.5% for subsequent years. In management's view this is a conservative assumption.

The average year-on-year growth in earnings before interest, tax, depreciation and amortisation (EBITDA) that has been used as the basis for forecasting cash flows for each of the cash generating units when testing for impairment were:

	Year-on-year growth
2022/23 to 2023/24	**7.5%**
2024/25 to Perpetuity	**2.5%**

These growth rates are based a conservative view to give consistency with prior year valuation models. The growth rates shown are the average applied to the cash flows of the individual cash generating units and do not form a basis for estimating the consolidated profits of the Group in the future. The growth rates used and the periods they cover are based on an ability to deliver additional revenue efficiently.

The discount rate used to test the cash generating units was the Group's post-tax Weighted Average Cost of Capital ("WACC") of 11.5% (2020:10.9%). The individual cash generating units were assessed for risk variances from the WACC, but in the absence of geographical risk, currency risk and any significant price risk variations, the same WACC was used for all the cash generating units.

As a result of these tests, no impairment was considered necessary (2020: £5,468k).

As part of the review, a number of scenarios were calculated using the impairment model. These looked at what effect changes in the WACC rates and movements in EBITDA would have to the outcome.

- With no movement in EBIDTA a movement of 0.5% to 12% in the WACC rate gave the result of no impairment,
- A movement by 1% to 12.5% gave rise to no impairment .
- Keeping the WACC rate at 11.5% and reducing EBITDA by 5% gave rise to no impairment .
- A reduction of EBITDA by 10% gave rise to no impairment.
- The final test was an increase in WACC by 1% to 12.5% and a reduction in EBITDA by 10%, this gave rise to an impairment of £2,313k.

15. Other intangible assets

	Customer relationships	Order books	Trademarks	Development costs	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2019	**21,305**	**1,457**	**1,080**	**1,471**	**25,313**
Additions during the year from acquisitions	-	-	-	108	108
At 31 March 2020	**21,305**	**1,457**	**1,080**	**1,579**	**25,421**
Additions during the year	-	-	-	3	3
Disposals during the year	-	-	-	(161)	(161)
At 31 March 2021	**21,305**	**1,457**	**1,080**	**1,421**	**25,263**
Amortisation					
At 1 April 2019	**18,610**	**1,457**	**313**	**569**	**20,949**
Amortisation charge for the year	1,296	-	51	200	1,547
Intangible impairment	321	-	-	-	321
At 31 March 2020	**20,227**	**1,457**	**364**	**769**	**22,817**
Amortisation charge for the year	875	-	26	217	1,118
Disposal	-	-	-	(161)	(161)
Intangible impairment	-	-	690	-	690
At 31 March 2021	**21,102**	**1,457**	**1,080**	**825**	**24,464**
Net book amount					
At 31 March 2021	**203**	**-**	**-**	**596**	**799**
At 1 April 2020	1,078	-	716	810	2,604
At 1 April 2019	2,695	-	767	902	4,364

The remaining amortisation period for customer relationships is one year. The trademarks relate one entity and a trade name, this name stopped being used during the period and the balance has been impaired to nil value to reflect the retirement of the name.

The cost of brought forward customer relationships was determined as at the date of acquisition of the subsidiaries by professional valuers. The valuations used the discounted cash flow method, assuming rates of customer attrition at 10% and sales growth at 2% each year. The discount rate applied at that time to the future cash flows were specific to each Subsidiary and were all in the range 14.6% to 15.5%.

Trademarks represent the trading names used by the company. These are estimated to have an economic life of 20 years, the remaining trading name covered by this was retired in the year and the corresponding balance impaired to nil value.

Development costs relate to internally developed products that are either sold to clients standalone or used to provide services to them.

Goodwill and other intangible assets have been tested for impairment. The method, key assumptions and results of the impairment review are detailed in Note 14. On the basis of this review, it has been concluded that there is no need to impair the carrying value of these intangible assets (2020: £321,000).

16. Trade and other receivables

	2021 £'000	2020 £'000
Trade receivables	**5,536**	4,503
Prepayments	**426**	559
Deferred tax	**158**	104
Other receivables	**94**	63
	6,214	5,229

The carrying amount of trade and other receivables approximates to their fair value.

17. Contract assets and liabilities

Contract assets

	2021 £'000	2020 £'000
Accrued income	**619**	648

Contract assets related to the portion of performance obligations already fulfilled by the Group and for which the definitive right to receive cash was subject to completing further work under the relevant contract. Contract assets are converted into trade receivables at the point that work delivered to the client is invoiced resulting in the Group’s unconditional right to receive cash. Contract assets therefore represent a portion of future payments receivable by the Group under existing contracts.

Contract Liabilities

	Deferred Revenue £'000
At 31 March 2020	949
Recognised in year	(885)
Invoiced in year	1,099
At 31 March 2021	**1,163**

Contract liabilities consist of cash advances received from customers on account of work orders received and the remaining liabilities relate to the amount of performance obligations still to be fulfilled and for which payment has already been received from the client.

18. Borrowings and Net Debt

	2021 £'000	2020 £'000
Borrowings	**8,338**	7,939

	%	%
Average interest rates at the balance sheet date were:	**4.82**	5.42

As the loans are at variable market rates their carrying amount is equivalent to their fair value.

The borrowings are repayable on demand and interest is calculated at 3 month LIBOR plus a margin. The reduction in the LIBOR rate over the last year has led to a reduction in the underlying rate of interest payable on the loan.

The borrowings are secured by charges over all the assets of Jaywing and guarantees and charges over all of the assets of the various subsidiaries (Jaywing UK Limited (formerly known as Scope Creative marketing Limited), Alphanumeric Limited, Gasbox Limited, Jaywing Central Limited, Jaywing Innovation limited, Bloom Media (UK) Limited, Epiphany Solutions limited).

Further details of the borrowings are provided in Note 30 on page 56.

Reconciliation of Net debt

	1 April 2020 £'000	**Cash flow £'000**	**Accrued Interest not paid £'000**	**31 March 2021 £'000**
Cash and cash equivalents	1,996	(1,244)	**-**	**752**
Borrowings	(7,939)	-	(399)	**(8,338)**
Net Debt	(5,943)	(1,244)	**(399)**	**(7,586)**

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings £'000	**Short-term borrowings £'000**	**Total £'000**
1 April 2020	-	7,939	7,939
Interest accrued not paid	-	399	**399**
31 March 2021	**-**	**8,338**	**8,338**

	Long-term borrowings £'000	**Short-term borrowings £'000**	**Total £'000**
1 April 2019	3,850	1,800	**5,650**
Cash-flows:			
- Repayment	(3,850)	(1,800)	**(5,650)**
- Proceeds	-	7,700	**7,700**
Interest accrued not paid	-	239	**239**
31 March 2020	**-**	**7,939**	**7,939**

19. Trade and other payables

	2021 £'000	2020 £'000
Trade payables	**2,145**	2,301
Tax and social security	**2,161**	1,052
Accruals	**2,402**	2,376
Deferred Consideration	**1,236**	1,769
Other payables	**121**	-
	8,065	7,498

The carrying amount of trade and other payables approximates to their fair values. All amounts are short term.

Deferred consideration (comprising put/call options and other deferred consideration) is carried at fair value through profit and loss account movements (see Note 33).

Provisions

	2021 £'000	2020 £'000
At 1 April 2020 and 31 March 2021	**42**	42
Total provisions are analysed as follows:		
Current	**42**	42

At 31 March 2021 a provision of £42,000 (2020: £42,000) was recognised for dilapidations costs expected to be incurred on exit of property. The provision has been estimated based on the costs already incurred to bring the property to its current condition. The estimated costs have not been discounted as the impact is not considered to be significant. There are no significant uncertainties about the amount or timing.

20. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities:

	2021 £'000	2020 £'000
Accelerated capital allowances on property, plant and equipment:		
At start of year	**(27)**	12
Prior year adjustment	**(1)**	(2)
Origination and reversal of temporary differences	**(20)**	(37)
At end of year	**(48)**	(27)
Other temporary differences:		
At start of year	**345**	549
Prior year adjustment	**(41)**	(7)
Origination and reversal of temporary differences	**(301)**	(197)
At end of year	**3**	345
Total deferred tax:		
At start of year	**318**	561
Origination and reversal of temporary differences (Note 5)	**(363)**	(243)
At end of year	**(45)**	318
Origination on acquisition		
Deferred tax is included within:		
Deferred tax liability	**113**	422
Deferred tax asset	**(158)**	(104)
	(45)	318

The majority of the other temporary differences relates to the liability arising on the valuation of intangible assets on acquisition.

There are no deductible differences or losses carried forward for which no deferred tax asset is recognised. There are no temporary differences associated with investments in Subsidiaries for which deferred tax liabilities have not been recognised.

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023. The legislation received Royal Assent on 10 June 2021 so was substantively enacted after the reporting date. Deferred tax as at 31 March 2021 has therefore been provided at 19%.

21. Share capital

Authorised:

	45p deferred shares £'000	5p ordinary shares £'000
Authorised Share Capital at 31 March 2020 and at 31 March 2021	**45,000**	**10,000**

Allotted, issued and fully paid:

	45p deferred shares Number	5p ordinary shares Number	£'000
At 31 March 2020	67,378,520	93,432,217	34,992
At 31 March 2021	**67,378,520**	**93,432,217**	**34,992**

The 5 pence ordinary shares have the same rights (including voting and dividend rights and rights on a return of capital) as the previous 50 pence ordinary shares. Holders of the 45 pence deferred shares do not have any right to receive notice of any General Meeting of the Company or any right to attend, speak or vote at any such meeting. The deferred shareholders are not entitled to receive any dividend or other distribution and shall, on a return of assets in a winding up of the Company, entitle the holders only to the repayment of the amounts paid up on the shares, after the amount paid to the holders of the new ordinary shares exceeds £1,000,000 per new ordinary share. The deferred shares are also incapable of transfer and no share certificates have been issued in respect of them.

22. Share premium

	2021 £'000	2020 £'000
At start and end of year	**10,088**	10,088

23. Treasury shares

	2021 £'000	2020 £'000
At start and end of year (99,622 shares)	**(25)**	(25)

24. Capital redemption reserve

	2021 £'000	2020 £'000
At start and end of year	**125**	125

25. Share option reserve

	2021 £'000	2020 £'000
At start of year	**696**	838
Share option charge	**-**	23
Transfer in relation to lapsed share options	**(696)**	(165)
At end of year	**-**	696

The Board of Directors approved the original transfer of reserves from Retained Earnings to a designated share option reserve.

26. Non-controlling interest

	2021 £'000	2020 £'000
At start of year	**1,339**	1,151
Acquisition of subsidiaries (note 11)	**(1,056)**	-
Share of profit for the year	**71**	188
At end of year	**354**	1,339

27. Foreign currency translation reserve

	2021 £'000	2020 £'000
At start of year	**(155)**	-
Exchange differences on translation of foreign operations	**(6)**	(155)
At end of year	**(161)**	(155)

28. Retained earnings

	2021 £'000	2020 £'000
At start of year	**(24,868)**	(15,889)
Acquisition of non-controlling interest	**1,056**	-
Transfer in relation to lapsed share options	**-**	165
Retained loss for the year	**(312)**	(9,144)
At end of year	**(24,124)**	(24,868)

29. Capital commitments

The Group had no commitments to purchase property, plant and equipment at 31 March 2021 or at 31 March 2020: £Nil.

30. Related parties

The services of Mark Carrington as Non-Executive Director of the Company were purchased from Deacon Street Partners Limited for a fee of £27,500 (2020: £30,000). At the year end, £7,500 (2020: £7,500) was outstanding to Deacon Street Partners Limited.

On 2 October 2019 entities associated with two of its major shareholders (the "Major Shareholders") acquired the Company's existing secured loan facility of £5,200,000 ("Jaywing Facility") The Major Shareholders immediately provided the Company with additional secured facilities by increasing the Jaywing Facility by £3,000,000 to £8,200,000, which enabled the Company to repay its existing outstanding overdraft and provide it with additional working capital. The Jaywing Facility has been provided to the Company on the same terms as those provided by the previous lender. At the year end £8,338,000 (2020: £7,939,000) was outstanding. Further details of these borrowings are provided in Note 18 on page 53.

31. Standards and interpretations in issue at 31 March 2021 but not yet effective

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

32. Financial risk management

The Group uses various financial instruments. These include loans, cash, issued equity investments and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

The main risks arising from the Group's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Market risk
Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. In this instance, price risk has been ignored as it is not considered a material risk to the business. The Group’s policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled “interest rate risk” below.

Currency risk
The Group is only minimally exposed to translation and transaction foreign exchange risk.

Liquidity risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing the cash balance and by investing cash assets safely and profitably.

The Group policy throughout the period has been to ensure continuity of funding.

The maturity of borrowings is set out in Note 18 to the Consolidated Financial Statements.

Interest rate risk
The Group finances its operations through a mixture of retained profits and borrowings. The Directors’ policy to manage interest rate fluctuations is to regularly review the costs of capital and the risks associated with each class of capital, and to maintain an appropriate mix between fixed and floating rate borrowings.

The interest rate exposure of the financial assets and liabilities of the Group is shown in the table below. The table includes trade receivables and payables as these do not attract interest and are therefore subject to fair value interest rate risk.

	2021 **£'000**	2020 £'000
Financial assets:		
Floating interest rate:		
Cash	**752**	1,996
Zero interest rate:		
Trade receivables	**5,536**	4,503
	6,288	6,499
Financial liabilities:		
Floating interest rate:		
Bank loans/revolving facility	**8,338**	7,939
Zero interest rate:		
Trade payables	**2,145**	2,301
	10,483	10,240

As at 31 March 2021, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

31 March 2021	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	£'000	£'000	£'000	£'000
Bank borrowings	8,338	-	-	-
Trade and other payables	10,977	-	-	-
Total amount due	**19,315**	-	-	-

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

31 March 2020	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	£'000	£'000	£'000	£'000
Bank borrowings	7,939	-	-	-
Trade and other payables	10,746	-	-	-
Total amount due	**18,685**	-	-	-

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Sensitivity to interest rate fluctuations

If the average interest rate payable on the net financial asset/net financial liabilities, subject to a floating interest rate during the year, had been 1% higher than reported on the average borrowings during the year, then profit before tax would have been £79,389 lower, and if the interest rate on these liabilities had been 1% lower, profit before tax would have improved by £79,389.

Credit risk

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 March 2019 and 1 January respectively, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors, and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement, amongst other things, are considered indicators of no reasonable expectation of recovery.

The Directors consider that after review the Group's trade receivables require an impairment for the year ended 31 March 2021 of £53,000 (2020: £172,000) which has been provided accordingly.

Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised at the balance sheet date of the reporting periods under review may also be categorised as follows:

	2021	2020
	£'000	£'000
Financial assets		
Loans and receivables		
Trade and other receivables	**5,630**	4,566
Cash and cash equivalents	**752**	1,996
	6,382	6,562
Financial liabilities:		
Financial liabilities measured at amortised cost		
Borrowings	**(8,338)**	(7,939)
Lease liabilities	**(1,543)**	(2,193)
Trade and other payables	**(9,422)**	(8,553)
Provisions for liabilities	**(42)**	(42)
	(19,345)	(18,727)
Net financial assets and liabilities	**(12,963)**	(12,165)
Plant, property and equipment	**2,060**	2,887
Goodwill	**29,789**	27,586
Other intangible assets	**799**	2,604
Contract assets	**619**	648
Prepayments	**426**	559
Deferred tax	**158**	104
Taxation payable	**474**	391
Provisions for deferred tax	**(113)**	(422)
	34,212	34,357
Total equity	**21,249**	22,192

Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

This is achieved through close management of working capital and regular reviews of pricing. Decisions on whether to raise funding using debt or equity are made by the Board based on the requirements of the business.

Capital for the reporting period under review is summarised as follows:

	2021	2020
	£'000	£'000
Total equity	**21,129**	22,192

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
• Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

31 March 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities	**£'000**	**£'000**	**£'000**	**£'000**
Deferred consideration	-	-	(1,236)	(1,236)
Net fair value	**-**	**-**	**(1,236)**	**(1,236)**

31 March 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities	**£'000**	**£'000**	**£'000**	**£'000**
Deferred consideration	-	-	(1,769)	(1,769)
Net fair value	**-**	**-**	**(1,769)**	**(1,769)**

There were no transfers between Level 1 and Level 2 in 2021 or 2020.

Measurement of fair value of financial instruments
The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the Group's reporting dates.

The following valuation techniques are used for instruments categorised in Levels 2 and 3:

- Contingent consideration (Level 3) – The fair value of put/call options and other deferred consideration related to acquisitions is estimated using a present value technique. The £1,236k fair value is estimated by probability-weighting the estimated future cash outflows, adjusting for risk and discounting at 11.5%. The probability-weighted cash outflows before discounting are £1,236k and reflect management's estimate of a 100% probability that the contract's target level will be achieved. The discount rate used is 11.5%, based on the Group's estimated incremental borrowing rate for unsecured liabilities at the reporting date, and therefore reflects the Group's credit position. The effects on the fair value of risk and uncertainty in the future cash flows are dealt with by adjusting the estimated cash flows rather than adjusting the discount rate.

The following table provides information about the sensitivity of the fair value measurement to changes in the most significant inputs:

Description	**Significant unobservable input**	**Estimate of the input**	**Sensitivity of the fair value measurement to input**
Put and call options and other deferred consideration	Probability of meeting target	100%	Not applicable

There are no significant interrelationships between the inputs and the unobservable inputs.

Level 3 fair value measurements
The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	Put/call options and other deferred consideration
	£'000
Balance at 1 April 2019	1,632
Amount recognised in profit or loss	137
Balance at 31 March 2020	1,769
Amount recognised in profit or loss	(533)
Balance at 31 March 2021	**1,236**

33. Post balance sheet events

There have been no reportable post balance sheet events since 31 March 2021.

Company Financial Statements

Company Profit and Loss account

	Note	2021 £'000	2020 £'000
Turnover		**-**	-
Administrative expenses	2	**(1,638)**	(24,847)
Operating loss	3	**(1,638)**	(24,847)
Income from fixed asset investment	4	**1,717**	2,400
Other income	4	**20**	166
Finance Costs	5	**(421)**	(487)
Loss on ordinary activities before taxation		**(322)**	(22,768)
Taxation on ordinary activities	6	**331**	(96)
Loss and total comprehensive income on ordinary activities after taxation	18	**9**	(22,864)

The accompanying Notes to the Parent Company Financial Statements form an integral part of these Financial Statements.

Company Balance Sheet

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	10	**1,242**	1,397
Investments	12	**34,714**	32,511
		35,956	33,908
Current assets			
Cash at bank		**12**	182
Debtors due within one year	13	**1,237**	1,417
		1,249	1,599
Current liabilities			
Creditors: amounts falling due within one year	14	**(21,540)**	(19,025)
Total assets less current liabilities		**15,665**	16,344
Non-current liabilities			
Creditors: amounts falling due after more than one year	15	**(840)**	(970)
Net assets		**14,825**	15,512
Capital and reserves			
Called up share capital	17	**34,992**	34,992
Share premium account	18	**10,088**	10,088
Treasury shares	19	**(25)**	(25)
Share option reserve	18	**-**	696
Capital redemption reserve	18	**125**	125
Profit and loss account	18	**(30,355)**	(30,364)
Equity shareholders' funds		**14,825**	15,512

The Financial Statements were approved by the Board of Directors and authorised for issue on 24 August 2021.

Signed on behalf of the board of Directors:

Andrew Fryatt
Director

The accompanying Notes to the Parent Company Financial Statements form an integral part of these Financial Statements.

Company Statement of Changes in Equity

	Called-up Share Capital £'000	Share Premium account £'000	Treasury Shares £'000	Share Option Reserve £'000	Capital Redemption Reserve £'000	Profit and loss account £'000	**Total £'000**
At 1 April 2019	34,992	10,088	(25)	838	125	(7,665)	38,353
Share-based payment charge	-	-	-	23	-	-	23
Transactions with owners	-	-	-	23	-	-	23
Profit for the year and total other comprehensive income	-	-	-	-	-	(22,864)	(22,864)
Transfer in relation to lapsed share options	-	-	-	(165)	-	165	-
Total comprehensive income	-	-	-	(165)	-	(22,699)	(22,864)
At 31 March 2020	34,992	10,088	(25)	696	125	(30,364)	**15,512**
At 1 April 2020	34,992	10,088	(25)	696	125	(30,364)	15,512
Share-based payment charge	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Profit for the year and total other comprehensive income	-	-	-	-	-	9	9
Transfer in relation to lapsed share options	-	-	-	(696)	-	-	(696)
Total comprehensive income	-	-	-	(696)	-	9	(687)
At 31 March 2021	34,992	10,088	(25)	-	125	(30,355)	**14,825**

The accompanying Notes to the Parent Company Financial Statements form an integral part of these Financial Statements.

Notes to the Parent Company Financial Statements

1. Accounting policies

Jaywing plc is incorporated in England and Wales.

Statement of compliance
These Financial Statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The Financial Statements have been prepared on a historical cost basis.

The Financial Statements are presented in Sterling (£) and have been presented in round thousands (£'000).

Going concern
In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

In addition to the normal process of preparing forecasts for the individual companies with the group and a consolidated position for the group, the board has also considered the potential impact of Covid-19 on the cash flows of the company for the assessed period to 31 March 2023. This has been done by looking at various scenarios within the forecasts for the potential effect of changes in the market during the forecast period.

Since March 2020, the economic impact of Covid-19 has resulted in revenue levels below those of the prior year, although we have been able to provide continuous service to our clients during this period. The Company has taken actions to protect both cash and profitability through this period, including voluntary salary reductions, rent deferrals and taking advantage of Government schemes for job retention and VAT payment deferral.

At the beginning of the financial year being reported, the impact of Covid-19 indicated the existence of a degree of uncertainty which cast significant doubt, as with many other organisations, about the Company's ability to continue as a going concern. The outcome for the year and the forecasts prepared by the business show that we do not consider there to be same level of uncertainty now as there was 12 months ago.

The Company continues to have the support of the debt holders with letters of support received.

The Company's financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern. The Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future and have concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Disclosure exemptions adopted
In preparing these Financial Statements, the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these Financial Statements do not include:

1. A statement of cash flows and related notes
2. The requirement to produce a balance sheet at the beginning of the earliest comparative period
3. The requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the Group as they are wholly owned within the Group
4. Presentation of comparative reconciliations for property, plant and equipment, intangible assets
5. Capital management disclosures
6. Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
7. The effect of future accounting standards not adopted
8. Certain share-based payment disclosures
9. Disclosures in relation to impairment of assets
10. Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value)
11. IFRS 9 disclosures in respect of allowances for expected credit losses reconciliations and credit risk and hedge accounting

12. IFRS 15 disclosures in respect of disaggregation of revenue, contract assets reconciliations and contract liabilities reconciliation and unsatisfied performance obligations

Investments in Subsidiaries, Associates and Joint Ventures
Investments in Subsidiary undertakings, Associates and Joint Ventures are stated at cost less any applicable provision for impairment.

Tangible assets
Property, plant and equipment (PPE) is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

PPE is subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis (unless otherwise stated) to write down the cost less estimated residual value of PPE. The following useful lives are applied:

- Leasehold improvements: 5-10 years
- Fixtures, fittings and equipment: 2-5 years
- Buildings: period of the lease

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets, and are recognised in profit or loss within other income or other expenses.

Financial Instruments - Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial Instruments - Classification and subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

• financial assets subsequently measured at amortised costs

There are no financial assets that have been designated as fair value through other comprehensive income, or fair value through profit or loss.

All financial assets are reviewed for impairment at least at each reporting date, to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial instruments – classification and subsequent measurement of financial liabilities
The Company's financial liabilities include borrowings, trade creditors and other creditors.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents
Cash comprises cash on hand and demand deposits, which is presented as cash at bank and in hand in the Balance Sheet.

Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the Balance Sheet.

Leases
The Company reports using IFRS 16, whereby the Company now recognises a lease liability and a right of use asset.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

If the Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect, then when adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

See note 11.

Financial guarantees
Financial guarantees in respect of the borrowings of fellow Group companies are not regarded as insurance contracts. They are recognised at fair value and are subsequently measured at the higher of:
- the amount that would be required to be provided under IAS 37 (see policy on provisions below); and
- the amount of any proceeds received net of amortisation recognised as income.

Provisions, contingent assets and contingent liabilities
Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required, and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Where the time value of money is material, provisions are discounted to their present values using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the liability.

Any reimbursement that is virtually certain to be collected from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Equity, reserves and dividend payments
Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity. Transaction costs on the issue of shares are deducted from the Share Premium Account arising on that issue. Dividends on the Company's ordinary shares are recognised directly in equity.

Income
Interest receivable
Interest receivable is reported on an accrual basis using the effective interest method.

Dividends receivable
Dividends are recognised at the time the right to receive payment is established.

Operating expenses
Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

Foreign currency translation
Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value, which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognised in other comprehensive income, the foreign exchange component of that gain or loss is also recognised in other comprehensive income.

Income taxes
Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Calculation of deferred tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period, that are expected to apply when the asset is realised, or the liability is settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover the related asset or settle the related obligation.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses, and specific limits on the use of any unused tax loss or credit. Deferred tax assets are not discounted.

Deferred tax liabilities are generally recognised in full, with the exception of the following:

- on the initial recognition of goodwill on investments in Subsidiaries, where the Company is able to control the timing of the reversal of the difference, and it is probable that the difference will not reverse in the foreseeable future, on the initial recognition of a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax liabilities are not discounted.

Post-employment benefits and short-term employee benefits

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Company expects to pay as a result of unused entitlement.

Post-employment benefit plans

Contributions to defined contribution pension schemes are charged to profit or loss in the year to which they relate. Prepaid contributions are recognised as an asset. Unpaid contributions are reflected as a liability.

Share-based payments

Where equity-settled share options are awarded by the Parent Company to employees of this Company, the fair value of the options at the date of grant is charged to profit or loss over the vesting period with a corresponding entry in Retained Earnings.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Profit from operations

Profit from operations comprises the results of the Company before interest receivable and similar income, interest payable and similar charges, corporation tax and deferred tax.

Put/call options

The put/call option in Frank Digital PTY has been valued by an independent assessor and are recognised with both a service and non-service element in the accounts. The non-service element is fully recognised as at the date of acquisition and the fair value reviewed annually. The service element is treated as a cash-settled share-based payment with the share-based payment valued at the point of inception and the cost being spread over the life of the asset.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Significant judgement in applying accounting policies and key estimation uncertainty
When preparing the Financial Statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the Financial Statements.

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Valuation of investments
Management reviews the carrying value of investments at each reporting date, based on the future cash flows of those investments.

2. Other operating charges

	2021	2020
	£'000	£'000
Share-based payment credit	**(587)**	(227)
Related National Insurance credit	**(109)**	(42)
Impairment of carrying value of investment	**-**	19,274
Put / Call Valuation	**(120)**	-
Administrative expenses	**2,454**	5,842
Total administrative expenses	**1,638**	24,847

3. Operating loss

	2021	2020
	£'000	£'000
Operating loss is stated after charging:		
Depreciation of owned fixed assets	**58**	74
Depreciation of right of use assets	**169**	169
	227	243

4. Income from fixed asset investments

	2021	2020
	£'000	£'000
Dividends received from subsidiary companies	**1,717**	2,400

Other income of £20k (2020: £166k) is from furlough receipts (2020: recharges to Group companies for buildings and printers).

5. Finance costs

	2021	2020
	£'000	£'000
Bank interest payable	**403**	423
Interest on lease liability	**44**	51
Finance charge on acquisition	**(26)**	13
Total	**421**	487

6. Tax on ordinary activities

The tax credit / (charge) is based on the profit for the year and represents:	**2021**	2020
	£'000	£'000
UK corporation tax at 19% (2020: 19%)	**408**	931
Adjustment in respect of prior period	**(55)**	(1,039)
Total current tax	**353**	(108)
Deferred tax:		
Origination and reversal of timing differences	**(22)**	12
	331	(96)

The tax credit can be explained as follows:	**2020**	2020
	£'000	£'000
Loss before tax	**(322)**	(22,768)
Tax using the UK corporation tax rate of 19% (2020: 19%)	**(61)**	(4,325)
Effect of:		
Non-taxable income	**343**	(422)
Non-deductible expenses / credit	**(6)**	3,612
Prior year adjustment	**55**	1,039
Current year credit	**331**	(96)

7. Auditor's remuneration

Details of remuneration paid to the auditor by the Company are shown in Note 7 to the Consolidated Financial Statements.

8. Directors and employees

	2021	2020
Average number of staff employed by the Company	**17**	33

	2021	2020
Aggregate emoluments (including those of Directors):	**£'000**	£'000
Wages and salaries	**788**	2,800
Social security costs	**101**	279
Pension contribution	**52**	182
Share-based payment credit	**(696)**	(269)
Total emoluments	**245**	2,992

Further information in respect of Directors is given in the Directors' Remuneration table on page 17.

Remuneration in respect of Directors was as follows:

	2021	2020
	£'000	£'000
Emoluments receivable	**277**	733
Fees paid to third parties for Directors' services	**27**	30
Company pension contributions to money purchase pension schemes	**13**	87
	317	850

The highest paid Director received remuneration of £203,000 (2020: £257,000).

9. Dividends

The Directors do not recommend the payment of a dividend for the current year (2020: £Nil).

10. Tangible fixed assets

	Buildings	Leasehold Improvements	Fixtures & fittings	Total
	£'000	**£'000**	**£'000**	**£'000**
Cost at 1 April 2020	1,147	389	388	1,924
Additions	-	-	73	73
Disposals	-	-	(102)	(102)
Cost at 31 March 2021	**1,147**	**389**	**359**	**1,895**
Depreciation at 1 April 2020	143	120	264	527
Charge for the year on owned assets	-	41	17	58
Disposals	- -	-	(101)	(101)
Charge on right of use assets	143	-	26	169
Depreciation at 31 March 2021	**286**	**161**	**206**	**653**
Net book value at 31 March 2021	**861**	**228**	**153**	**1,242**
Net book value at 31 March 2020	**1,004**	269	124	1,397

11. Leases

The company has lease contracts for the office occupied in Sheffield and printers. The amounts recognised in the financial statements in relation to the leases are as follows:

(i) Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	2020	2020
	£'000	£'000
Right of use assets		
Buildings	**861**	1,005
Plant and machinery	**78**	104
	939	1,109
Lease liabilities		
Current	**169**	162
Non-current	**840**	970
	1,009	1,132

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2021	2020
	£'000	£'000
Depreciation charge of right of use assets		
Buildings	**143**	143
Plant and machinery	**26**	26
	169	169
Interest expense (included in finance cost)	**44**	51

12. Investments

	Subsidiaries £'000
Cost at 1 April 2020	58,915
Additions	2,203
Cost at 31 March 2021	**61,118**
Impairment at 1 April 2020	26,404
Impairment in year	-
Impairment at 31 March 2021	**26,404**
Net book value at 31 March 2021	**34,714**
Net Book Value at 31 March 2020	**32,511**

The Company has carried out an impairment review of the carrying amount of the investments in Subsidiaries. The impairment review of investments was performed using the same cash flows and assumptions as were used in the Group's Financial Statements for the impairment review of goodwill, details of which can be found in Note 14 in the Group's Financial Statements. This review has concluded that no impairment was required to the carrying value of the Company's investments (2020: £19,274k).

Jaywing plc acquired the remaining 25% of Massive Group PTY on 21 October 2020 after the remaining shareholders exercised their put option. The 25% stake was acquired for $4.0m (£2.2m), the total consideration for the purchase of the 100% interest was $9.6m (£5.4m). At 31 March 2021 an amount of £0.3m was outstanding to the original shareholders. This amount was fully paid by 30 June 2021.

At 31 March 2021 the Company held either directly or indirectly, 20% or more of the allotted Share Capital of the following companies:

		Proportion held		
	Class of share capital held	**By parent Company**	**By the Group**	**Nature of Business**
Alphanumeric Group Holdings Limited	Ordinary	100%	100%	Dormant
Alphanumeric Holdings Limited	Ordinary	-	100%	Dormant
Alphanumeric Limited	Ordinary	100%	100%	Data services & consultancy
Bloom Media (UK) Limited	Ordinary	100%	100%	Dormant
Dig for Fire Limited	Ordinary	-	100%	Dormant
Digital Marketing Network Limited	Ordinary	100%	100%	Dormant
Digital Media and Analytics Limited	Ordinary	100%	100%	Dormant
DMG London Limited	Ordinary	100%	100%	Dormant
Epiphany Solutions Limited	Ordinary	100%	100%	Search Engine Optimisation
Frank Digital PTY Limited	Ordinary	75%	75%	Website design and build
Gasbox Limited	Ordinary	100%	100%	Non-trading
Hyperlaunch New Media Limited	Ordinary	100%	100%	Dormant
Inbox Media Limited	Ordinary	-	100%	Dormant
Iris Associates Limited	Ordinary	-	100%	Dormant
Jaywing Central Limited	Ordinary	100%	100%	Online marketing & media
Jaywing Information Limited	Ordinary	100%	100%	Dormant
Jaywing Innovation Limited	Ordinary	100%	100%	Product development
Jaywing North Limited	Ordinary	100%	100%	Dormant
Massive Group PTY Limited	Ordinary	100%	100%	Search Engine Optimisation
Jaywing UK Limited (formerly Scope Creative Marketing Limited)	Ordinary	100%	100%	Direct marketing
Shackleton PR Limited	Ordinary	-	100%	Dormant
The Comms Department Limited	Ordinary	-	100%	Dormant
Woken Limited	Ordinary	-	100%	Dormant

All the companies listed above have been consolidated.

All the companies listed above are incorporated in England and Wales with the following exceptions:

Company	Country of Incorporation	Address
Frank Digital PTY Limited	Australia	2 Elizabeth Plaza, North Sidney, NSW 2060
Massive Group PTY Limited	Australia	2 Elizabeth Plaza, North Sidney, NSW 2060

The companies incorporated in England and Wales all have their registered office at Albert Works, Sidney Street, Sheffield, S1 4RG. The companies incorporate in Australia all have their registered office at 2 Elizabeth Plaza, North Sydney, NSW 2060.

13. Debtors due within 1 year

	2021 £'000	2020 £'000
Amounts due from Group undertakings	**58**	58
Prepayments	**262**	173
Other taxation and social security	**-**	243
Deferred tax	**34**	12
Corporation tax	**883**	931
	1,237	1,417

Amounts due from Group undertakings attract no interest and are repayable on demand.

14. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Borrowings (Note 16)	**8,338**	7,939
Trade creditors	**335**	343
Amounts owed to Group undertakings	**10,270**	8,170
Other taxation and social security	**913**	74
Other creditors	**13**	47
Accruals	**266**	521
Lease liability	**169**	162
Deferred consideration payable on acquisition of subsidiary undertakings	**1,236**	1,769
	21,540	19,025

Deferred consideration includes put/call options and other deferred consideration which has increased in the year due to fair value movements of £31k, plus releases against the other deferred considerations of £496k.

Amounts owed to Group undertakings attract no interest and are repayable on demand.

15. Creditors: amounts falling due in more than one year

	2021 £'000	2020 £'000
Lease liability	**840**	970

16. Borrowings

	2021	2020
	£'000	£'000
Summary:		
Borrowings	**8,338**	7,939

Borrowings are repayable as follows:	**2021**	2020
	£'000	£'000
Within one year:		
Borrowings	**8,338**	7,939
Total due within one year	**8,338**	7,939

As the loans are at variable market rates their carrying amount is equivalent to their fair value.

Interest is calculated at 3 month LIBOR plus a margin. The reduction in the LIBOR rate over the last year has led to a reduction in the underlying rate of interest payable on the loan.

17. Share capital

Allotted, issued and fully paid:

	45p deferred shares	5p ordinary shares	
	Number	Number	**£'000**
At 31 March 2020	67,378,520	93,432,217	**34,992**
At 31 March 2021	67,378,520	93,432,217	**34,992**

The 5 pence ordinary shares have the same rights (including voting and dividend rights and rights on a return of capital) as the previous 50 pence ordinary shares. Holders of the 45 pence deferred shares do not have any right to receive notice of any General Meeting of the Company or any right to attend, speak or vote at any such meeting. The deferred shareholders are not entitled to receive any dividend or other distribution and shall, on a return of assets in a winding up of the Company, entitle the holders only to the repayment of the amounts paid up on the shares, after the amount paid to the holders of the new ordinary shares exceeds £1,000,000 per new ordinary share. The deferred shares are also incapable of transfer and no share certificates have been issued in respect of them.

18. Reserves

Called-up Share Capital – represents the nominal value of shares that have been issued.

Share Premium Account – includes any premiums received on issue of Share Capital. Any transaction costs associated with the issuing of shares are deducted from Share Premium.

Profit and Loss Account – includes all current and prior period retained profits and losses.

Share Option Reserve – fair value charge for share options in issue.

Treasury Shares – shares in the company that have been acquired by the company.

Capital Redemption Reserve – represents amounts transferred from Share Capital on redemption of issued shares.

19. Treasury shares

	2021	2020
	£'000	£'000
At 31 March 2021 and 31 March 2020	**25**	25

20. Share-based payments

Share-based payment credit is as follows:

	2020	2020
	£'000	£'000
Share-based payment	**(587)**	(227)
Related National Insurance costs	**(109)**	(42)
	(696)	(269)

21. Provision for liabilities

	Deferred tax (Note 6) £'000
At 1 April 2020	12
Amounts of deferred tax recognised in profit or loss	22
At 31 March 2021	34

22. Contingent liabilities

There is a cross guarantee between members of the Jaywing plc group of companies on all overdrafts and borrowings with the group's lenders. At 31 March 2021 the amount thus guaranteed by the company was £nil (2020: £nil).

23. Related parties

The Company is exempt from the requirements of FRS 101 to disclose transactions with other 100% members of the Jaywing plc group of companies.

Transactions with other related parties are disclosed in Note 30 to the Consolidated Financial Statements.

24. Financial risk management objectives and policies

Details of Group policies are set out in Note 32 to the Consolidated Financial Statements.

25. Retirement benefits

Defined Contribution Schemes

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £52,000 (2020: £182,000).

26. Share-based payments

Employees of the Company were entitled to participate in an equity and cash-settled share option scheme in the financial year to March 2020. The scheme was terminated in October 2020, at which point all outstanding options lapsed

The options were granted with a fixed exercise price and had a vesting period of up to two years. The vesting conditions related to the performance of the overall Jaywing plc Group and continued employment during the vesting period. There were no other market conditions attached to the share options.

The number of options outstanding at the end of the year in respect of Company employees was nil (2020: 1,489,025).

Shareholder Information

General Meeting
A General Meeting will be held on Tuesday 21st September 2021 at the offices of Jaywing plc, Albert Works, Sidney Street, Sheffield, S1 4RG at 12:30pm.

Dividend
There is no dividend payable.

Multiple accounts on the shareholder register
If you have received two or more copies of or notifications about this document, this means that there is more than one account in your name on the Shareholders Register. This may be caused by your name or address appearing on each account in a slightly different way. For security reasons, the Registrars will not amalgamate the account without your written consent, so if you would like any multiple accounts to be combined into one account, please write to Link Asset Services at the address given below.

Documents
The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the General Meeting from at least 15 minutes prior to the meeting until its conclusion.

- Copies of the Executive Directors' service agreements and the Non-Executive Directors' letters of appointment;
- The memorandum and articles of association of the Company; and
- Register of Directors' interests in the Share Capital of the Company maintained under Section 809 of the Companies Act 2006.

Particulars of the Directors' interest in shares are given in the Remuneration Report, which is contained in the Report and Accounts for the year ended 31 March 2021.

Issued Share Capital
As at 10 August 2021 (being the last practicable date before the publication of this document), the Company's issued Share Capital comprised 93,432,217 ordinary shares of 5p each, of which 99,622 are held in Treasury. Therefore, as at 28 July 2021 the total voting rights in the Company were 93,432,217. On a vote by show of hands, every member who is present in person or by proxy has one vote. On a poll, every member who is present in person or by proxy has one vote for every ordinary share of which he or she is a holder.

Shareholder enquiries
Neville Registrars Limited maintain the register of members of the Company. If you have any queries concerning your shareholding, or if any of your details change, please contact the Registrars:

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen, B62 8HD

Shareholder Helpline: 0121 5851131, fax: 0121 5851132.
Website address www.nevilleregistrars.co.uk

Website
Information on the Group is available at https://investors.jaywing.com.

Company Information

Registered Office
Albert Works
71 Sidney Street
Sheffield
S1 4RG

Registered Number: 05935923
Country of incorporation: England

Auditor
Grant Thornton UK LLP
1 Holly Street
Sheffield
S1 2GT

Nominated adviser and broker
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2R 7AS

Registrars
Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

Solicitors
Fieldfisher LLP
No 1 Spinningfields
Hardman Street
Manchester
M3 3EB

Company Secretary
Caroline Ackroyd
Albert Works
71 Sydney Street
Sheffield
S1 4RG