Developing
our audience

Diversifying
our revenue

Focusing
on efficiency

Reach

Annual Report 2023

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Disclaimer
This Annual Report is sent to shareholders who have elected to receive a hard copy and is available on our website www.reachplc.com for those shareholders who have elected to receive a copy electronically. In this document, references to 'the Group', 'the Company', 'we' or 'our' are to Reach plc and its subsidiaries. A reference to a year expressed as 2023 is to the 53 weeks ended 31 December 2023 and a reference to a year expressed as 2022 is to the 52 weeks ended 25 December 2022. Where we reference 'like-for-like', we are comparing a 52 week period. References to 'the year' and 'the current year' are to 2023 and references to 'last year' and 'the prior year' are to 2022. The Annual Report contains forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and future assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results and outcomes to differ materially from those expressed in or implied by the forward looking statements. No assurance can be given that the forward-looking statements will be realised. Statements about the directors' expectations, beliefs, hopes, plans, intentions and strategies are inherently subject to change and they are based on expectations and assumptions as to future events, circumstances and other factors which are in some cases outside the Company's control. The Annual Report has been prepared on the basis of the knowledge and information available to directors at the date of its preparation and the Company does not undertake any obligation to update or revise the information during the financial year ahead. It is believed that the expectations set out in these forward-looking statements are reasonable, but they may be affected by a wide range of variables which could cause actual results or trends to differ materially. The forward-looking statements should be read in the context of the principal risk factors set out in the Strategic Report.

DEVELOPING OUR AUDIENCE

Page 7

How we have responded to a major shift in online traffic trends by strengthening our secure audience and deepening our relationship with new demographics.

DIVERSIFYING OUR REVENUE

Page 9

How we're generating income beyond advertising with new revenue streams such as ecommerce and affiliates, while ensuring our printed products continue to drive revenue.

FOCUSING ON EFFICIENCY

Page 11

How we're equipping ourselves for success in a challenging and competitive market by managing our cost base carefully and organising ourselves to better serve a digital audience.

OUR PURPOSE

To enlighten, empower and entertain through brilliant journalism

Every day, our brands deliver the latest news, entertainment and sport to communities throughout the UK and Ireland and around the world.

Each of our trusted titles is a platform to represent and campaign for the voices of the communities we serve and to hold power to account.

We're proudly mainstream and believe in giving our audiences something to smile about as part of a well-curated mix of light and shade.

Our purpose is:

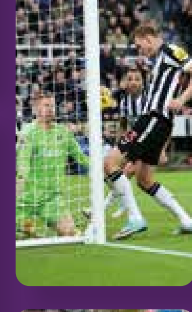
Delivered by our people P.40

Strengthened by our strategy and our business model P.16

Supported by our responsible business framework P.30

Measured by our KPIs, which are linked to remuneration P.20 P.104

TOGETHER, WE'RE BUILDING A SUSTAINABLE FUTURE FOR OUR BRANDS.



ENTERTAIN

See more examples of our purpose in action on page 34

REACH IN NUMBERS

FINANCIAL

Revenue
£568.6M
2022: £601.4M

Digital revenue
£127.4M
2022: £149.8M

Adjusted operating profit[1]
£96.5M
2022: £106.1M

Statutory operating profit
£46.1M
2022: £71.3M

Adjusted earnings per share – basic[1]
21.8P
2022: 27.1P

Statutory earnings per share – basic
6.8P
2022: 16.8P

Net (debt)/cash
£(10.1)M
2022: £25.4M

Dividend per share
7.34P
2022: 7.34P

NON-FINANCIAL

Trusted brands
120+

Audience size ranking for UK and Ireland publishers
#1

UK online population reached (average monthly reach 2023)
72%

Monthly print and online audience
47M

Digital property in the UK
6TH LARGEST

Registered customers[2]
12.3M

Customers choosing a Reach brand for local news (average monthly)
27.8M

Engagement from secure and data-driven audience
UP 5% YOY

1. Our financial statements disclose financial measures which are required under IFRS. We also report additional financial measures that we believe enhance the relevance and usefulness of the financial statements. These are important for understanding underlying business performance. Statutory figures are shown for comparative purposes where they differ from adjusted figures. See notes 3 and 35 to the consolidated financial statements.
2. Registered customers are customers who have provided an email address and/or phone number in order to receive a service.

Chairman's statement

DRAWING A LINE BETWEEN PAST AND FUTURE

Nick Prettejohn
Chairman

The changing media world

We saw big changes in the media and wider digital industry in 2023 – and significant challenges. Most major media organisations at home and abroad, including Reach, had to contend with the dual pressures of low consumer confidence and the dominance of large tech platforms in deciding how or even if they would make news available to people.

Against this backdrop, the Board and I believe that the management team has responded appropriately to these trends and made the right plans for the future, enabling the business to cover financial obligations and support strategic investment.

Update on pensions and historical legal issues

In 2023, we oversaw the business as it navigated and made significant progress in resolving several long-standing questions. Following years of preparation and a very carefully considered decision to go to trial, we were able to draw a line under our long-standing historical legal issues.

The judgment we received in December 2023 represents a watershed moment for us. Most importantly it has given us clarity around time limitation for any future claims, allowing the business to plan with more certainty for the future.

In October, we were able to conclude the 2019 triennial valuation for the MGN pension scheme, and at the same time concluded its 2022 triennial valuation. Discussions are ongoing with the Group's other schemes regarding the 2022 triennial valuations and are expected to be concluded satisfactorily by the 31 March 2024 due date.

These have been difficult, painful and long-standing issues for all those involved, both in the Company and those who have been affected by them. Resolving them has been hard work for many, but the greater certainty for the business is real progress.

Strategy

We are encouraged by the business's progress this year in diversifying its revenue, ensuring that our ad-based model is supported and strengthened by multiple income streams. Affiliates and ecommerce have both shown promising growth, as we have built on our early success with the OK! Beauty Box and explored several new opportunities.

It was also good to see our three US sites launching on schedule and building their audiences as planned – an important step in strengthening our customer base.

In Q4, we approved additional investment to key areas including video, ecommerce and affiliates, as well as further focus on the youth and lifestyle audience.

We will also continue to invest in our successful in-house ad-tech tool Mantis, which we originally launched in 2019 and have steadily expanded on. Powered by machine learning, Mantis has proven to be a valuable tool for a range of uses, including brand safety, contextual advertising and driving page views by recommending suitable content to our audiences.

The Board and I recognise the importance of continuing to assess and challenge strategic progress, especially against the backdrop of a rapidly shifting landscape.

Regulatory developments

Our CEO Jim Mullen completed his last year as chair of the News Media Association (NMA) Board in 2023, a year when we and the rest of the industry saw positive movement on several pieces of key media legislation,

Chairman's statement continued

including the Online Safety Bill and the repeal of Section 40 of the Crime and Courts Act. Crucially in 2023, we watched the Digital Markets Bill continue to take shape. As this Bill progresses through Parliament, we hope it will provide rules of engagement that will bring clarity and transparency to our dealings with tech platforms, particularly around the value of our content. Reach will continue to work both with Government and opposition to lobby for a fair playing field for news in the digital landscape.

Innovative journalism

We remain driven by our core purpose to enlighten, empower and entertain our audiences. While awards aren't the only marker of our success, it was nonetheless gratifying to see our teams continue to be recognised for their work in 2023, often on an international scale. For example, the International News Media Awards (INMA) recognised the Manchester Evening News for its Awaab Ishak investigation, and the Cannes Lion International Festival of Creativity gave the Daily Star a Bronze PR award for its viral sensation 'Lettuce vs Liz Truss' campaign. Closer to home, our journalists continued to win multiple awards, with our local colleagues in particular regularly sweeping the categories.

We were also noticed for work which saw our people exploring new territory – for example, the multi-award-winning WhatsApp communities project from our social team, which pioneered a new and effective way of engaging with people. This drive to innovate and reinvent how we deliver our content deserves to be celebrated.

I am always heartened to see the very real impact our campaigning journalism has every year, both nationally and locally – a reminder that the work this business does matters. While campaigns are often a labour of love for months or even years, sometimes they hit the mark quickly, as we saw with the Mirror's campaign last summer which successfully halted the closure of rail station ticket offices. For more campaigning journalism highlights of the year, see page 34.

Responsible business

We continued to strengthen our commitment to being a responsible business, building on the excellent work done in 2022 when we introduced a new formal framework. In 2023, we made further progress in our environmental efforts, in particular putting the reporting and data in place that will pave our path to net zero. A significant step was taken towards this goal in 2023 when our three print sites all completed work on installing 9,000sq m of solar panels that will reduce both our carbon footprint and our dependence on external energy providers.

We also continued to work on being a more inclusive business. At Board level, I am proud to have achieved our 30% Club commitment to a better gender and ethnicity balance on the Board. However, I acknowledge that this is only a starting point and that, while Reach's executive management team has also fulfilled its pledge of achieving 30% women in its makeup, it has yet to achieve its ethnicity targets – this is an area we are committed to improving.

Across the wider business, we continued to make progress in making Reach more responsible, such as by providing greater support to colleagues regarding menopause and accessibility, and we were proud to see our efforts recognised when we were ranked #19 in the Inclusive Companies list.

Our teams

In 2023, the Board oversaw the implementation of a continued push to carefully manage our costs, a decision that involved reducing the size of most of our teams. While we agreed this was a necessary step to safeguard the future of our business and our journalism, we recognise that such changes are enormously difficult for all our people. We worked closely with management to understand the impact of these changes and encouraged direct communication with employees, via several in-person meetings across Reach sites.

Board changes

Darren Fisher joined the Board as Chief Financial Officer in February 2023, joining us from ITV plc where he was Group Director of Finance. He has brought a strong set of financial, operational and strategic skills to the Board, experience which will benefit the Group. For more on changes to the Board this year, see page 75.

Dividend

The Board proposes a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence per share), which follows the interim dividend of 2.88 pence. In proposing the final dividend, the Board has considered all investment requirements and its funding commitments to the defined benefit pension schemes.

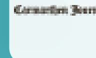
Moving forward

Over the coming months, we expect to see continuing shifts in audience and tech platform behaviour but we will be ready to adapt to those changes. The work we have done in 2023 has put us in a strong position to face the challenges 2024 may bring, and to consolidate our position as a leading digital publisher.

The Board and I would like to thank everyone at Reach for another year of outstanding work under very challenging circumstances. The talent and dedication we continue to see is a powerful reminder of the strength of our purpose as we work together to ensure the future of our journalism.

Nick Prettejohn
Chairman

5 March 2024



We're Reach plc, the largest commercial news publisher in the UK and Ireland. We're home to more than 120 trusted brands, from national titles including the Mirror, Express, Daily Record and Daily Star, to local brands like WalesOnline, BelfastLive and the Manchester Evening News. Every month, 72% of the online UK population come to us for news, entertainment and sport they can trust. As a proudly mainstream publisher, we connect people everywhere with what's going on in their area and throughout the world.

Brands across UK & US
120+

We reach
85%
of the regional news audience monthly

We reach
72%
of the online UK audience monthly

A POWERFUL PORTFOLIO

DEVELOPING OUR AUDIENCE

Securing our digital distribution

While we still by some distance command the largest audience of any news publisher in the UK and Ireland, we contended with several dramatic shifts in online traffic trends in 2023.

We responded to these challenges by focusing on areas within our control, driving our Customer Value Strategy (CVS) to maximise the 'secure' audience we reach directly and by strengthening our search engine optimisation (SEO) capability to make our online content more visible to searchers.

We also successfully grew our secure audience by focusing on distribution channels we can control. For example we began using WhatsApp groups around key topics and brands, reaching over 1m subscribers in just seven months.

We now have over 9.1m sign-ups from people to receive content to their devices via these secure channels, including newsletters, WhatsApp and push notifications.

Widening our appeal

2023 saw us leverage our expertise in reaching a mass audience by expanding our operations in the US with the launch of three '.com' sites to a massive and largely untapped audience.

We also grew our relationship with and data-led understanding of key demographics, in particular the youth audience, to support our Customer Value Strategy. Our youth-oriented brand Curiously has attracted a healthy following (250k TikTok followers as of January 2024), and has also provided a valuable testing ground for our established brands. For example, we applied learnings from Curiously to the Mirror TikTok channel, which by the end of the year had secured 360k followers, up from 66k in January 2023.

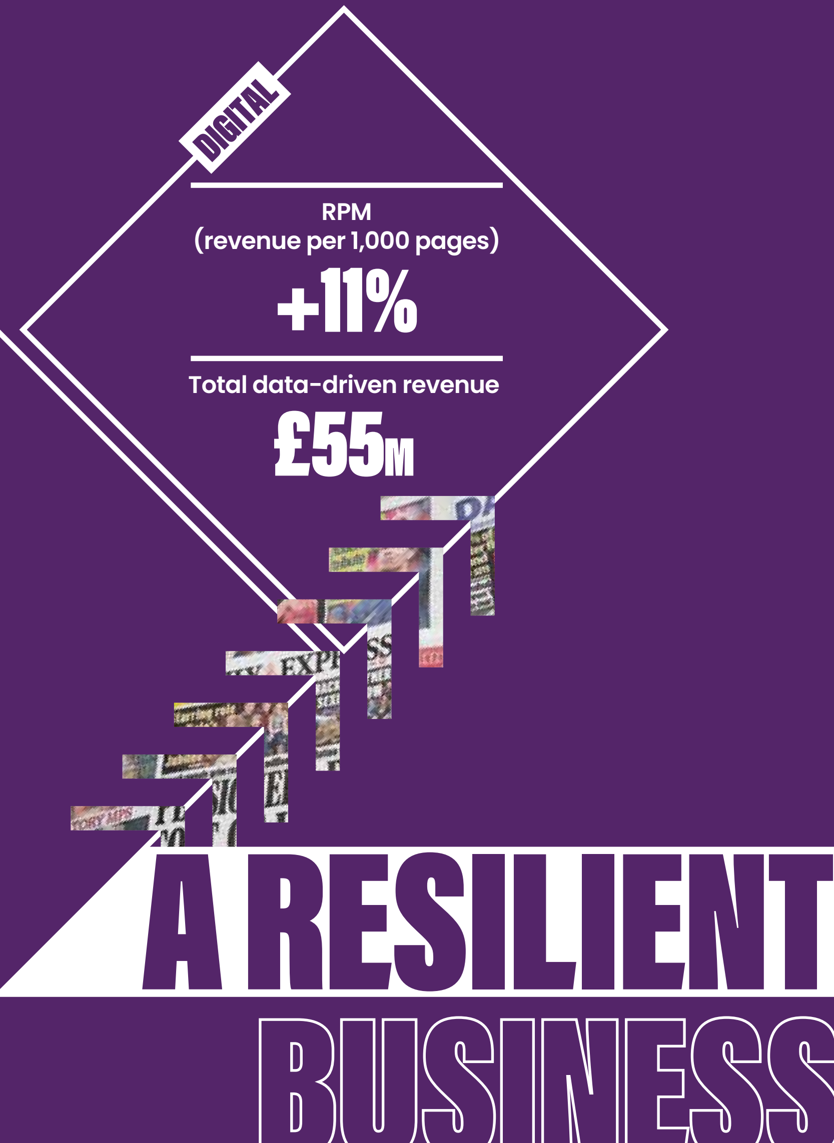
We will further develop our youth and video proposition in 2024 with our newly created multimedia Studio team.

And we continued our work to reach previously under-served audiences via our Belonging Project, which holds every regional newsroom and the Mirror accountable for producing more inclusive content and reaching more segments of the communities they serve – read more on page 43.

9.1m
Sign-ups to secure channels (newsletters, WhatsApp, push notifications)

We have the largest Arsenal WhatsApp channel globally, with over 600,000 members

A RESILIENT BUSINESS



The habitual nature of newspaper consumption means we continue to see reliable but falling demand for our printed products. We still sell hundreds of thousands of our print products every day.

Part of our strategy is to maintain this considerable revenue stream and profit generator for as long as possible. This is achieved by carefully managing the levels of publication availability across the country and undertaking carefully planned price increases and promotional activity. We benefit from a significant amount of data and expertise in these areas which help achieve the optimal changes. Whilst availability varies by geography and publication, it averages for the Group at over 85%. We periodically increase the cover prices, and over 2023 we increased these an average of 14% per title, ahead of 4% inflation. These actions have more than offset the 17% volume decline, driving an increase in overall circulation revenues.

We also work hard to manage our cost base to address the challenges from falling volumes and inflation. Our print business is run by highly experienced production teams who excel in evolving production systems, procurement and planning our distribution network. These actions have helped address the rising unit costs of production and maintained the strong profitability of the print business. This means we have been able to successfully ensure that print revenues and profitability remain resilient.

DIVERSIFYING OUR REVENUE

While print remains important, both as a revenue stream and as a source of trusted news for millions of readers, our overall direction of travel continues steadily towards digital. Using the Customer Value Strategy (CVS) as our guide, and now with over 12.3m registered customers, we continue to explore ways to drive further resilience.

Affiliates and ecommerce

Our affiliates business allows us to work with ad partners to produce quality content directing readers to purchase, earning us steady non-advertising revenue. Over the past three years, our affiliates revenues have doubled, demonstrating the benefit of relevant content – especially across the Black Friday period where revenue was up 90% versus last year.

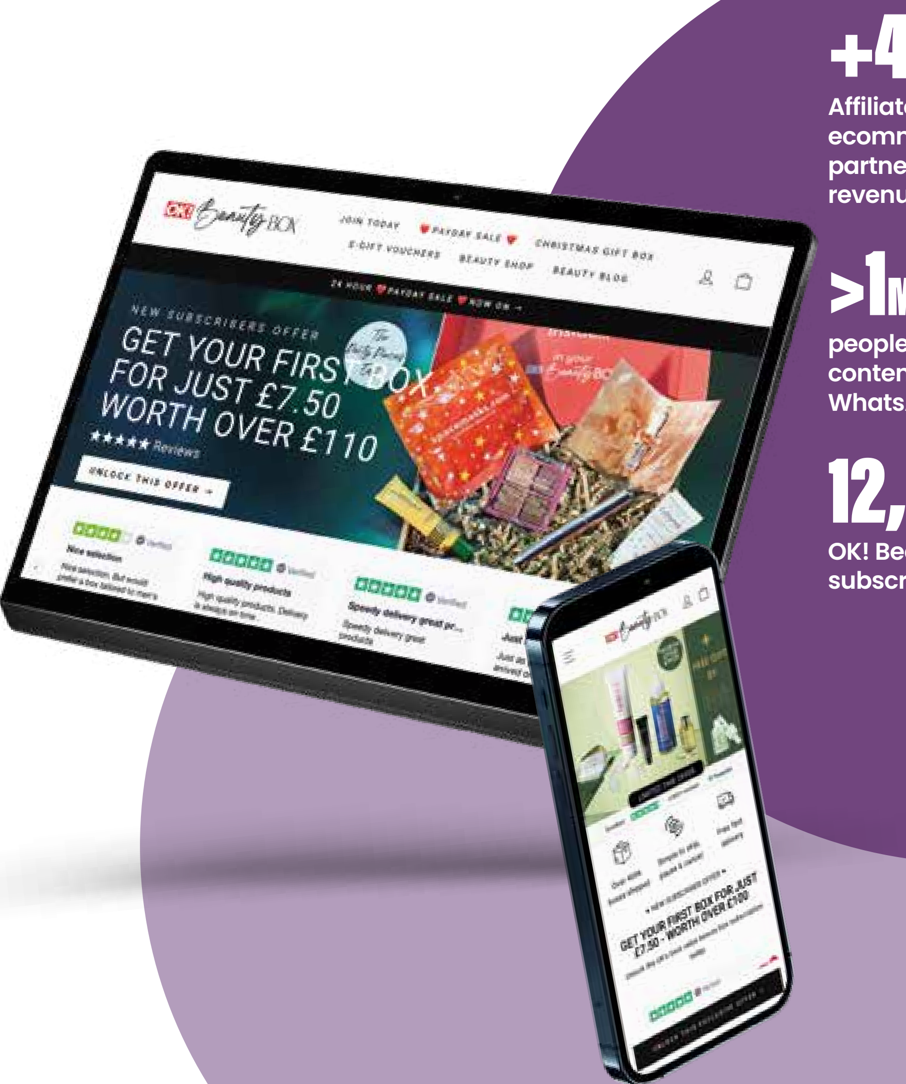
We also continue to drive our ecommerce business, for example with our OK! Beauty Box, an early CVS initiative which now has circa 12k subscribers.

Mantis B2B

Through 2023 we continued to refine our AI-powered ad tech tool, Mantis, in order to open up a further B2B revenue stream. In past years we have successfully licensed Mantis for its brand safety capabilities. We have now tested and built up its first-party data contextual targeting capabilities, an element that will be more important in 2024 and beyond thanks to Google's well-publicised deprecation of third-party cookies. In 2023 we invested in this in-house tech to support a bigger B2B licensing business in 2024.

Audience diversification

And we continue to diversify our audience and strengthen our video capabilities to reach more of the youth market and take better advantage of the branded social opportunity. For more on this, see page 7.



+45%
Affiliates/ ecommerce/ partnerships revenue growth

>1M
people receiving content by WhatsApp

12,000
OK! Beauty Box subscribers

A PROACTIVE APPROACH

↓ £20m
Estimated reduction in historical legal issue costs

↓ c.£40m
Estimated reduction in pension obligations in 2028

43%
Data-driven revenues

11%
RPM increase

Both our business and more broadly our sector are constantly evolving and each year we are faced with new challenges. However, we consistently prove ourselves adept at weathering difficulties, delivering against our commitments and adapting to change.

Resolving past uncertainties

In 2023 we made significant progress in resolving two long-standing issues, both with material benefits. Firstly we were able to reach agreement on our outstanding pension valuation with the MGN pension scheme, avoiding costly regulatory intervention and providing clarity that these financial obligations will in the main unwind in early 2028.

After a lengthy legal process we have also been able to achieve clarity around our historical legal issues. December's judgment on time limitation has materially reduced our expected obligations and, barring exceptional circumstances, brought an end to any future claims.

Moving forward to digital-first

In 2023 we delivered a 5.7% reduction in operating costs (on a like-for-like basis) and in November announced a similar 5-6% reduction for 2024. These savings decisions, while never easy, are made to support the future of our business.

A guiding principle behind these changes was the need to more firmly orientate our newsrooms and wider organisation towards our digital audience. This meant considering online behaviour in all of our decisions – topics, timing, format – and rethinking how we tell every story in today's digital landscape.

Initiatives include the automation of our content management system (CMS) so journalists can save time uploading stories, sharing more content across brands, and organising teams for maximum impact. For example we have brought together our video and audio talent into one Studio team, to produce content for both our editorial brands and commercial partners and to better support the branded content revenue opportunity.

Responsible cost management

We have a proven track record in meeting challenges and managing costs responsibly, as evidenced over the past few years.

In 2020 we undertook a transformation programme to reshape the Group into a more efficient organisation, and as part of this closed two of our print plants. These decisions are always carefully weighed, but when well executed allow us to mitigate the structural decline in print and ensure we have a sustainable unit cost of production.

In 2021, we adopted a hybrid working model, following employee feedback largely in favour of retaining more remote working options post-Covid. This allowed us to streamline our property portfolio and reduce those costs, while also providing many of our teams with greater flexibility.

During 2022, high levels of inflation drove an unprecedented increase in like-for-like newsprint costs (+£40m). In response, we identified numerous ways to optimise costs, for example by changing print pagination and supply as well as managing availability to reduce the volume of unsold copies.

In 2023, we took a number of actions to support our 5.7% (like-for-like) operating cost reduction, across several areas. As a content business that deals in ideas and creativity, it is unsurprising but no less challenging that our workforce represents around half of our operating cost base. Therefore reducing the headcount, as we have done across all areas of the business, has been a necessary step in our cost management. However we also carefully reviewed our costs in several other key areas in 2023, from property to energy to distribution.

For example we undertook a review of our primary and secondary distribution plans, reducing costs by consolidating routes and sharing vans across both our own and third-party publications. Print production accounts for 13% of our costs so we continuously review our supply chain, from raw materials through to production planning, to drive incremental savings.

We also reassessed our real estate portfolio in 2023, analysing how our spaces have been used since we introduced hybrid working, and decided to replace two larger and underused spaces with smaller offices. This has enabled us to manage our costs while still providing teams with flexibility and a place to work or collaborate when needed.

In addition we installed solar panels at all three of our print sites in 2023, which will mitigate some of the increases we have seen in energy costs – more on these on page 47. Through these changes and alongside steady Customer Value Strategy progress, we are able to meet our obligations as well as position the business for the future.

FOCUSING ON EFFICIENCY

5.7%
Like-for-like cost savings 2022-23

17%
Adjusted operating margin

£91.9M
Adjusted operating cash flow

Total adjusted operating costs 2022-23

Chief Executive's review

A PATH TO PROGRESS

Jim Mullen
Chief Executive Officer

2023 was far from a straightforward year, but it was an important and necessary one for the business. We can now look to the future having removed several long-term uncertainties and delivered market expectations, while also having progressed our Customer Value Strategy (CVS) and more firmly pointed the business towards our digital audiences.

Much of this progress was several years in the making, for example the preparation that supported us in 2023's trial around several long-standing historical legal issues. While confronting the past in this way is not easy, the resulting judgment on time limitation for future claims around historical legal issues means that a significant number of outstanding claims can be resolved, and this should largely bring an end to future claims.

We also took decisive action to resolve the outstanding pension funding valuations, which has similarly given us a firm end in sight for an obligation that has hindered this organisation for several decades. Together these two achievements give the business much-needed financial clarity and allow us to plan for the future with far greater certainty.

Throughout the year, we made significant progress in becoming a data-driven, digitally-focused business, supported by a predictable and reliable print business.

The average revenue (RPM) we generate from our digital page views is now up over 10% from last year, not something I take for granted against a challenging backdrop. While we have seen yields decline in our open market programmatic advertising, we have been able to add increased value by growing non-advertising revenue streams like ecommerce, affiliates and partnerships, reinforcing the benefit of our Customer Value Strategy (CVS). Crucially this has reduced the impact from the industry-wide decline in referral traffic, a trend that we have long expected – albeit not as quickly and severely as it came – and which CVS was always intended to mitigate.

We continued our transformation in the year, taking action to ensure that our cost base reflects the economic environment in which we operate, and to enable us to become a digital-first organisation. To achieve this, we needed to reduce the size of some of our teams. This is not a decision I or my management team take lightly. However, recent trends have only reinforced our belief that we must be willing to make big changes to exert more control over our own destiny and protect our brands in the long term.

The strong yield performance and efficient management of our cost base meant we delivered a sustainable operating margin of 17%, broadly in line with last year and giving us a strong foundation for 2024.

A fast-changing environment

We operate in a dynamic, competitive and constantly evolving market and 2023 was no exception. The period of economic volatility that began in 2020 has continued to impact the market, placing pressure on advertising spend and inflating costs for both businesses and consumers. Throughout the year, our entire industry saw a fall in referral traffic from tech platforms and we were not immune from that. Facebook, one of our largest traffic referrers, has shifted away from news content and we have contended with numerous Google core algorithm updates, each one requiring us to pivot on how we deliver content to our audiences.

"We can now look to the future having removed several long-term uncertainties and delivered market expectations."

These changes have impacted our organic search traffic and therefore our growth in the near term, with page views down 24% versus last year, in line with the wider news publishing market. Despite the decline in volume, our commercial teams have expertly traded the value of our content and ad space, capitalising on our Customer Value Strategy progress to drive our revenue.

Telling the stories that matter

It's clear that audience behaviour and digital trends can shift rapidly, but what remains constant is our core purpose to enlighten, empower and entertain our mainstream audiences, wherever they might find us.

Manchester Evening News reporter delivers the Awaab's Law petition to Downing Street alongside Awaab's father and campaigners

Great content will always be at the heart of our business and this year our teams produced an abundance of it. The editorial highlights that come to mind for me personally include the Sunday Mail's exclusive scoop on the SNP scandal, the Mirror's campaign for free school meals which so far has seen Sadiq Khan announce free hot meals for all primary pupils, and the Express's campaign calling for the Government to invest more in radiotherapy and increase services for cancer patients.

Meanwhile, the Manchester Evening News' award-winning Awaab's Law campaign has made its way through Parliament and will change many people's lives for the better.

And while it's always an honour to watch everyday heroes at the Mirror's Pride of Britain Awards, in 2023 it was particularly inspiring to see members of the Windrush generation be recognised for their outstanding contribution to British life since the first passengers on that vessel arrived 75 years ago.

These highlights all wield the power and impact they do precisely because of our wide reach, with our scale and editorial purpose working hand in hand. Despite the challenges of the business environment, Reach remains the largest publisher in the UK and Ireland, and continues to command the sixth largest digital audience of any UK business, reaching 36m adults digitally every month which is 72% of the online population. Our transformation actions in 2023 will ensure the continuation of our core purpose into 2024 and beyond.

Enhancing resilience and efficiency

Our print business continues to generate strong returns, despite the falling demand across the sector. Our experienced circulation teams use decades of data to expertly inform our approach to price increases and availability, both of which are critical to underpinning sales volumes. We maintain a track record of effective cost management and are constantly reviewing and making changes to our supply chain, optimising distribution and right-sizing our property footprint.

Across the business, we successfully delivered a 5.7% reduction in operating costs (on a like-for-like basis), against the 5-6% reduction we targeted at the start of the year. As announced in November 2023, to set ourselves up for success in 2024 we have committed to and already started to deliver a further 5-6% reduction in our operating cost base. In the wider industry context, with many organisations now making similar decisions to those we took in late 2023, we believe our early action demonstrates responsible foresight and planning.

As labour represents our single largest cost, there is no getting away from the fact that we have had to reduce the size of our teams to save cost and re-shape for the future. I do not underestimate the impact of these decisions on all of our people. With that in mind I committed to working through them with fairness and integrity, and to communicating openly throughout. During this period, I led a programme of small group discussions and town hall meetings with

"As a result of our Customer Value Strategy progress, the return on data-driven advertising is currently over 10 times more valuable than volume-related programmatic advertising returns."

leaders and colleagues, to share updates, provide important context about the need for change, and facilitate open dialogue. Honest colleague communication remains something that I'm passionate about and committed to investing time into, all year round.

Our emphasis on efficiency goes beyond traditional cost-cutting measures as we must also organise our ways of working to put ourselves in the best position to achieve our strategic aims and accelerate our journey to being a digital-first content organisation. As part of this work we created the Reach Studio team, which pools all of our video and audio talent in one super team that will provide multimedia content for both editorial audiences and commercial partners, maximising the value for both.

Progressing our strategic priorities

During volatile times it is all the more important to pursue a strategy that gives us greater long-term stability and control over our business.

Over the year, our Customer Value Strategy (CVS) continued to progress on key metrics. Against falling referral traffic, we continued to grow our yield or RPM (+11% from 2022), an increasingly important metric as we focus on controlling digital revenue.

We also see that as a result of our CVS progress, the return on data-driven advertising is currently 10 times more valuable than volume-related programmatic advertising returns. These figures demonstrate that whatever market trends may come, we are able to consistently adapt to optimise the value of our content, data and audience.

Our commercial activity continues to be led by data, while focusing on direct customer relationships and more diversified revenues that support higher-quality digital earnings. These efforts are reflected in our mix, which is now made up of 43% of digital revenues generated by data-driven, higher value and better performing advertising, a trend which will continue.

Part of the strategy has been to strengthen and expand our audience base with key demographics and into valuable regions. In 2023 we successfully launched three '.com' websites from a new US operation, which by the end of the year were regularly attracting an audience of a million a day.

Additionally, we have worked to secure our audience, which will make us less vulnerable to changing tech platform algorithms and better able to directly engage with our millions of customers and drive them to our content. There have been several initiatives on this front, including an award-winning project to reach people via WhatsApp Communities and Channels, through which we reach more than 1.65m people directly as of February 2024.

One early standout in this area is our Arsenal channel which sends multiple stories a day directly to over 600k people, making it the biggest Arsenal channel in the world. Through work like this we are able to speak to our audiences on our own terms and ensure that our great content reaches them.

Our tech and commercial teams have played a key role in supporting our discoverability challenge, further developing in-house recommender tools powered by AI that point readers to content we know they'll be interested in. One of these tools alone has reduced customer bounce rate by over 10% and generated 2bn page views through the year. Our in-house first-party data capabilities, in particular our proprietary Mantis tool, will stand us in good stead as Google continues to phase out third-party cookies, a process we have now seen beginning in 2024. This will be a major shift in the landscape for publishers and advertisers, who for years have depended on third-party data to target their advertising. We will be significantly ahead of the curve on this front, with 12.3m registered customers, of which approximately 4m are active over each four-week period, and advanced capability to effectively place advertising using contextual targeting.

43%

of digital revenues now data-driven

We have further strengthened our position by growing our revenue streams outside traditional advertising revenue, with important work being done with affiliates and ecommerce. It's great to see the continued success of the OK! Beauty Box, which we launched in late 2020 as one of our first Customer Value Strategy initiatives, and now has c.12k paying subscribers.

Our goal with this work is not to replace our business model but to continuously evolve, strengthen and broaden it, and to give our audiences more choice about how they engage with our content.

"We now have a much clearer view on the estimated cost of resolving these long-standing issues and, crucially, these costs are expected to be materially lower than our previous estimates."

Resolving long-term uncertainties

For several years now, the leadership team and I have been working to resolve a number of long-standing hurdles facing this business. Over the past months I am proud to say we have made real headway in clearing these.

Ahead of 2023 we took the decision to go to trial to achieve greater certainty around the future impact of long-standing historical legal issues. The judgment we received in December set out very clear parameters on time limitation which enables us to draw a line under these issues. Simply, this means we now have a much clearer view on the estimated cost of resolving these long-standing issues and, crucially, these costs are expected to be materially lower than our previous estimates.

Over the last four years we had not been able to come to an agreement with the MGN Pension Trustees on the 2019 triennial valuation. I cannot overstate the importance of having successfully concluded both the 2019 and 2022 triennial pension reviews for the MGN pension scheme. Agreement with our other schemes is also expected to be completed by the 31 March 2024 due date. This provides much needed clarity on the scale of our funding obligations, which are scheduled to materially step down in early 2028.

These developments will both benefit the wider business and enable better planning for our future. Thank you to all the teams who have been involved in bringing these matters to a close.

Exploring AI as a tool

At the start of 2023 the conversation around how businesses and media organisations use AI was only beginning to take shape. Our editorial leaders created a cross-functional workstream to manage this complex issue, exploring the many opportunities while also gaining a firmer understanding of the risks. Their primary focus has been to test tools that help journalists to tell their stories more quickly and effectively. As a result of this work, the team has identified several areas with strong potential, such as spotting trends and analysing large volumes of data.

We have steadily increased our use of AI through the year, while carefully controlling its roll-out, and by the end of 2023 over a dozen newsrooms were set up to use an AI tool to support their work. As we continue to test AI's potential, we ensure that every story is edited and approved by a journalist, maintaining our commitment to responsible journalism.

Fighting our case

I have also been putting our case to political decision-makers, ensuring that those in power and in opposition understand the issues facing Reach and the entire media industry. The stakes are high and I have had many encouraging discussions this year on the crucial questions that will decide the future of journalism in this country, such as: how can tech platforms work fairly with the media to support a free press and functioning democracy?

2023 marked my last year as chair of the NMA (News Media Association), but I will continue to discuss these vital issues in 2024 with our legislators, particularly as we watch the Digital Markets Bill progress through Parliament.

Looking after our people and our future

All of this progress is made possible by our talented and passionate colleagues in all departments. We have made many necessary changes to our teams this year but I remain committed to retaining and developing the great people who are shaping the future of this business.

Developing our teams is just one pillar of our formalised responsible business framework, now one year in (read more on this on page 40). We continue to prioritise becoming a more inclusive organisation, and in 2023 were once again recognised by Inclusive Companies with our highest ranking yet and testament to the dedication of many people here. We're also working to protect all our futures through our environmental efforts, which continued to progress this year as we implemented the systems and gathered the data that will inform our path to net zero.

Looking ahead

2023 was a critical moment for this business, allowing us to put several significant issues in the past and to focus instead on looking forward, and I am confident that we are now well positioned to take on the future.

As always, there are challenges ahead. The macro environment is unlikely to provide much relief over the near term and we are working to secure our audience and build our data-driven digital business. This will be achieved through small incremental gains and by continuing to build direct relationships with our audiences.

Our industry has a history of change and the future will undoubtedly see yet more. That's why it's essential we set ourselves up to win by making our operations suited to an increasingly fast-paced, competitive and digital world.

Jim Mullen
Chief Executive Officer

5 March 2024

Our business model

DELIVERING VALUE

We are transforming how we deliver value to our stakeholders, evolving and growing a digitally-focused business while maintaining our strong foundations in print. This transition is underpinned by the strength of our talented people and our iconic brands, united and guided by our purpose and focused on providing the content that attracts the largest audience of any commercial news publisher in the UK and Ireland.

Driven by our purpose

TO ENLIGHTEN EMPOWER & ENTERTAIN

through brilliant journalism.

Read more about our purpose on page 2.

Enabled by our assets

Our people

The talent and commitment of our employees are central to our success as we transform and become more digitally-oriented. We're building a workplace where our people are empowered to deliver excellence and facilitate change, while enjoying balance in their lives.

Our audience

We have the largest audience of any commercial news publisher in the UK and Ireland. Every month, 47m people come to us, in print and online, across our national and local titles, for news, entertainment and sport they can trust. We are a proudly mainstream publisher, reaching 72% of the UK's online population, and now bring that approach to our US-based sites.

Our technology

Vital to our transformation is investment in data and technology, which helps us better understand our customers and drive digital revenue. Our in-house adtech tool Mantis enables us to capture consented customer data to improve our content and provide targeted advertising for the brands we work with.

Our infrastructure

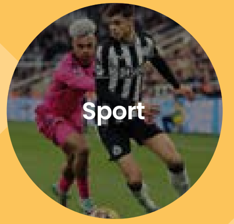
Our newspapers are produced at our three printing sites and, with the help of our distribution partners, reach all corners of the UK and Ireland. Our newsrooms, local and national, are increasingly integrated, and strategically share data, content and expertise. Reach operates a range of larger office hubs as well as smaller workplaces throughout the country, serving a now well-established hybrid working model.

Our brands

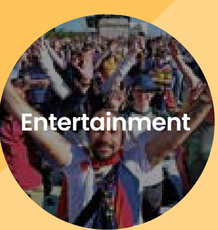
We are home to over 120 titles in the UK and Ireland. Our portfolio is unique, including iconic national titles such as the Mirror, Express, Daily Star and Daily Record, and local ones which sit at the heart of their communities, such as the Manchester Evening News, Liverpool Echo and MyLondon. While our titles share key central services, they each have a strong identity, together reaching a broad demographic across the political spectrum.

Focused on content

Our news coverage is award-winning, with our titles reflecting the diverse interests and political leanings of our audiences. We aim to inform and explain, as well as lending a voice to the causes that matter to the communities we represent. While our news coverage is often serious, some of our titles excel in finding the funny side of the day's biggest stories.



We cover a range of sport, from English Premier League to Scottish football, to Welsh Rugby, Formula 1 and our industry-leading coverage of the Cheltenham Festival. Meanwhile our local titles remain the 'go to' sources of information for local sports fans supporting a range of levels, whether the Liverpool Echo for LFC or Hull Live for Hull City FC.



We are proudly mainstream, which is key to our broad appeal and widespread audience. From celebrities to science, TV to travel and beauty to bingo, our brands cover a huge number of topics. Providing content for a wide range of interests has helped us become part of our customers' daily lives.

Our business model continued

Our transformational operating model

Print

Market dynamic

We sell hundreds of thousands of copies daily. While volumes are in decline, cover price rises alongside loyal demand support significant print cash flows.

Demographics

The average age of a print customer is 52 and this older demographic have a high degree of loyalty and are of high value to advertisers.

How we generate revenue

Newspaper sales account for approximately 71% of our print revenue. We also generate revenue from advertising and printing for third parties.

Our brands and products

National

Our portfolio has a strong heritage. The Mirror and Express have been a key part of British culture and society for over 120 years.

Local

What makes us different is our unique combination of national and local titles, such as the Manchester Evening News and Newcastle Chronicle, which lie at the heart of their communities.

Magazines

OK! and New focus on celebrity news, pop culture, fashion and real-life reader stories. We also produce the Sunday supplement magazines Notebook and S Magazine.

Digital

Market dynamic

Large tech platforms continue to shape the market – a key driver of our data-led approach.

Demographics

We develop our evolving audience base by evolving our formats and building niche 'fan' communities across sport and entertainment content.

How we generate revenue

Advertising-led, sold directly by our sales teams or programmatically via auction platforms. Increasingly our advertising is supported by data, resulting in higher yields, and we have also increased our non-advertising mix with affiliates and ecommerce.

Foundation revenue driver → Reinvestment to fund growth → Long-term revenue driver

Delivering stakeholder value

Our people
By setting the business up for a sustainable future we're able to invest in the teams we need for long-term growth, and in fostering an inclusive culture.

Customers
Delivering our digital strategy enables us to provide increasingly engaging and relevant content that maintains and builds audiences.

Communities
We're committed to contributing positively to the diverse communities we serve, discussing issues and supporting causes that matter to them.

Advertisers
Building a deeper understanding of our customers enables us to help advertisers deliver more targeted campaigns that reach the right audiences.

Suppliers and partners
Our supply chain includes distributors, retailers and newsprint suppliers. We work closely with all to ensure fair economics.

Shareholders
Working in the interest of our shareholders and other stakeholders by removing long-term uncertainties and providing balanced and clear communications for investors that set out our prospects for growth.

Pension funds
Delivering our strategy and maximising business performance demonstrate that Reach is being managed responsibly and sustainably.

Government and regulators
A vibrant news sector is key to a functioning democracy. Our transition to digital is a key part of the sector's future, as is the right regulation.

A STRATEGY FIT FOR THE FUTURE

Our strategy is to get to know our customers better, drawing on behavioural insights to create a virtuous circle of value that delivers more relevant content, a more engaging experience and greater loyalty. This all drives sustainable, data-led revenue for our business as we continue to strengthen our digital position.

In summary

We're constantly working towards making Reach a more data-led, digitally-focused business. The enduring appeal of our print titles supports the investment we need to make in our digital infrastructure and platforms, and in ensuring we have a diverse range of talent in our teams. These investments enable us to deliver a strategy focused on our customers – a Customer Value Strategy, or 'CVS' – which enables our brands to continue pursuing our purpose in an increasingly online world.

Why data matters

The success of our CVS relies on us forming a new kind of relationship with the people who come to us for news, entertainment and sport – our 'customers'.

As a largely ad-funded model, page views are our digital currency. And while customers do not pay directly for their content, they give us their time and attention which we measure most simply via these page views. With the CVS, a further exchange occurs – in return for more relevant content, our customers share data about themselves. This could be declared or personal data such as their email address or postcode, or it could be behavioural or contextual data based on the type of content they consume.

The more our customers engage, the more we learn about their preferences, enabling us to further enhance and personalise their experience. The more we understand the behaviour of our customers, the more valuable their profiles become, which enables advertisers to more accurately target their own customers through us.

A critical mass

With data the key to unlocking customer value, an initial objective of our strategy was to encourage more customers to register with us. We achieved our original 2022 target of 10m registered customers that same year, and now have over 12m, or about a third of our UK digital audience.

We're now focused on forging deeper engagement, understanding each customer better, and delivering content that encourages them to visit us more frequently and for longer, making us part of their daily lives.

For more on how we're measuring strategic progress, see our KPIs on page 20.

STRATEGIC OBJECTIVES

Delivering the stories that matter
More relevant content
Developing a data-led proposition
More engaging experience
Growing through audience engagement
Greater loyalty
Building a culture where people thrive
Driving revenue growth

Our strategy continued

STRATEGY IN ACTION IN 2023

Delivering the stories that matter

- Continued to deliver stories that embody our purpose such as M.E.N.'s award-winning campaigning for Awaab's Law and the Sunday Mail's exclusive reporting on the SNP scandal
- Created a new, centralised Studio team which brings together all of our video and audio talent to produce content for our editorial brands and commercial partners
- Developed the Belonging Project which ensures the Mirror and regional newsrooms are producing more inclusive content for the communities they serve

Developing a data-led proposition

- Strengthened our AI-powered contextual targeting capabilities with our in-house ad tech Mantis. Now set up to license to other publishers in 2024 as a B2B revenue stream – particularly relevant against backdrop of ongoing third-party cookies deprecation
- Generated 10 times more value from our data-driven advertising versus volume-related programmatic advertising
- Further developed our in-house recommender tools, powered by AI, that point readers to content we know they'll be interested in

Growing through audience engagement

- Successfully launched three new '.com' websites from a new US operation
- Establishing and growing secure audience channels – for example via our award-winning WhatsApp Communities and Channels work which now allows us to contact over 1m subscribers direct to their phones
- Continued progress reaching the youth audience, with rapidly growing TikTok follower numbers across key brands

Launched in February 2023

Launched in June 2023

Launched in August 2023

Key performance indicators

HOW WE PERFORMED

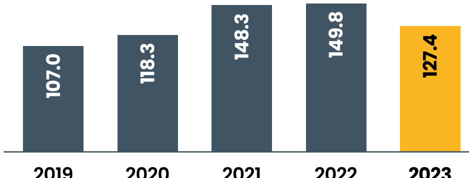
Financial KPIs

For our strategy and our business to succeed, we need to maximise growth in digital revenue and optimise our print revenue despite the structural decline in print. The combination of declining open market yields alongside the industry-wide decline in referral traffic meant that digital revenue declined 15%. Print has continued to be resilient, declining 2% and driven by a strong performance in circulation revenue. In aggregate, revenue declined 5% and operating costs declined by a similar amount, driven by our efficiency programme and some unwinding of print inflation. This meant we delivered a stable operating margin of 17%. Operating cash flow is broadly the same as last year, reflecting the similar levels of profitability and more efficient working capital management.

Digital revenue growth (£m)

(15.0)%

(2022: +1.0%)



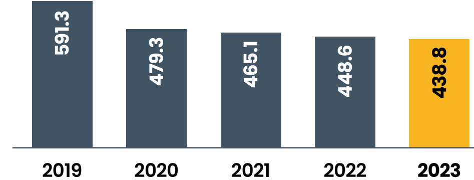
Target: Year-on-year growth in digital revenue.

Why it matters to us: Growth in digital revenue is key to demonstrating progress against our strategy, as we become a more data-led, digital business. Our digital revenue is predominantly driven by advertising. The advertising revenues have been depressed from the macroeconomic environment and the reduction in referral traffic from the major platforms. We are making the business more resilient by diversifying our mix of digital revenue and securing our digital audience, so that the performance is more sustainable over the long term.

Print revenue decline (£m)

(2.2)%

(2022: (3.5)%)



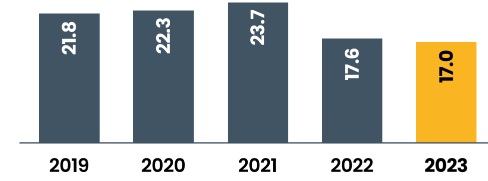
Target: Improving year-on-year percentage decline rate.

Why it matters to us: Although sales of physical news publications are in structural decline, print still generates over three-quarters of our total revenue. With over 250m copies sold a year, sales from circulation remain a resilient source of revenue, with cover price increases helping to offset the impact of people buying printed titles less often. Print revenue continues to drive the strong cash flows which supports our digital transformation.

Adjusted operating margin (%)

(0.6)PP

(2022: (6.1)PP)



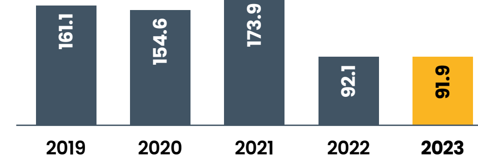
Target: Continue to grow operating margin.

Why it matters to us: Operating margin is a measure of our profitability, as we aim to grow digital revenue and carefully manage print decline. While the effects of the loss of referral traffic have impacted revenue and profitability over the near term, over the longer term we expect increasing digital revenues and lower levels of required investment in our strategy, relative to its earlier years, to support a structurally higher operating margin.

Adjusted operating cash flow (£m)

£91.9M

(2022: £92.1M)



Target: Maintain operating cash flow to meet our financial obligations including the pension funding, historical legal issues, returns to investors and reinvestment into the business.

Why it matters to us: Operating cash flow supports our commitments to ongoing pension funding and payments on historical legal issues, as well as investment in our strategy and returns to shareholders. The business is strongly cash generative – due to the resilience of our print business and efficient operating model, which has cost management at its core. Adjusted operating cash flow reported above has been aligned with the definition of adjusted operating profit to exclude the cash flow impact of restructuring payments and other items classified as adjusted items in the income statement. This has resulted in an increase in adjusted operating cash flow. Previously reported numbers include 2019 £133.1m, 2020 £121.8m, 2021 £141.3m and 2022 £64.8m.

Key performance indicators continued

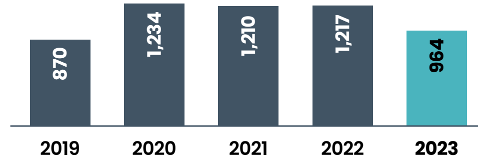
Non-financial KPIs

As our strategy progresses, we are considering evolving our KPIs. One of the key KPIs we are tracking and considering regularly is RPM – revenue per thousand pages. RPM is a yield measure and gives the financial return from digital pages traded. This has now been included as a strategic KPI and is described below. Customer registrations were critical to the Group's success when the Customer Value Strategy was relatively nascent. We have now achieved a critical mass of registrations and therefore this will be the last year we report on it within the Annual Report.

Total average UK page views per month (m)[1]

(21)%

(2022: 0%)



Target: Year-on-year growth in total UK page views.

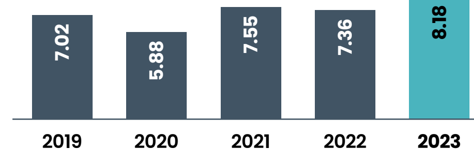
Why it matters to us: Page views are a strong measure of whether customers like our content online. As a customer views more pages, we get to know more about them – and can collect more valuable data. However, in 2023 we have seen some major online platforms, most notably Facebook, deprioritise news. This has massively reduced the referral traffic to our site and impacted page views by 24% globally. We are now focused on securing our audiences to ensure a more direct relationship, while also increasing the amount of content our audience consumes. We're doing this by using data to give customers more of the content they like to read, driving more interactions and engagement.

1. The non-financial target relates to UK page views which are more significant to revenue, whereas worldwide page views are disclosed throughout the Annual Report as an indicator of the total reach of our content.

Revenue per 1,000 pages (£)

£8.18

(2022: £7.36)



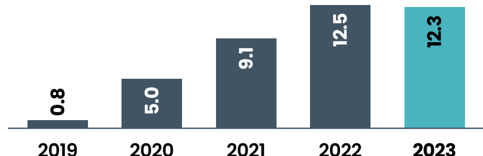
Target: Year-on-year growth.

Why it matters to us: Digital growth can come from increased supply of advertising and/or an increased traded price. Increasing supply for example by increasing the number of ad units is becoming more challenging due to the direct impact and trade off with audience experience. It's important to examine and understand traded price which is a key driver of our digital performance. There are a few factors which drive more revenue per thousand pages. Firstly we either have insights into customer and customer behaviour, which can then be used to offer opportunities to brands to adopt better-targeted campaigns and customer offers. Or we drive non-advertising revenues which are not directly related to volume such as partnerships, affiliates and ecommerce. Both of these factors link directly to our Customer Value Strategy and therefore we are focused on understanding how RPM trends over time. The final reason that this metric could move is changes in page views, and therefore it is important that RPM performance is considered alongside page views. Ideally both of these KPIs would trend upwards over time.

Customer registrations (m)

12.3

(2022: 12.5)



Target: 10.0m end of 2022.

Why it matters to us: A registered customer is a customer who has provided their information in order to receive a service. This includes email addresses and phone numbers, which enable us to build a relationship with more of our audience, and help advertisers share more geographically relevant ads. Knowing our customers is an important part of the Customer Value Strategy and therefore, it felt appropriate to have a non-financial measure for customer registrations when we first defined our strategy in 2020. During the course of 2023 the referrals from major platforms adversely impacted our page views and so we took the decision to turn off the customer login which has reduced customer registrations from the peak of 13.5m in August to 12.3m in December. We have surpassed our original target which was set at 10m for the end of 2022 and given the current level of registrations is now at critical mass, we will no longer be reporting this as a key KPI within this report.

BUILDING LONG-TERM RESILIENCE

Darren Fisher
Chief Financial Officer

Looking back over the year, we have made demonstrable progress to ensure the business is more resilient and able to continue its digital transformation. During a year of macroeconomic uncertainty and some significant shifts across the media sector, we delivered a resilient financial performance and made significant progress in resolving the long-standing uncertainties.

We concluded the 2019 triennial valuation, along with the 2022 valuation, for the MGN pension scheme, and have subsequently reached agreement in principle with our other schemes and are expected to be concluded satisfactorily by the 31 March 2024 due date. This provides a clear view of our future pension commitments which will materially step down from the current rate of £60.0m in 2028.

In December, the High Court's judgment on the Group's historical legal issues (HLI) provided clarity around time limitation. This has resulted in a material reduction in the cost of settling outstanding claims and should largely bring an end to future claims. This has led to a £20.2m year-on-year release in the HLI provision. We expect the majority, if not all, of the issued claims to be resolved during 2024 and 2025 which is a much shorter time frame than previously anticipated. Resolving these two matters has reduced uncertainty and allows us to plan more effectively for the long term.

The macroeconomic environment in 2023 impacted advertising spend, and there was a material step down in digital referral traffic from major platforms such as Facebook, which has deprioritised news content. This has driven a 24% year-on-year decline in digital page views, which alongside depressed open market yields (year on year decline 25%), adversely impacted digital revenue, which declined by £22.4m or 15% to £127.4m in 2023.

Conversely, our data-driven revenues performed robustly, only declining 4% year-on year, to now represent 43% of digital revenues (2022: 38%). To compensate for the industry headwinds we took clear actions to continue to diversify our digital revenues and trade our digital assets harder. We prioritised areas within our Customer Value Strategy which are higher yielding and within our control. As a result revenue per thousand pages (RPM) across our digital estate increased by 11%. These actions have resulted in improved resilience, with areas of strong growth including curated marketplaces, ecommerce and affiliates.

Revenue
568.6M
5.4% decrease on 2022

Adjusted operating margin
17.0%
0.6pp decrease on 2022

43%
of digital revenues now data driven
5% increase on 2022

Financial review continued

We continued to invest in our digital expansion. We launched our three US-based sites, invested in Curiously, our social-first, video-focused brand, and invested in new products to develop our curated marketplace capability.

The print business remained robust and delivered £438.8m (2022: £448.6m) of revenue, representing just over 75% of the Group's revenue with a strong performance in circulation and print advertising. The teams have access to a significant amount of data which has built up over many years and this is used to determine optimal levels of availability and cover price increases. These dynamics have offset the volume decline with circulation revenue growing 1.6%. Print advertising declined by £10.3m, or 11.9% year-on-year; this was a solid performance, outperforming volume trends which were down 17% year-on-year.

Focus on efficiency

Through our cost action plan we continue to focus on efficiency, setting up our operations to adapt and thrive in a fast-paced and competitive digital landscape. At the start of the year we committed to reducing total operating costs by 5-6%, and on a 52 week like-for-like basis we achieved a 5.7% reduction. Inflation moderated through the year following the material increase in the cost of newsprint in 2022, some of which unwound in 2023. Overall newsprint costs reduced by 21%, mainly driven by the decline in production volumes. We have implemented restructuring and efficiency programmes and as part of these, headcount has reduced by 14% over the year. Our largest operating cost, labour, reduced by 5% year-on year. Together these actions have driven higher levels of efficiency, protecting the strong operating margin of 17% and mean we are better positioned for the long term.

Strong balance sheet

The Group has a robust balance sheet with a closing cash balance of £19.9m, and net debt of £10.1m (inclusive of £0.9m restricted cash). The Group has £30.0m drawn down on its revolving credit facility. The Group's revolving credit facility of £120.0m is in place until November 2026.

Cash management remains a priority. Group cash conversion was strong at 95% supported by efficient working capital management. Pension scheme contributions during the year were £60.0m, HLI claim settlements totalled £4.6m and we incurred £18.8m of restructuring payments. Together these non-operating cash outflows amount to £83.4m.

In December 2023 the Group completed a £605.4m capital reduction, converting the entirety of the share premium account into distributable reserves, which will support the payment of dividends into the future. This did not involve any return of capital or payment to shareholders.

Looking ahead

The strength of our print business underpins the cash generation and profitability of the Group. We will continue to carefully balance cover price increases and availability to deliver a robust circulation performance despite the falling demand for print. Print revenue funds the Group's financial commitments and enables investment as we continue to build our digital business.

This year we will continue to invest in product and new markets including the US and developing the AI-powered Mantis ad tech. We will also increase our use of AI tools to support increased productivity in the newsrooms, under the continued guidance of our journalists.

Across our digital business we continue to build a more sustainable higher-quality digital mix, with 43% of digital revenue now data-driven. The depressed open market yields, compounded by the decline in page views, have reinforced the benefits of our data-driven Customer Value Strategy. This strategy will continue to increase yields and grow data-driven revenues.

As communicated in 2023, we have already actioned a further programme of cost reduction for 2024, which we are confident will support a 5-6% in-year reduction in our operating costs and protect our operating margin. Savings have been generated throughout the business and include further steps in creating a digitally-led editorial business, for example the creation of a single video studio.

Summary income statement

	Adjusted 2023 £m	Adjusted 2022 £m	YOY change %	**Statutory 2023 £m**	Statutory 2022 £m	YOY change %
Revenue	**568.6**	601.4	(5.4)	**568.6**	601.4	(5.4)
Costs	**(475.0)**	(498.1)	4.6	**(523.9)**	(531.5)	1.4
Associates	**2.9**	2.8	3.6	**1.4**	1.4	0.0
Operating profit	**96.5**	106.1	(9.0)	**46.1**	71.3	(35.3)
Finance costs	**(3.5)**	(2.8)	(25.0)	**(9.4)**	(5.1)	(84.3)
Profit before tax	**93.0**	103.3	(10.0)	**36.7**	66.2	(44.6)
Tax charge	**(24.6)**	(18.8)	(30.9)	**(15.2)**	(13.9)	(9.4)
Profit after tax	**68.4**	84.5	(19.1)	**21.5**	52.3	(58.9)
Earnings per share – basic (p)	**21.8**	27.1	(19.6)	**6.8**	16.8	(59.5)

Financial review continued

The results have been prepared for the 53 weeks ending 31 December 2023. The comparative period has been prepared for the 52 week period ending 25 December 2022. The additional week contributed £6.2m of revenue and £0.8m of operating profit. The impact of revenue and costs is shown on a like-for-like basis in the table on page 26.

Group revenue fell by £32.8m or 5.4% to £568.6m with print down 2.2% and digital down 15.0%.

Adjusted costs decreased by £23.1m or 4.6% to £475.0m, partially offsetting the decline in revenue. This was driven by the reduction in circulation volumes and a small unwinding of some of last year's newsprint cost inflation, alongside the ongoing cost reduction programme. Statutory costs were lower by £7.6m or 1.4%, with the increase in operating adjusted items of £15.5m (£48.9m in 2023 versus £33.4m in 2022) partially offsetting the reduction in operating costs.

Adjusted operating profit decreased by £9.6m or 9.0% to £96.5m, driven by the decline in revenue partially offset by the savings in costs. The adjusted operating margin of 17.0% in 2023 compares to 17.6% for 2022. Statutory operating profit decreased by £25.2m or 35.3% primarily due to the increase in operating adjusted items which include restructuring charges in respect of cost reduction measures and impairment of the finance lease receivable and recognition of onerous costs following the sub-lessee of a vacant print site entering administration, partially offset with the release of the provision for historical legal issues.

Adjusted earnings per share decreased by 5.3p or 19.6% to 21.8p. Statutory earnings per share decreased by 10.0p to 6.8p, principally due to the decrease in operating profit.

Revenue

	2023 £m	2022 £m	YOY change %
Print	**438.8**	448.6	(2.2)
Circulation	**312.5**	307.7	1.6
Advertising	**76.6**	86.9	(11.9)
Printing	**20.2**	23.1	(12.7)
Other	**29.5**	30.9	(4.5)
Digital	**127.4**	149.8	(15.0)
Other	**2.4**	3.0	(16.9)
Total revenue	**568.6**	601.4	(5.4)

Revenue declined overall by £32.8m or 5.4%.

Print revenue decreased by £9.8m or 2.2% (2022: down 3.5%). Circulation performance was strong with revenue up 1.6% (2022: down 1.7%) driven by carefully considered cover price increases, which were above recent historical levels, offsetting the ongoing decline in circulation volumes.

Print advertising revenue declined by £10.3m or 11.9% (2022: down 15.9%); but outperformed the print volume decline of 17%. During the year the strongest performing sectors for print advertising include food retail, travel, the government and entertainment and media, which is very similar to the prior year.

Print revenue also includes external or third-party printing revenues and other print-related revenues which decreased by £4.3m, or 8.0% (2022: increased 10.4%). These revenues are largely contracted on a cost-plus basis, and reflect the external market demand for print.

Digital revenue decreased by 15.0% to £127.4m (2022: 1.0% increase). Revenue has been impacted by lower advertising demand during a period of macroeconomic uncertainty alongside a material reduction in page views. Major platforms including Facebook have deprioritised news content over the year which in turn has driven a reduction in referral traffic for publishers across the sector. These changes have adversely impacted our revenues which were directly impacted by page view volume. Strategically driven or 'data-led revenues', which are more resilient and higher yielding, performed robustly. Data-driven revenues were £55.3m, down 4.0%, and now represent 43% of digital (2022: 38%).

Financial review continued

Costs

	2023 Adjusted £m	2022 Adjusted £m	YOY change %	2023 Statutory £m	2022 Statutory £m	YOY change %
Labour	**(223.0)**	(234.7)	5.0	**(223.0)**	(234.7)	5.0
Newsprint	**(59.5)**	(75.4)	21.1	**(59.5)**	(75.4)	21.1
Depreciation and amortisation	**(21.6)**	(20.2)	(7.0)	**(21.6)**	(20.2)	(7.0)
Other	**(170.9)**	(167.8)	(1.9)	**(219.8)**	(201.2)	(9.2)
Total costs	**(475.0)**	(498.1)	4.6	**(523.9)**	(531.5)	1.4

Adjusted costs of £475.0m (2022: £498.1m) decreased by £23.1m or 4.6%. On a 52 week like-for-like basis adjusted costs declined by 5.7%. Labour costs decreased 5% as we implemented our restructuring and efficiency programme with headcount falling by 14% over the year. Newsprint costs reduced from lower volumes, and an unwinding of some of last year's newsprint cost inflation.

Statutory costs were lower by £7.6m or 1.4%, a less significant reduction due to higher operating adjusted items which were £15.5m higher (£48.9m in 2023 compared to £33.4m in 2022).

Operating adjusted items included in statutory costs above related to the following:

	Statutory 2023 £m	Statutory 2022 £m
Provision for historical legal issues	**20.2**	(11.0)
Restructuring charges in respect of cost reduction measures	**(26.9)**	(15.5)
(Impairment of sublease)/sublet of closed print plant	**(19.4)**	16.6
Other property-related costs	**(8.0)**	(4.6)
Pension administrative expenses and past service costs	**(5.5)**	(14.8)
Other items	**(9.3)**	(4.1)
Operating adjusted items in statutory costs	**(48.9)**	(33.4)

The Group has recorded a £20.2m decrease (2022: £11.0m increase) in the provision for historical legal issues relating to the cost associated with dealing with and resolving civil claims in relation to historical phone hacking and unlawful information gathering. This material reduction is driven by the judgment handed down during December 2023 in respect of test claims. As a result of the ruling, all claims issued after 31 October 2020 are now likely to be dismissed other than where individuals can demonstrate specific exceptional circumstances, and therefore this has significantly reduced the amounts that are expected to be paid out.

Restructuring charges of £26.9m (2022: £15.5m) principally relate to cost management actions taken in the period.

Following the sublet of the vacant print site during 2022 which resulted in the reversal of an impairment in right-of-use assets of £11.0m and previously onerous costs of the vacant site of £5.6m, the sub-lessee entered into administration during 2023. As a result, the corresponding £10.8m finance lease receivable has been impaired along with the subsequent recognition of onerous costs of £8.6m of the vacant site during the period.

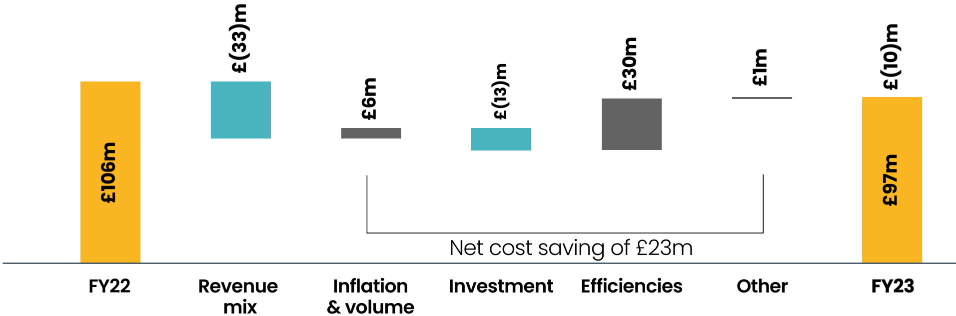
Other property-related costs comprise the impairment of vacant freehold property costs (£4.3m), vacant freehold property-related costs (£1.4m) and onerous lease and related costs (£2.6m) less the profit on sale of assets (£0.3m). In 2022, other property-related costs related to the impairment of vacant freehold property (£4.2m) and plant and equipment (£0.8m) less the profit on sale of impaired assets (£0.4m).

Pension costs of £5.5m (2022: £14.8m) comprise pension administrative expenses (2022: £4.2m). 2022 also included £10.6m of past service costs relating to a Barber Window equalisation adjustment.

Other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.3m), adviser costs in relation to the triennial funding valuations (£2.5m), internal pension administrative expenses (£0.6m), corporate simplification costs (£0.5m), and other restructuring-related project costs (£0.7m) less a reduction in National Insurance costs relating to share awards (£0.3m). In 2022, other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.2m), adviser costs in relation to the triennial funding valuations (£1.6m), less a reduction in National Insurance costs relating to share awards (£2.7m).

Financial review continued

Adjusted operating profit bridge



Adjusted operating profit of £96.5m was down £9.6m or 9.0% reflecting the decline in revenue of £32.8m or 5.4%, mitigated by a £23.1m or 4.6% decrease in operating costs. This meant that adjusted operating margin decreased by 0.6 percentage points from 17.6% in 2022 to 17.0% in 2023.

The net cost saving of £23m was driven mainly from efficiencies (£30m). Half of these efficiencies related to labour costs which were lower following the cost reduction programmes with the balance coming from the rationalisation of our property portfolio and other operational costs. Investments were made into our US operations and youth brand, Curiously, alongside some digital product development.

Reconciliation of statutory to adjusted results

	Statutory results £m	Operating adjusted items £m	Pension finance charge £m	Adjusted results £m
Revenue	**568.6**	-	-	**568.6**
Operating profit	**46.1**	50.4	-	**96.5**
Profit before tax	**36.7**	50.4	5.9	**93.0**
Profit after tax	**21.5**	42.4	4.5	**68.4**
Basic earnings per share (p)	**6.8**	13.6	1.4	**21.8**

The Group excludes adjusted operating items and the pension finance charge from the adjusted results. Adjusted items relate to costs or income that derive from events or transactions that fall within the normal activities of the Group, but are excluded from the Group's adjusted profit measures, individually or, if of a similar type in aggregate, due to their size and/or nature in order to better reflect management's view of the performance of the Group.

Items are adjusted on the basis that they distort the underlying performance of the business where they relate to material items that can recur (including impairment, restructuring and tax rate changes) or relate to historical liabilities (including historical legal and contractual issues, defined benefit pension schemes which are all closed to future accrual).

Other items may be included in adjusted items if they are not expected to recur in future years, such as property rationalisation and items such as transaction and restructuring costs incurred on acquisitions or the profit or loss on the sale of subsidiaries, associates or freehold buildings.

Management excludes these from the results that it uses to manage the business and on which bonuses are based to reflect the underlying performance of the business and believes that the adjusted results, presented alongside the statutory results, provide users with additional useful information. Further details on the items excluded from the adjusted results are set out in note 35.

Like-for-like comparison

	53 week FY 2023 YOY %	LFL 52 week FY 2023 YOY %
Digital	**(15.0)**	(15.2)
Print	**(2.2)**	(3.5)
Circulation	**1.6**	0.0
Advertising	**(11.9)**	(13.0)
Group revenue	**(5.4)**	(6.5)
Adjusted operating costs YoY decline %	**(4.6)**	(5.7)

Financial review continued

The results have been prepared for the 53 weeks ending 31 December 2023 and the comparative period has been prepared for the 52 week period ending 25 December 2022. The revenue and costs have been adjusted to show the numbers on a like-for-like basis. The additional week added £6.2m to revenue and £0.8m to operating profit.

Balance sheet and cash flows

Historical legal issues provision

The historical legal issues provision relates to the cost associated with dealing with and resolving civil claims in relation to historical phone hacking and unlawful information gathering. Payments of £4.6m have been made during the year and the provision has decreased by £20.2m, driven by the judgment handed down on the test claims during December 2023. At the year end a provision of £18.2m remains outstanding and this represents the current best estimate of the amount required to resolve this historical matter. Further details relating to the nature of the liability, the calculation basis and the expected timing of payments are set out in note 27.

Decrease in accounting pension deficit

The IAS 19 pension deficit (net of deferred tax) in respect of the Group's defined benefit pension schemes decreased by £36.8m from £113.9m to £77.1m at the year end. The decrease in the deficit is due to the net aggregate of many factors, mostly notable changes in market conditions leading to an increase in discount rate, returns on the schemes' assets, Group contributions and the easing of inflation. We concluded the 2019 triennial valuation, along with the 2022 valuation, for the MGN pension scheme, and have subsequently reached agreement with our other schemes which are expected to be completed by the 31 March 2024 due date. The Group now benefits from an agreed position on future pension funding commitments.

During 2022, similar to the West Ferry scheme, the Trustees of the Express Newspapers Senior Managers Pension Fund purchased a bulk annuity (at no cost to the Group) and the scheme now has all pension liabilities covered by annuity policies. Group contributions in respect of the remaining four defined benefit schemes in 2023 were £60.0m (2022: £55.1m). Contributions in 2024 are expected to be £60.9m under the current schedule of contributions for the four schemes.

Deferred consideration

Deferred consideration is attributable to the acquisition of Express & Star. The third and final payment of £7.0m was made on 28 February 2023. There is no remaining liability in relation to deferred consideration.

Profit to cash measure

This ratio is a measure of our effectiveness at working capital management. It is calculated as our adjusted operating cash flow as a proportion of adjusted operating profit.

In order to calculate this measure, adjusted operating cash flow has been aligned to the definition of adjusted operating profit. The change is largely driven by the exclusion of the cash flow impact of restructuring payments and other items classified as adjusted items in the income statement. This has resulted in an increase in adjusted operating cash flow in 2022 from £64.8m to £92.1m.

	2023 £m	2022 £m
Adjusted operating profit	**96.5**	106.1
Depreciation and amortisation	**21.6**	20.2
Adjusted EBITDA	**118.1**	126.3
Working capital movements	**(3.9)**	(12.3)
Lease payments	**(5.3)**	(6.7)
Capital expenditure	**(15.4)**	(13.3)
Other	**1.3**	0.9
Associates	**(2.9)**	(2.8)
Adjusted operating cash flow	**91.9**	92.1
Profit to cash ratio	**95%**	87%

During the year, adjusted operating profit was £96.5m (2022: £106.1m) and the adjusted operating cash inflow was £91.9m (2022: £92.1m) with a profit to cash ratio of 95% reflecting ongoing cash management. Working capital improved year-on-year, predominantly from excess newsprint inventories which built up during the escalation of the war in Ukraine in 2022 partially unwinding during 2023.

Financial review continued

Uses for cash

The table below shows how the Group is using the cash generated from operations to meet its financial obligations. Adjusted cash generated from operations is adjusted operating cash flow excluding the impact of net lease payments and capital expenditure.

	2023 £m	2022 £m
Adjusted cash generated from operations	**112.6**	112.1
Pension payments	**(60.0)**	(55.1)
Historical legal issues	**(4.6)**	(9.0)
Restructuring	**(18.8)**	(13.8)
Capital expenditure	**(15.4)**	(13.3)
Final payment on acquisition	**(7.0)**	(17.1)
Other	**(19.2)**	(21.2)
Cash flow before returns to shareholders	**(12.4)**	(17.4)
Dividends paid	**(23.1)**	(22.9)
Cash flow after returns to shareholders	**(35.5)**	(40.3)
Net (debt)/cash	**(10.1)**	25.4

Material uses for cash include pension contributions totalling £60.0m (2022: £55.1m) and restructuring payments of £18.8m (2022: £13.8m) which mainly relate to cost reduction programmes implemented at the start of the year. The final payment on acquisition of £7.0m (2022: £17.1m) relates to the Express & Star. Other comprises professional fees in respect of historical legal issues and triennial funding valuations of £7.8m (2022: £6.8m), net lease payments of £5.3m (2022: £6.7m), interest paid on borrowings of £3.1m (2022: £1.9m) and other movements which account for the balance of cash flows.

The Group paid a dividend in the period of £23.1m (2022: £22.9m).

Cash balances

Net debt at the year end is £10.1m (inclusive of £0.9m restricted cash), from a net cash position of £25.4m at the end of 2022. The Group has £30.0m drawn down on its revolving credit facility, with the overall total cash position of £19.9m at the year end. The Group has a revolving credit facility of £120.0m, which expires during November 2026.

Cash generated from operations on a statutory basis was £76.4m (2022: £80.1m). The Group presents an adjusted cash flow which reconciles the adjusted operating profit to the net change in cash and cash equivalents, which is set out in note 36. A reconciliation between the statutory and the adjusted cash flow is set out in note 37. The adjusted operating cash flow was £91.9m (2022: £92.1m).

Dividends

The Board proposes a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence). The final dividend, which is subject to approval by shareholders at the Annual General Meeting on 2 May 2024, will be paid on 31 May 2024 to shareholders on the register at 10 May 2024.

An interim dividend for 2023 of 2.88 pence per share was paid on 22 September 2023 (2022: 2.88 pence per share).

In proposing a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence per share), the Board has considered all investment requirements and its funding commitments to the defined benefit pension schemes.

Current trading and outlook

We remain focused on delivering our Customer Value Strategy and the areas within our control, building a more resilient growing digital business and delivering efficiencies. The sector-wide decline in referral traffic will impact Q1 2024. We expect growing momentum across our digital business thereafter. As previously announced we have made our operations better suited for a digital world and are on track to deliver a 5-6% reduction in full-year operating costs in 2024.

Our financial priorities remain profitability and cash. Next year we expect working capital requirements excluding provisions to be broadly neutral, and a small step down in our capital expenditure. We have started the process to sell a number of our freehold properties which will support cash generation. Our financial commitments for the year ahead are similar to 2023, including the pensions contributions which will be broadly unchanged; we expect an acceleration in the resolution of existing HLI claims and a further £13m restructuring outflow relating to severance payments for the recent change programme.

Trading performance across the first two months of 2024 has been robust, with print advertising and digital performing well. We are on track with our full year outlook, but continue to operate in an uncertain macroeconomic environment.

Darren Fisher
Chief Financial Officer

5 March 2024

Responsible business overview

A RESPONSIBLE, SUSTAINABLE BUSINESS

We aim to act with integrity at all times – not just because we have a responsibility to stakeholders, whose lives we affect through our operations and journalism, but because it's simply the right thing to do.

In 2023, we built on the progress we made in 2022, when we introduced a new formal framework to guide our approach to responsibility and sustainability, by identifying disclosure gaps and enhancing our reporting. In particular we focused on progressing our environmental reporting in 2023, as we implemented the systems and gathered the data that will guide us on our path to net zero.

In 2023 we installed 9,000m² of solar panels at our owned print sites in Oldham, Watford and Glasgow

Our responsible business framework

Our responsibilities...

CREATING TRUSTED, QUALITY CONTENT

- maintaining independent journalism, campaigning and the role of a free press in society;
- product stewardship;
- fair and ethical conduct;
- innovation; and
- making a wider economic contribution.

See page 32.

OPERATING WITH INTEGRITY

- sustainability governance and management;
- privacy and security;
- political considerations;
- the supply chain (shared);
- human rights;
- labour rights; and
- health and safety.

See page 36.

DEVELOPING OUR TEAM

- supporting diversity and inclusion;
- attracting, developing and retaining talent; and
- supporting a positive culture and wellbeing.

See page 40.

PROTECTING THE ENVIRONMENT

- GHG emissions;
- energy and climate change;
- waste;
- biodiversity;
- other emissions, effluents and pollution;
- water;
- the supply chain; and
- speaking up for environmental issues in our editorial content.

See page 46.

Responsible business overview continued

Building on our responsible business framework

To ensure that people find our strategy credible and believe in our purpose, we must act responsibly with the communities and society we serve, our teams and the planet.

As a regulated news publisher in an era of global tech platforms and 'fake news', the responsibility is greater than ever. We must continue to enlighten, empower and entertain people everywhere through brilliant journalism they can trust, and maintain a position from which we can hold power to account.

Formalising our approach to responsible business

In 2022, we carried out a detailed materiality assessment and created a framework to formalise our approach to being a responsible, sustainable business – making it easier to manage and measure our progress. It provided a clearer articulation of our approach to environmental, social and governance (ESG) issues, ensuring it aligned with our purpose and business strategy, as you'll see over the following pages.

This formal framework set out an approach to responsible business that we had already in many ways exemplified, for example by upholding regulations and codes of conduct, representing and campaigning on behalf of those who need our voice, and producing our printed newspapers with as low a carbon footprint as possible.

In 2023, we built on the framework by commissioning a gap analysis to define where disclosure gaps exist against the methodologies recommended by Sustainalytics, MSCI and the Sustainability and Accounting Standards Board (SASB). As a result, we have enhanced reporting in many of these areas, though in some – in particular those involving complex editorial decisions – we agreed as a business to maintain existing levels of disclosure.

We're committed to continually challenging and improving the standard of our reporting, making sure we stay focused on the issues that matter most to our stakeholders.

Overview of materiality

Our 2022 materiality assessment included a review of current policies and direct engagement with our key internal and external stakeholders to establish their priorities in relation to the long-term sustainability of our business. In 2023 our Sustainability Steering Committee reviewed the material issues within our responsible business framework and concluded that they reflect the current ESG challenges and opportunities affecting Reach and our stakeholders. We will keep the relevancy and importance of these issues under continuous review throughout the coming year.

OUR STAKEHOLDERS

Our business and brands touch the lives of:

Our people... who work from home and in our offices, in communities and at print facilities – around the UK, Ireland and US;

Our customers... who give us their data and expect us to look after it, and who also expect to see themselves represented in our business, brands and journalism;

Our communities... whose voices we amplify and whose stories we share in good times and bad;

Our advertisers and media partners... who expect our platforms to respect and promote their messages in a way that's safe and secure for their own customers;

Our suppliers and publishing partners... many of whom are experiencing increased costs and supply challenges;

Our shareholders... who are invested in the success of our business;

Pension funds and their members... who expect us to deliver on pension commitments and treat them fairly; and

Government and regulators... who we work with to protect journalists and our brands while setting out plans to bring tighter regulation to global tech platforms.

Our section 172 statement can be found on pages 85 to 87. It sets out how the Board has, in performing its duties over the course of the year, considered the matters set out in section 172 of the Companies Act 2006, alongside examples of how each of our key stakeholders has been considered and engaged.

We report against the Sustainability Accounting Standards Board (SASB) framework on page 205.

CREATING TRUSTED, QUALITY CONTENT

We give a voice to others with our trusted, quality content

Our titles connect people and communities across the UK, Ireland, US and English-speaking countries around the world. We have a responsibility to our communities to deliver accurate, independent journalism everybody can trust and cover the issues that matter most to them.

Whether it appears in print or online, our journalism can give a voice to others, and draw attention to, or amplify, the causes they care for as we campaign, lobby and fight on their behalf. At a time when misinformation and disinformation threaten the credibility of the industry, our commitment to creating trusted, quality content as a regulated news publisher ensures people and communities have a news provider who will serve and stand up for them.

Relevant UN SDGs

MyLondon crime reporter talking to police about knife crime in shops and restaurants around Croydon

Playing our part in a changing industry

We've always been proud of the prominent role our brands play in the vibrant and energetic free press that underpins our democracy – and understand the rights, privileges and responsibilities it brings.

We're committed to upholding the highest ethical standards of journalistic practice. As part of that commitment, we're a member of the Independent Press Standards Organisation (IPSO): an independent regulator of most of the UK's newspapers and magazines. As we say in our annual statement to IPSO: we have 'no appetite for behaviours or decisions that knowingly lead to the publication of inaccurate, misleading or distorted information'.

In 2023, IPSO notified us of outcomes in respect of 81 complaints, some of which were received in previous years. These are as follows: 17 complaints have been upheld by IPSO with the requirement to publish a full adjudication or correction; and 13 where the Committee deemed that sufficient remedial action (SRA) had been taken by the publication. 49 complaints were not upheld and 65 were resolved during the referral period. This is a significant improvement against outcomes last year – 62% of complaints not being upheld in 2023 compared with 48% for the same period in 2022.

Legal and ethics standards

In 2023, our legal and editorial induction programme became a mandatory part of the onboarding process, ensuring all new editorial colleagues receive training in legal and editorial standards and ethics.

The training touches on all elements of media law, with modules on IPSO and the Editors' Code as well as on Reach's required editorial standards. Monthly legal training has been provided, with a specific focus this year on refresher training for colleagues as well as specialist sessions for our magazine teams.

Alongside the training programme, all editorial employees are sent a monthly legal bulletin highlighting issues and updates – readership is mandatory and timely compliance is monitored and logged.

Regulated by IPSO

While we believe in holding ourselves to high standards, we're also an active member of IPSO, which acts as an independent regulator across many UK titles and enforces the Editors' Code of Practice.

We submit an annual statement to IPSO that sets out how we maintain editorial standards, our record on editorial compliance during the year, including any details of complaints upheld against us and how we handle them, and training programmes for our journalists. We publish the statement on our website.

"We're committed to upholding the highest ethical standards of journalistic practice."

Editorial freedom

Reach is home to many brands that differ in audience and political ideology but which are all built on the principles of freedom of speech and editorial independence. We welcome lawful expression from different perspectives, without exclusion. With no single title or contributor representing Reach as a whole, we are greater than the sum of our parts.

HOW WE ARE USING AI

Our editorial leaders formed a cross-functional AI steering committee in January 2023, focusing on productivity, innovation and governance. The group has worked together to accelerate AI experimentation and boost productivity gains with a primary focus on editorial uses of generative AI. The main objective of the group was to develop ways for AI to support journalists in their daily work, in combination with continued editorial judgement and approval. We are rapidly scaling the most promising AI applications and in 2024 we will be looking beyond the editorial teams to explore productivity gains in other departments.

In 2023, 6,000 articles were written with the support of AI tools, generating 50m page views. Our editors notified readers when we began using AI and made a public commitment that every piece of AI-supported content will continue to be overseen and approved by a journalist.

Responsible business continued
Creating trusted, quality content

CAMPAIGNING ON BEHALF OF OTHERS

Day in, day out, our journalists cover the stories that matter most to the communities they serve. Our titles hold power to account on both a local and national level, give a voice to those who need it most and campaign against injustice.

This year, we established a group-wide editors' forum that meets every quarter to review and document the positive social impact of the content Reach produces.

THE LIVERPOOL ECHO'S POLITICIAN PARKING FINE EXPOSÉ

After a 16-month investigation, the Liverpool Echo revealed 14 local politicians had 51 penalty charge notices cancelled by officers over a five-year period which at full price would total more than £3,500. The investigation revealed poor practices and behaviours from those who had been elected to serve Liverpool and its people.

Following the investigation, two senior Liverpool councillors left the council, with one of them banned from standing again, and two more councillors also departed after the exposé. The investigation led to a full audit of the council's parking operations.

THE DAILY RECORD'S OUR KIDS OUR FUTURE CAMPAIGN

In February 2023, the Daily Record launched the Our Kids Our Future campaign in response to an epidemic of teenage violence in Scotland. The campaign called for the Scottish Government and local councils to ring-fence funding to ensure every community has a place for teenagers to go and demanded online tech giants fully enforce their policies on tackling harmful content such as videos of young people attacking others.

The campaign earned its place on the Government agenda and led to First Minister Humza Yousaf pledging to invest £2m to protect young people in Scotland. Humza Yousaf also wrote to the UK Government asking for an amendment to the Online Safety Bill to help tackle online clips showing attacks on children and this amendment was successfully approved into the Bill in July 2023. The Scottish Government held its first emergency summit on violence in schools as a direct result of the Record's reporting.

DAILY EXPRESS'S TRIPLE LOCK PENSION AND SAVE OUR HIGH STREET BANKS CAMPAIGNS

In 2023, the Express continued to give a voice to those who needed it most, as illustrated by its Triple Lock Pension and Save Our High Street Banks campaigns. The Express reignited its Triple Lock Pension campaign in 2023, again calling on the Government to protect and support pensioners and recommit to the triple lock. The title launched a petition to persuade the Government to stick to its manifesto promise, garnering over 300,000 signatures and resulting in the Government committing to its original promise. In response to warnings from analysts that almost all high street banks will be shut within four years, the Save Our High Street Banks campaign called for high street branches to be saved from extinction on behalf of the country's most vulnerable. Ultimately, the campaign celebrated a victory in June when Nationwide promised to keep high street branches open.

Responsible business continued

Creating trusted, quality content

BIRMINGHAMLIVE'S COVERAGE OF BIRMINGHAM CITY COUNCIL'S BANKRUPTCY

Fundamental failings at Birmingham City Council resulted in it filing for bankruptcy, but it was the relentless coverage from BirminghamLive that brought into sharp relief the impact that these political decisions have on the people of Birmingham.

BirminghamLive spent months reporting on the council and exposed a range of issues, from political coups to the mismanagement of refuse workers' hours. The title ensured that it was represented at every single council meeting where critical issues were being discussed, further exposing issues that would otherwise have gone without scrutiny.

THE MIRROR'S SAVE OUR TICKET OFFICES CAMPAIGN

The Mirror launched its Save Our Ticket Offices campaign in July 2023 after it was revealed the Government had backed proposals by train firms to shut ticket counters at 974 railway stations across England.

With this campaign, the Mirror led the efforts to stop the closures, which would have particularly hit the elderly, vulnerable and disabled. Thousands of readers took part in an online rally in August, leading to the Government abandoning the overhaul.

WALESONLINE INVESTIGATION

A WalesOnline investigation led to real-world consequences for one direct sales firm in Cardiff. For several months, a member of the WalesOnline team went undercover to get a job with the company and used a hidden camera to expose a culture of lies and pressure-selling to manipulate vulnerable and elderly people into providing their bank details for charity payments. As our journalist discovered, staff at the business were lured by job adverts with empty promises of high salaries, only to be forced to work round the clock for far less than the minimum wage. The shocking findings led to the firms involved having their fundraising contracts terminated, while the industry regulator is evaluating our footage to assess further action.

Responsible business continued
Operating with integrity

OPERATING WITH INTEGRITY

A proactive approach

We're committed to acting ethically and with integrity in everything we do, from how we source, report and disseminate our journalism, to how we run our business and treat our people. By upholding these standards, and meeting those set by regulators and expected by wider society, we're able to support our journalists and those our journalism empowers in holding authority to account.

In recent years we have continuously formalised our approach to key policies and practices for all our employees, as detailed in this section. We also have a number of training processes geared specifically around our editorial teams – see page 41.

Ahead of 2023 we took the decision to go to trial around several long-standing historical legal issues. This step and resulting judgment has given us the necessary clarity to draw a line under these issues and move forward as a business – read more on page 10.

Operating in an increasingly digital world brings additional challenges regarding data protection and cyber abuse. We now handle more of our customers' data than ever – and we must treat it carefully and give visitors to our sites a safe online experience.

Relevant UN SDGs

Improving ethical standards online

As we move more of our business online, our responsibility to our customers and advertisers is greater than ever. Customers deserve and expect a safe experience, while advertisers need to trust their ads will appear in appropriate environments.

Our machine-learning-powered brand safety tool, Mantis, ensures our clients' ads only appear in safe, appropriate environments, proving 100% accuracy and a faster safety categorisation, compared to traditional blocklist methods.

Reach remains an active participant in industry bodies. We comply with the Advertising Standards Authority's (ASA) Code for Non-broadcast Advertising and are members of The Trust Project, whose mission is: 'To amplify journalism's commitment to transparency, accuracy, inclusion and fairness so that the public can make informed news choices'.

Our CEO Jim Mullen has been the chair of the News Media Association (NMA) throughout 2022 and 2023, stepping down as planned at the end of 2023. Reach is also a Board Member partner of the Internet Advertising Bureau and a member of the News Media Coalition.

Data privacy progress

As customer data forms an increasingly important part of our strategy, we take our responsibilities in relation to privacy very seriously. To reduce the risk in how we handle and process data, we maintain a robust policy framework, deliver mandatory annual training for all employees and issue specific guidance on high-risk processing operations.

Protecting our customers and their data

In 2018, when the General Data Protection Regulation (GDPR) and the Data Protection Act (DPA) were introduced, we brought in policies, controls, procedures and mandatory training to manage personal data. Following our 2023 expansion into the US, we now also comply with US privacy laws such as the California Consumer Privacy Act, the Virginia Consumer Data Protection Act and the Utah Consumer Privacy Act.

DATA PROTECTION PRINCIPLES

In 2023, we developed a core set of fundamental principles to further embed a culture of data trust and integrity across every area of the business in all countries we operate in. These principles form the bedrock of our approach, inform our priorities and ensure we act with integrity when dealing with consumers' data.

Principles: Consumer trust and rights

Lawful processing

Reach only processes personal data where it has a legal basis to do so.

Fairness and transparency

Reach processes personal data fairly and honestly, and communicates openly with individuals on how and why their data is being processed.

Individual rights

Reach respects individuals' rights in relation to their personal data – including their rights of access, rectification, erasure, restriction, portability and objection – and provides timely responses.

Principles: Data management practices

Data minimisation and limitation

Reach only collects, stores and processes personal data that is relevant and necessary for the purpose for which it was collected.

Stewardship

Reach is committed to protecting individuals' privacy and has appropriate policies, practices and training in place for the safe handling, storage, sharing, retention and deletion of the personal data it processes.

Data security

Reach takes appropriate technical and organisational security measures to protect personal data throughout its data lifecycle, and requires the same standards from its third-party service providers.

Responsible business continued
Operating with integrity

Alongside our Data Protection Policies and controls, our data protection team performs a key compliance role, working closely with teams across the business. The data protection team works particularly closely with the legal team and other key stakeholders such as data management, information security and information technology, offering advice on, and support with, third-party contracts. It also supports other personal data needs, for example risk management, management of consent, data security and best practices for the processing, sharing and retention of data, including data transferred to third parties.

The data protection team also leads on personal data incident management and timely data subject rights compliance – for which we have comprehensive procedures.

Key policies and practices

Some things are non-negotiable, which is why we take a strong stand on areas such as anti-bribery, anti-corruption, anti-slavery and discrimination. It's also why we've put policies and practices in place to make sure our employees are treated fairly at work. Information regarding our policies is available to read on our website.

Anti-bribery and anti-corruption

- We comply with relevant anti-bribery and anti-corruption laws, and have put in place an Anti-bribery Policy and compulsory e-learning module on anti-bribery and anti-corruption for all employees. This module was completed by 98.4% of employees, with leavers and long-time absences accounting for the missing 1.6%.
- We require our suppliers, contractors and business partners to comply with the law and include mandatory warranties on anti-bribery and anti-corruption in our contracts to support this. We only work with suppliers, contractors and business partners that comply with the law.

Anti-slavery

- Our Anti-slavery Policy, in accordance with the Modern Slavery Act 2015, sets out our zero-tolerance approach to slavery, child labour, bribery and corruption – and indicates to employees what slavery, servitude, forced or compulsory labour and human trafficking might look like. It applies to all our employees and anybody who works on our behalf. Generally the UK is considered to be low-risk for modern slavery and, as a UK-based company that deals overwhelmingly with UK suppliers, we believe we have minimal exposure to modern slavery.

OUR HUMAN RIGHTS POLICY

The policy states that:

- we issue clear contracts of employment, make sure working hours are well within the working time directive maximum thresholds, and commit to never forcing our people to opt out of working time regulations;
- we pay employees for the work they do and provide holidays and rest periods in line with regulations;
- we monitor holiday usage with our leave and time management process, and regularly encourage colleagues, directly and via managers, to take their full entitlement;
- we pay above the national minimum wage, and never subject anyone to forced labour; and
- we have no zero-hour contracts.

Code of conduct and discrimination

- Our code of conduct makes it clear we won't accept discrimination of any kind – including against gender, race, disability, sexuality, religion or age – in line with the law. To reduce the likelihood of discrimination taking place, we communicate policies and make them available to all employees, promote awareness when we recruit and train our managers in inclusive hiring.

Disciplinary and grievance processes

- Every Reach employee has the right to be heard and the right to a fair hearing; they can also seek advice through our Employee Assistance Programme.

Inside information

- As Reach is a listed company, we have an established Inside Information Policy, which is approved by the Board and ensures our employees are aware of our obligations under the Listing Rules and the Market Abuse Regulation.

Whistleblowing

- Our whistleblowing charter, which is reviewed by the Audit & Risk Committee, and a confidential, independent whistleblowing line promoted on our intranet, enable all employees to report concerns about the integrity of the business or breaches of our policies without fear of criticism or discrimination.

Our employees complete compliance courses relating to many of our policies and practices, plus courses including cyber security, editorial policy and corporate criminal offence. We aim for 100% of employees to complete courses relevant to their role. In 2023, we saw a 98.5% completion rate, with leavers and long-time absences mainly accounting for the missing 1.5%.

Responsible business continued
Operating with integrity

Working together to achieve a safe working environment

We understand that engagement is essential to improving health and safety across every area of our organisation. With this in mind, we continue to engage with our employees across all departments to ensure that our safety messages and culture are embedded. Our goal is to ensure that our teams feel personally invested in Reach's safety objectives and goals. We believe that this approach will help us create a safer and more productive workplace for everyone.

Reach is a dynamic organisation with two key operations: Reach Publishing, which covers newsgathering and commercial activities, and Reach Printing Services. In 2023, the two operations continued to grow closer together, with their respective health and safety units becoming aligned and working closely together to standardise and share best practices.

Our commitment to health and safety was recognised in 2023 when both health and safety teams achieved the RoSPA Order of Distinction Award – the 19th consecutive Gold for Reach Plc.

2023 also saw the move to a single certification for the ISO standards across Reach Printing Services, with all sites now certified to ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety). With a single certification confirmed by an accredited certification body, Reach Printing Services has shown its commitment to health and safety and the confirmation of a single process to control, manage and improve safety across its print sites, emphasising employee participation and management involvement.

In addition, we prioritise online safety, with a dedicated Online Safety Editor leading the way internally and with external bodies and decision-makers. While this is most frequently concerning our people's mental wellbeing, there is a physical safety aspect too, which sees the Online Safety Editor working closely with our security team and Health & Safety to put additional protections in place when necessary. For more on online safety, see page 41.

Key changes we've made

This year, we've continued to gather the latest news stories across the globe, from reporting from war zones in Ukraine and Israel to covering earthquakes in Marrakesh and Turkey, to exposing the real impact of climate change from glaciers in Argentina. To enhance the safety of our people on the ground we've been working with teams across several departments to create a safety travel team.

This team has rolled out a new travel risk assessment platform that allows us to work collectively to create one single assessment that covers all areas of risk. The process is open and transparent so the requester can track progress and feel actively part of the assessment process. Since the platform's initial roll-out, we have seen a monthly increase in its use, and the user experience and approval process have been continuously improved as the tool has been integrated in both our national and regional teams' practices.

In addition to the new travel platform, we have also streamlined some of our risk assessment processes by creating engaging and concise safety information that enables our people to efficiently assess risks.

We have also made improvements to our fire safety processes by adopting a new, shared, digital fire risk assessment, which has helped us reduce risk quicker and communicate the assessment more efficiently.

Health and safety performance in 2023

In 2023, information on four accidents reportable according to Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) was passed to the Health and Safety Executive – an increase of one from 2022's data.

We investigated each event and acted accordingly. All four were reported under the 'over-seven-day incapacitation' requirement. This is when an employee is off work or not able to perform their normal duties for seven days or more as a result of a workplace accident.

Reportable accidents under RIDDOR

	2019	2020	2021	2022	**2023**
RIDDOR events per year	2	1	3	3	**4**

Health and safety enforcement activity

No health and safety enforcement action was taken against Reach in 2023.

Planning for the future

At Reach, we're committed to creating the safest working environment possible. That's why we have a rolling two-year roadmap for health and safety, and we're always looking for ways to continuously improve this, including benchmarking ourselves against other leading media outlets and also across other industries.

Responsible business continued
Developing our team

DEVELOPING OUR TEAM

Taking care of our people

Our progress as a business is dependent on the talents, skills and passions of our people. This year, we supported our teams through change with a continued focus on open communication, working together to be a more inclusive organisation, and supporting people in their personal and family lives.

Relevant UN SDGs

19
Inclusive Top 50 UK Employers ranking

86%
Company-wide participation for Be Counted inclusion data

18
trained wellbeing champions

27
trained Online Safety reps

49
apprentices trained

Responsible business continued
Developing our team

Supporting our people's mental health

We take our responsibility to support our people very seriously and we provide several tools to help do this, while also signposting options available via multiple touchpoints through the year, both in written and verbal communications.

Our Employee Assistance Programme (EAP) offers 24/7 advice via a dedicated phone line and the Spectrum Life app, which all employees can access. The app provides support including guides for wellbeing and nutrition and a BeCalm space for guided meditations. A total of 237 calls were made to the phone line in 2023 – 146 of these were consultations and 91 were for advice.

We further support mental health by providing wellbeing training sessions for managers and employees and by working with 18 trained wellbeing champions across the business. They have many responsibilities, including advocating wellbeing and mental health awareness, raising awareness of resources such as our EAP, being there for people as a point of contact for questions and support and, sometimes, as a listening ear.

An external partner trains each champion in mental health first aid (MHFA). The training helps them to spot triggers and signs of poor mental health and to gain confidence on how to reassure and support a person in distress. It also helps our champions understand mental health, educating them on common issues and how to challenge stigma.

Reach is made up of...

3,706
permanent employees

2,418
in editorial teams

596
in commercial teams

353
in print teams

339
in other vital areas, such as product and finance

Protecting our people from online abuse

Journalist safety was a continued focus for Reach in 2023 and we continue to lead the industry by employing a designated Online Safety Editor to support our people. The Online Safety Editor also leads on research and speaks on this important issue with tech platforms, Government officials and other external bodies. Our work protecting our people was highly commended at the Digital Publishing Awards, with the jury recognising that prioritising the safety of journalists is a significant step in protecting independent journalism.

In 2023, 109 of our employees officially reported some form of online abuse related to their work, including threats, sexual harassment and harmful personal comments. 26 of these cases were subsequently reported to the police.

We also saw an increase in threats received via email during 2023. In response, we have worked more closely with the IT team to improve the filtering of these messages.

We launched an Online Safety Rep network in 2022, which currently has 27 trained volunteers working in teams across the organisation to provide first-response support and, signposts to help and resources, as well as raising awareness of effective online safety protections. The Online Safety Editor co-ordinates the network and provides regular training and updates for the network members.

We have also continued to make use of the Reach Hive initiative, which supports employees experiencing a backlash against content on social media. It was deployed five times in 2023 against action including swarming accounts, which were part of a significant organised and targeted backlash. The Reach Hive initiative provided a robust response from online safety, security, HR and health and safety.

In 2023, Reach continued to work with industry partners Women in Journalism (WiJ) and provided free training and workshops to all Reach employees and WiJ members, for example working with the Suzy Lamplugh Trust to provide a session about stalking. In addition, we've partnered with the Coalition Against Online Violence, a global network of organisations working to make the internet a safer place.

Responsible business continued
Developing our team

Inclusion at Reach

At Reach, we break down our diversity and inclusion approach into two simple ideas: diversity is who we are, and inclusion is what we do. We see improving inclusivity as an ongoing process and are aware that we are responsible for taking an inclusive approach not only to our people but also to our audiences.

In 2023, Reach was ranked in the Inclusive Top 50 UK Employers List for the third year running, moving from 29 to 19.

Our three core inclusion focuses for 2023 were managers, data and outreach.

Managers

Inclusion efforts in 2023 focused on helping managers embed inclusive leadership behaviours into their everyday work. We also successfully communicated the importance of managers' accountability by launching DIY D&I, enabling managers to participate in workshops that enhanced a more inclusive team culture. DIY sessions were available for managers to run with their teams independently.

We also updated our menopause toolkit to help both colleagues and their managers. The toolkit shares the most common symptoms of menopause and perimenopause and provides advice and help so our people feel more comfortable talking about it. Suggested supports include offering a change in working hours, an adjustment to shift patterns, increased comfort breaks and ensuring workspaces are well-ventilated, to name just a few. We also delivered menopause awareness training for line managers to run with their teams independently.

Data

Our Inclusion strategy continues to be led by data. Be Counted is our ongoing campaign, launched in 2021, which uses data to better understand the make-up of our teams. Gathering data allows us to spot gaps and opportunities to improve inclusion and then focus our efforts on where we can make the most significant difference. In 2023, we maintained our targeted Be Counted completion rate, with 86% of employees contributing to our data-gathering. Our people shared data on characteristics including social mobility, educational and occupational backgrounds, and caring responsibilities, as well as more traditional data, such as ethnicity and sex.

Outreach

We made outreach a more explicit part of our 2023 Inclusion strategy this year. Here are some of the initiatives that gave opportunities to different groups across the UK.

ChangeMakers Media Challenge

The ChangeMakers Media Challenge, in partnership with youth charity Causeway Education, was a six-week summer outreach programme in social mobility hotspots for students from state-funded schools. The students received virtual masterclasses

Sir Keir Starmer speaking with local students during a visit to our Manchester hub, hosted by the M.E.N.

Responsible business continued
Developing our team

and mentoring across the summer and were tasked with creating a media campaign to improve the lives of 16- to 24-year-old readers. More than 30 colleagues participated in and supported the programme. As well as having the opportunity to join the Mirror's editorial conference and hear from CEO Jim Mullen, the students got the chance to pitch their campaigns to a Reach judging panel, with the winning teams taking on further work experience in Reach newsrooms.

WalesOnline Outreach Programme

In February, WalesOnline hosted a group of teenagers from Grangetown, Butetown and Riverside for a taster day to help them understand how the media works and show potential routes into journalism. In partnership with community group United2Change, 17 teenagers spent three hours in WalesOnline's newsroom attending the morning conference, speaking to reporters and content editors, creating news lists and gaining an awareness of all aspects of modern reporting, including engagement, analytics and content.

Include Summit

Reach was one of the main sponsors of the 2023 Include Summit, the UK's largest conference focused on equality, diversity and inclusion in sport. Our colleagues from the M.E.N., Mirror and Curiously participated in panels, exhibitions, events and workshops. Reach also joined forces with the BBC and Sky to lead a discussion on the need for under-represented communities to fill more decision-making roles in sports media.

Networks

Colleague networks remain a vital part of inclusion at Reach. In 2023, the business evaluated how the networks were working, combining some networks while expanding others. One new network was created in 2023, ReachSustainability, connecting like-minded people across Reach to raise the profile of ESG initiatives and champion best practices around sustainability. For more information on ReachSustainability, please see page 47.

One of the most successful network initiatives in 2023 was Meno-Chat, which enables colleagues to connect and gives our people a confidential and safe space to talk about menopause.

Editorial inclusion work

For our people to feel their work is making a difference in society and for our brands to remain popular, the content of our journalism must represent both the diversity of our teams and the communities it reaches.

This year, we refined several ways to help our editorial colleagues achieve this. Our Editorial Inclusion Board (EIB) reviews our processes and content through an inclusion lens, creating a feedback loop to make our people's voices heard. This year, we completed our Inclusive Reporting programme. Led by our EIB and working with external partners, the programme helps our journalists feel comfortable reporting on different topics and communities inclusively and sensitively. The programme featured topics including (but not limited to) race, sexual and domestic abuse and transgender identity.

Our Speak Up for Inclusion process allows Reach colleagues to share any concerns about editorial content that could be more inclusive. A panel of editorial colleagues from across Reach editorial teams manages a feedback inbox and discusses the next steps and overall trends.

Celebrating inclusion in our journalism

Since its launch in 2022, The Belonging Project has continued to bring about a permanent culture shift in our newsrooms. The project aims to ensure a clear plan is in place across all newsrooms to reach underrepresented communities, encourage more inclusive reporting and maintain consistent engagement with marginalised groups. In 2023, the scope of The Belonging Project was broadened to include socioeconomic factors, recognising the importance of intersectionality in inclusion. The Belonging Project article with the most page views of 185.6k was from the Manchester Evening News, focusing on the uplifting story of Jason Williams, who turned his balcony into a beautiful 'cloud garden' after struggling with his mental health through lockdown. What started as a small, city-centre balcony garden led to his exhibition at the Chelsea Flower Show.

The total number of The Belonging Project page views from February 2022 to December 2023 was...

27.4M

with

69%

of these page views attained in 2023

Average articles published per month have gone up...

62%

in 2023 vs 2022, and average page views per month are up

104%

as a result

Responsible business continued
Developing our team

Supporting people with disability

We've continued our commitment to giving fair consideration to applications for employment made by disabled people, bearing in mind the requirements for skills and aptitude for the job. In the areas of planned employee training and career development, we strive to ensure that disabled employees receive equal treatment on all available benefits, including opportunities for promotion. We make every effort to ensure that continuing employment and opportunities are also provided for employees who become disabled, where reasonably practical to do so. In addition, we are founding members of the Valuable 500, a disability-focused business collective – read more about this below.

Mentoring programmes

In 2023, we ran the following four cross-company mentoring programmes to address representation in the talent pipeline.

Mission Gender Equity

For the third year running, we participated in the 30% Club's Mission Gender Equity, a mentoring programme that works with participants from other companies to help accelerate the careers of high-performing women and improve gender balance at senior levels.

Generation Valuable

Run by the Valuable 500, a disability-focused business collective, Generation Valuable is a first-of-its-kind 12-month programme for rising talent with an attachment to disability. In 2023, one mentee with leadership experience, who self-identified as being disabled, was paired with CEO Jim Mullen as a mentor.

Mission Include

Mission Include is a nine-month scheme designed to support the career progression of groups underrepresented at a leadership level and supports protected characteristics, including socioeconomic background and neurodiversity. Reach provided both mentors and mentees, and participants were matched with people from other companies.

The Bridge

The Bridge was a nine-month programme pioneered by our ethnicity inclusion network, ReachCulture, which paired together mentors and mentees from within the business, for both traditional and reverse mentoring. The Bridge helps to remove barriers to progression for colleagues from underrepresented groups and gives mentees the knowledge, access and tools they need to advance their careers.

Gender pay gap

In 2023, we again reduced our gender pay gap – the median pay gap from 8.9% in 2022 to 7.0% and the mean pay gap from 10.5% in 2022 to 9.1%.

For more information on the gender split of directors, other senior managers and all employees, see page 92.

Changing our teams

The business contended with a range of challenges in 2023, including increased costs, a decrease in referral traffic in page views and ongoing macroeconomic uncertainty.

In order to respond to these challenges we had to prioritise two actions: putting a comprehensive cost-reduction plan in place, and continuing to reshape our organisation to better respond to the digital landscape.

This plan included reducing the sizes of our teams, across all departments, a challenge for all our people. Throughout this process we have continued to provide support to impacted individuals and to work closely with our relevant unions and other partners.

The impact that these actions have on our teams is not taken lightly. However, these cost reductions were necessary to maintain the strength of the business against difficult conditions and to solidify its position as a digital publisher moving forward.

Proactive employee communication

As we worked through the changes of the year, we made proactive, two-way communication with our leaders and teams a priority. Jim Mullen, our CEO, devotes significant time to communicating with employees at all levels of the organisation and across all functions, not only around financial results but throughout the year. He hosts regular breakfast discussion sessions, both in-person at our hubs and virtually, and invites people to ask him questions and give feedback.

This year, more than 200 people attended 23 breakfast and afternoon meetings with Jim. On average, they rated their experience 8.6 out of 10, with people praising Jim's openness, honesty and commitment to connecting with his colleagues. On Fridays, Jim sends an email update to all colleagues highlighting success stories, commending colleagues for their work and sharing essential business updates.

Our Executive Committee runs regular virtual and in-person events with our teams to share updates and encourage dialogue. Members of our Executive Committee speak openly about our challenges and opportunities and share information about the wider business.

We regularly share Company news, updates about our financial results, stories about our people and event information through our intranet and email newsletter, connecting all our employees with what's happening in our business.

Responsible business continued
Developing our team

We also invite our people to join Connect & Learn virtual teach-ins on critical strategic focus areas, meet people in other departments, find out about the brilliant work that's going on and share feedback. One example in 2023 was the session on the success of the OK! Beauty Box.

Keeping in touch through surveys and Check-ins

We invite our people to share their thoughts and feelings about working for Reach through our monthly Pulse engagement survey. On average, 58% of our people complete the survey each month. Line managers can access responses, review comments and identify trends using the data to reach out to people and find new opportunities to keep them engaged.

Our people keep in touch with their managers through Reach Check-ins; these monthly, informal one-to-ones enable managers to speak honestly and openly with their teams on anything from wellbeing to performance. We also ask our people about these Check-Ins with their manager in the monthly Pulse survey.

We also monitor retention rates and absenteeism as critical indicators of engagement and satisfaction. In 2023, the voluntary rate of employee turnover was 9.65%, reduced from 14.4% in 2022. The retention rate (defined as employees in Reach's employment for the full 12 months) was 88% compared to 95% in 2022. In 2023, the Group's absenteeism rate (which follows the standard definition used by the Advisory, Conciliation and Arbitration Service) decreased to an average of 1.35%, from 1.7% in 2022.

We made two additional support payments to help alleviate the cost of living burden going into 2023 for colleagues on salaries of £50,000 or below. Eligible colleagues received two £200 payments, paid in December 2022 and January 2023. The pay review for 2023 focused on lower earners and we continue our commitment to offer our employees the Living Wage Foundation rates as a minimum.

We also continue to offer competitive employee benefits, including:

- a defined contribution pension scheme (matched up to 6% for new joiners);
- Company funded healthcare for all employees which includes GP access and the opportunity for colleagues to claim back money on health and wellbeing costs, including prescription, dental and optical fees;
- enhanced family leave policies;
- paid volunteer day which gives colleagues the opportunity to support causes important to them;
- discounts at several retailers, including supermarkets;
- loan schemes, including rail season tickets, cars and technology purchases;
- financial support for those who are worse off as a result of working from home; and
- money towards the cost of equipment for home workers.

In addition, all employees have the opportunity to participate in a group bonus scheme annually.

Enhanced family leave

Family life isn't always straightforward and we want to recognise that to support our colleagues. Our Carers' Leave Policy offers up to five days of paid leave per year to support people with caring responsibilities. Our neonatal leave offers up to 12 weeks' additional paid leave for either parent, if their baby needs neonatal care. Partners have been added to many existing policies, including IVF paid leave and pregnancy loss leave, to increase support beyond mothers who have given birth. We offer two-week bereavement leave and all employees coming back to work after losing somebody can choose to phase their return.

Our apprenticeship programme

The future of news publishing requires a mix of brilliant journalists, digital experts and astute commercial minds and our apprenticeship programmes are helping to find and train them. This year, 49 apprentices participated in our programmes covering data, communications and journalism roles. Roughly half of these people were new starters looking for opportunities in the industry while the other half were existing employees looking to develop further within their roles.

Talent: evolution and future

Despite its challenges, 2023 provided a backdrop for a number of opportunities for role creation, expansion and growth at Reach. In 2023 there were 186 internal promotions and 4.3% of those were promotions into senior roles.

The year also provided an opportunity to create 238 new roles which reflected the changing landscape in which our business operates and the direction we intend to take.

In addition, our local newsrooms continued to provide training to newly graduated journalists, and in 2023 we supported 79 trainees passing their Certificate of Journalism course while employed by Reach titles.

The external recruitment process was also fine tuned in 2023, and we moved away from spending with big recruitment agencies and focused on developing our own internal talent acquisition team. This shift enabled us to more efficiently leverage talent acquisition technology and scale our talent acquisition function to keep pace with changing business needs.

Responsible business continued
Protecting our environment

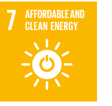
PROTECTING OUR ENVIRONMENT

Protecting our environment for future generations

Every person, business and community on the planet must play their part in safeguarding the environment and in essence all our futures. At Reach, our responsibility is twofold. We must, like all businesses, reduce the negative effects our operations have on the environment, while identifying and acting on opportunities to enhance it. But we also have the power to influence others to do the same by promoting awareness of environmental issues – both on a local and global scale – across all our publications.

Every day, we give millions of people who read our news, entertainment and sport the knowledge they need to make better, more informed decisions about their own impact on the environment. And through the stories we share, and the championing role we play, we also help people fight back against destructive actions carried out in towns, cities and countries all over our planet.

Relevant UN SDGs



The Watford print site team on their annual litter picking day

Our environmental campaigning in 2023

We have dedicated environmental reporters in England, Ireland, Scotland and Northern Ireland who enlighten and empower people everywhere by reporting on the environmental stories that matter to the future of our planet. Below is only a small selection of their great work from 2023.

In July, the Mirror exposed the 'catastrophic' consequences of Britain's love affair with fast fashion. An investigation revealed that Ghana's capital, Accra, contains a toxic mountain of ditched clothes and garments left to rot.

The Manchester Evening News teamed up with the Royal Horticultural Society (RHS) to launch a competition to give away £1,000 of RHS vouchers to the resident with the best idea for transforming their shared ginnel (fenced or walled passageway) into a blooming community hub.

The Express continued to report on the biggest environmental stories from around the world. Back in March, the title exclusively revealed the Government's plans to make the UK a world leader in green offshore wind energy. This exclusive led to further investigations that revealed the supply chain behind the sectors creating clean power.

Irish Reach titles teamed up on a campaign focusing on the climate crisis during 2023. As Ireland has pledged to reach zero carbon emissions by 2050, the campaign sought to answer questions on how the world can kick its fossil fuel addiction. Reach for Zero ran across eight Irish titles including the Irish Mirror and DublinLive.

The year also saw the Daily Record launch its Bin the Vapes campaign, highlighting the shocking rise in pollution from disposable e-cigarettes, which was championed by MSP Gillian Mackay. New legislation around disposable vapes is now likely to pass in Scotland and more widely in the UK in 2024.

How our people are supporting sustainability

In 2023, we formed the ReachSustainability network, which allows people across the business to connect over their shared passion for promoting sustainability, while championing best practices around sustainability, both at home and at work.

The network joined forces with Oxfam in the autumn to launch its first environmentally focused colleague campaign, 'Reach does Second Hand September'. The campaign encouraged colleagues to shop second-hand and donate, reuse, re-wear and restyle during September. We worked with Oxfam to provide a donation bin at every Reach hub across the UK, encouraging our people to donate unwanted items.

We also hosted a Q&A session open to all Reach employees with Oxfam's senior independent fashion adviser and used clothing guru Bay Garnett, led by Reach Ireland's environmental correspondent.

In September the Reach Sustainability network hosted an event with Bay Garnett, stylist and sustainable fashion advocate, to celebrate Second Hand September

Making Reach more environmentally-friendly

Our Environmental Policy has highlighted several key areas of focus, including energy consumption, waste management, paper procurement and Volatile Organic Compounds (VOCs). All of these are required in volume to deliver content to our audiences and we are determined to continue to find new and innovative ways to manage our operations that are more environmentally-friendly. To deliver on this ambition methodologically, we have implemented a continuous programme of audit and analysis through our ISO 14001:2015 Environmental Management System (EMS). This system enables us to reduce and mitigate risks and to identify and act on opportunities to increase sustainability.

Energy is our biggest direct source of emissions. Print production and, increasingly, digital media are both energy-intensive processes. We continue to identify and take energy-saving actions, such as the delivery of our facilities efficiency programme and the procurement of renewable electricity at our hubs and manufacturing sites. This year we installed over 9,000sq m of solar panels at our owned print sites in Oldham, Watford and Glasgow.

All three sites are now generating their own power and are largely self-sufficient during daylight hours. Our combined PV generator output of 2,000kWp – enough to power 217 average UK households – gives us a ready source of renewable energy at our print sites that makes our products even more sustainable.

Responsible business continued
Protecting our environment

The indirect impacts of a business's operations are as important as the direct impacts. We are committed to accurately measuring and reducing our Scope 1, 2 and 3 emissions, in line with the Paris Agreement. We have now managed to baseline our full Scope 3 emissions for the first time, a challenging task which was completed in 2023.

To help reduce the energy used within our digital processes, including Reach Publishing, we have adopted best practices for cloud-based technology in order to achieve significant emission reductions. During 2023, we have continued to find efficiencies and improvements which will reduce our associated emissions and strive to continue this downward trend throughout 2024. Enhancements are focused on cloud efficiencies and an increased use of AWS renewable energy sources.

With the assistance of our EMS, we can continually review, identify and implement opportunities to reduce negative environmental impacts. This includes initiatives such as substituting conventional lights and carbon-intensive equipment with energy-efficient alternatives, responsibly procuring equipment and incorporating more recycled materials into our processes.

Each of our print sites has a dedicated team responsible for encouraging employees to look after their work environments and specific environmental action areas. This year, they carried out litter picks across the sites, acted on energy-saving initiatives, shared best practices and continued to develop and deliver their Toolbox Talks on waste management, recycling, pollution control, energy management and biodiversity.

Environmental governance and the path to net zero

Our Environment, Social and Governance (ESG) Steering Committee, chaired by our Chief Financial Officer, sits under our Board Sustainability Committee. The ESG Steering Committee met three times in 2023 and all meetings were well attended by representatives from relevant departments from across the business. The Committee oversees all our environment-based key performance indicators (KPIs), including our emission reduction targets and actions and the timeframes to achieve them. These targets were set in 2022, based on the data available at the time and were approved by the Sustainability Committee.

In 2022, we commissioned external experts to put together a materiality assessment, an important step in informing our future ESG agenda. The assessment led to a five-year climate strategy, approved by our Sustainability Committee. This presented our ESG Steering Committee with a set of strategic targets and an overall ambition to focus on and it has been measuring and ensuring progress towards these targets throughout 2023.

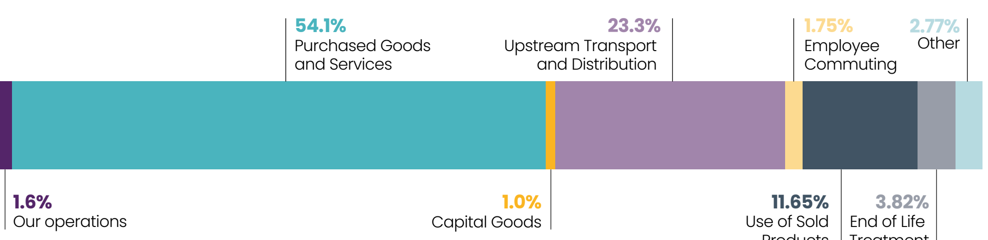
We have continued to make progress with TCFD in 2023 by identifying the physical and transitional risks posed by climate change, as well as the opportunities that may arise as a result of the transition. Our cross-functional team continues to meet to assess our risks and opportunities and engages with relevant employees to ensure environmental-based risks, issues and opportunities are being identified as well as robustly managed and mitigated. In 2023, we have undertaken a quantitative assessment of our most material climate-related risks. See more in our Risk report on pages 66 to 72 and our TCFD report on pages 54 to 64. The ESG Steering Committee and Sustainability Committee will continue to monitor the progress against our strategy.

Having a thorough and full understanding of our Scope 3 emissions is an essential part of our climate strategy. We have been expanding our reporting on categories since 2019 and in 2022 made great progress on reporting greenhouse gas (GHG) emissions. In 2023, we are proud to have continued that progress by completing a full baseline of all of our GHG emissions. We identified 11 'upstream' and 'downstream' Scope 3 categories relevant to Reach, three of which are particularly prevalent: 'Purchased Goods and Services', 'Upstream Transport and Distribution' and 'Use of Sold Products' (includes digital emissions). The graphic below shows the breakdown of these emissions, with Purchased Goods and Services being the largest contributor to our GHG emissions.

The Scope 3 categories not deemed relevant to Reach and which therefore will not be reported, are:

- **Category 9 –** Downstream Transport and Distribution (our distribution of goods is covered in Category 4);
- **Category 10 –** Processing of Sold Products (Reach does not process intermediate products);
- **Category 13 –** Downstream Leased Assets (Reach had no sublets in 2022); and
- **Category 14 –** Franchises (Reach does not have any franchises).

Breakdown of Reach baseline emissions 2022



Responsible business continued
Protecting our environment

Our five-year climate strategy involves more than just measuring emissions. We have continued to meet our ambitious reduction targets and having achieved and maintained a 75% reduction in Scope 1 and 2 emissions two years early, we are able to pursue further, even more ambitious commitments (see page 50 for details). We are also committed to enhancing our engagement with our value chain and using our leverage where possible to persuade others to set their own net zero targets, ideally aligned to a science-based target (SBT).

We recognise that the issues of climate change and sustainability are complex. We therefore provide regular training to colleagues across the Group to help them to better understand how they can make a difference and help us on our net zero journey. Our newly-formed Sustainability network ran several events in 2023, including a Sustainability Awareness training event open to all employees. We also delivered an in-depth training session on climate emissions and environmental best practice for our executive team and Board.

Energy Efficiency Actions

- Invested in solar panels at all owned print sites in order to increase our renewable electricity usage.
- Replaced refrigerant gas cooling equipment at our Watford print site with a more efficient model to reduce refrigerant usage.

Our environmental performance in 2023

Our total Scope 1 and 2 (market-based) emissions has reduced by 15% from 2022 and has reduced 77% from the 2019 baseline.

For the first time, we are able to report our full Scope 3 GHG emissions and can compare them with our completed baseline of GHG emissions for 2022. Our Scope 3 emissions have reduced by 17% when compared to 2022. The reductions are predominantly attributed to Purchased Goods and Services, Upstream Transport and Distribution and Use of Sold Products.

Due to improvements in data quality we have re-stated some 2022 emissions. For full details of our environmental performance, see the tables on pages 52 and 53.

Energy and emissions

Our gas consumption (kWh) in 2023 reduced by 0.73% and electricity by 18.5% compared with 2022.

Environmental management

Each year, our print and publishing sites are both internally and externally audited against the international environmental standard ISO 14001:2015, which requires continuous improvement on environmental impacts. We work hard to meet and maintain, or ideally better, our standards by continually reviewing our risks and opportunities. It's rare that non-conformances are raised and all hubs maintained the standard in 2023.

The year also saw the three print sites integrate their standard under one ISO certification. The newly-integrated management system enhances the consistency of print ISO management, covering Environment, Health and Safety and Quality. In 2024, the scope for the Publishing ISO 14001:2015 standard will be reviewed to ensure it is still relevant and reflective after the wider operational changes carried out in 2022 and 2023.

Supply chain

As a news publisher, paper is essential to our business, which is why we are committed to responsible procurement. We set ourselves ambitious targets to support our commitment to using graphic paper from fibre that has been recycled or that has been independently certified as sustainable. In 2023, we sourced 97.28% of graphic paper from recycled materials or wood from certified sustainable sources, against our target of 95%. We collaborate with contractors for the printing of our magazine supplements and the distribution of our printed products so when entering into a contract we carefully consider our contractors' dedication to environmental sustainability. We expect them to assess and disclose the energy consumption and carbon emissions linked to the work conducted during the reporting year. Our five-year climate strategy has outlined our desire to engage more deeply with our biggest suppliers and work with them to continually enhance the environmental credentials of our products.

Waste

The unnecessary creation and poor management of waste can profoundly impact the wellbeing of our planet and natural environments. We are therefore committed to utilising the waste hierarchy – a ranking system of waste management options according to which is the best for the environment – in our management of waste. We aim to reduce the types and volumes of waste we generate while reusing and recycling as much of it as possible. This year, we also aim to enhance the granularity of our waste reporting, continuing to report the total volumes of hazardous waste from our print sites, where most of the waste is produced, and total weights of paper waste we recycle from our print sites, which is our main non-hazardous waste stream.

The comprehensive renovation of our hubs for team members embracing the advantages of hybrid work is now complete and we ensured that we made as much use of sustainable and recycled materials in this process as possible.

We are committed to ensuring 100% of our waste electrical and electronic equipment (WEEE) avoids landfill and is either recycled or reused, so we have chosen a contractor, Restore, that has a 'zero to landfill' policy. Restore also uses electric vehicles, powers its recycling processes via solar panels, and is a signatory of the Climate Group's EV100 project, which brings together companies 'committed to accelerating the shift to electric transport from around the world'. We have also been considering the potential to donate electronic items before they become WEEE and engaging with charitable organisations who could benefit from this.

Responsible business continued
Protecting our environment

External ratings

We're proud to have again been included in the FTSE4Good Index, which measures the quality and transparency of our environmental, social and ethical disclosures.

In 2023, the Institutional Shareholder Services (ISS) scored Reach at C in its Environmental, Social and Governance (ESG) report. This year, we completed ISS's questionnaire on our use of energy, water and waste treatment, as well as social and governance issues. We scored C for our ESG corporate rating and 1 for our ISS environmental rating, indicating the highest possible level of disclosure. This year, our Carbon Disclosure Report (CDP) submission scored B, an improvement on last year's score. We will continue to work to increase this score in the future.

Meeting our compliance obligations

We proactively monitor and maintain environmental legal requirements and other compliance obligations that apply to us, including industry codes of practice, and take action to make sure every part of our business remains compliant with relevant obligations while continually pursuing best practice. This year, Reach completed all mandatory Energy Savings Opportunity Scheme (ESOS) audits and has had no prosecutions or compliance notices for breaches of environmental law.

Targets and metrics

2023 Target	Progress in 2023	2024+ Target
Climate change		
We will reduce GHG emissions (Scope 1 + Scope 2 market-based) by 75% by 2025 versus a 2019 baseline and maintain this.	**Achieved** We have maintained our GHG emission reduction (Scope 1 + Scope 2 market-based), having reduced by 77% in 2023 versus 2019.	We will reduce GHG emissions (Scope 1 + Scope 2 market-based) by 75% by 2025 versus a 2019 baseline and maintain this.
We will aim to reduce our electricity consumption by an average of 5% annually over the next three years to 2023 versus a 2019 baseline.	**Achieved** Our electricity consumption in 2023 is 44.5% lower than 2019.	This target has been achieved and is being replaced with our aim to submit a near-term science-based target in 2024.
Maintain GHG emissions associated with UK/domestic business travel in 2022 compared with 2019, on a like-for-like basis. Note: Overseas travel is excluded because the requirement to cover news events fluctuates year-on-year and is outside the Company's control.	**Achieved** We have had a 73% reduction in UK/domestic business travel GHG emissions versus 2019.	Maintain GHG emissions associated with UK/domestic business travel in 2022 compared with 2019, on a like-for-like basis. Note: Overseas travel is excluded because the requirement to cover news events fluctuates year-on-year and is outside the Company's control.
Environmental management		
We are aiming for a combined ISO 14001:2015 certification for all print sites under our ownership across the UK within the next two years. To maintain ISO 14001:2015 to all publishing sites in scope.	**Achieved** ISO 14001:2015 certification was combined and maintained for print sites. ISO 14001:2015 certification was maintained for publishing sites in scope.	We aim to maintain the ISO 14001:2015 standards for our three owned print sites and our publishing division. We will review the scope of the Publishing ISO 14001:2015 accreditation to reflect recent changes to our working environment.
We aim to report GHG emissions on all relevant Scope 3 categories in 2023.	**Achieved** We have fully baselined our total GHG emissions including Scope 3. 11 out of 15 categories are relevant to Reach operations.	We will continue to report our full GHG emissions across all three Scopes.

Responsible business continued
Protecting our environment

Targets and metrics

2023 Target	Progress in 2023	2024+ Target
Environmental management continued		
This is a new target	n/a	To have our GHG emissions data independently verified.
This is a new target	n/a	To develop the Group's Sustainability Report.
Supply chain		
We aim to use 100% graphic paper (all newsprint and magazine paper grades) manufactured from fibre using recycled materials or wood from certified sustainable forests. We commit to achieving at least 95% recycled materials or wood from certified sustainable forests.	**Achieved** Achieved 97.28% graphic paper using recycled materials or wood from certified sustainable forests, and we continued to work with suppliers to maximise this.	We aim to use 100% graphic paper (all newsprint and magazine paper grades) manufactured from fibre using recycled materials or wood from certified sustainable forests. We commit to achieving at least 95% recycled materials or wood from certified sustainable forests.
This is a new target	n/a	We aim to identify and engage with our top 20 suppliers by GHG emissions, aiming to reduce our Scope 3 emissions associated with them.
Waste and water		
We will reduce our Volatile Organic Compound (VOC) emissions annually versus the previous year.	Achieved 64.2% reduction from 2022.	We will reduce our VOC emissions annually versus the previous year.
Maximum of 3% of hazardous waste generated at print sites under our ownership to go to landfill.	Achieved 1.32% for 2023.	Maximum of 3% of hazardous waste generated at print sites under our ownership to go to landfill.
Biodiversity		
This is a new target	n/a	We will carry out an internal review aiming to better understand our impact on biodiversity.

Targets and metrics

Environmental performance data

Energy consumption and greenhouse gas (GHG) emissions tonnes Carbon Dioxide equivalent (tCo_2e)

Methodology

As a large, quoted organisation, Reach plc is required to report its UK energy use and carbon emissions based on the Environmental Reporting Guidelines, including mandatory greenhouse gas emissions reporting guidance (March 2019) issued by the then Department for Business, Energy & Industrial Strategy (BEIS). Reach's methodology is consistent with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The data detailed in this table represents emissions and energy use for which Reach is responsible, including Scope 1 emissions (fuels, refrigerants, natural gas and company car usage), Scope 2, electricity purchased by Reach during the reporting period, and Scope 3; all other emissions are from Reach's supply chain.

Our offices outside the UK are leased. These figures are included in the Scope 3 emissions table. We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2022. Data was collected internally within Reach and includes actual data from invoices from our sites.

Responsible business continued
Protecting our environment

Environmental performance data

Energy consumption and greenhouse gas (GHG) emissions tonnes Carbon Dioxide equivalent (tCO_2e)[1]

	Consumption			GHG emissions (tCO_2e)		
	2023	2022	2019	**2023**	2022	2019
UK and Offshore Scope 1 [2]						
Gas combustion – heating (kWh)	**14,161,559**	14,265,096	17,359,411	**2,591**	2,604	3,192
Oil combustion – electricity generation (kWh)	**1,364**	84,331	956,029	**0.35**	22	242
LPG consumption (kWh)	**544,026**	1,376,681	333,355	**125**	317	71
Commercial vehicles (kWh) [3]	**1,248,687**	1,431,149	3,149,678	**294**	343	788
Refrigerant gas loss (kg)	**163**	324	263	**328**	608	608
Total UK and Offshore Scope 1 [4]				**3,338**	3,894	4,901
Global (excluding UK and Offshore) Scope 1 (ROI commercial vehicles only kWh)	**6,130**	13,233		**1**	3	
UK and Offshore SCOPE 2 [5]						
Grid electricity used – location-based (kWh)	**28,438,637**	34,918,787	51,206,683	**5,889**	6,753	13,088
Grid electricity used – market-based (kWh)	**28,438,637**	34,918,787	51,206,683			9,816
UK and Offshore Scope 2 (market-based) [6]						9,816
UK and Offshore total Scope 1 and Scope 2 (market-based) [4]				**3,338**	3,894	14,717
Global (excluding UK) total Scope 1 and Scope 2 (market-based)				**1**	3	
UK and Offshore Scope 1 and 2 per million pages printed [7]				**0.083**	0.078	0.171
Global (excluding UK and Offshore) Scope 1 and 2 per million pages printed				**0.00004**	0.0001	

Responsible business continued
Protecting our environment

Scope 3 emissions table	GHG emissions (tCO_2e) 2023	2022	YOY%
Scope 3 [8,9]			
Category 1. Purchased Goods and Services [4]	**99,169**	131,081	-24%
Category 2. Capital Goods	**1,967**	2,468	-20%
Category 3. Fuel and Energy [4]	**2,452**	3,013	-19%
Category 4. Upstream Transport and Distribution [4]	**46,727**	56,363	-17%
Category 5. Waste [4]	**250**	305	-18%
Category 6. Business Travel	**1,662**	1,521	9%
Category 7. Employee Commuting	**3,430**	4,260	-19%
Category 8. Upstream Leased Assets	**586**	576	2%
Category 11. Use of Sold Products	**23,694**	28,190	-16%
Category 12. End of Life Treatment of Sold Products	**16,342**	9,241	77%
Category 15. Investments	**1,645**	1,253	31%
Total Scope 3	**197,924**	238,271	-17%
Total Scope 3 tCO_2e per million pages printed	**0.000010**	0.000010	2%

Waste	2023	2022	2020
Total hazardous waste from print sites (tonnes)	**1,039**	1,147	1,379
Total hazardous waste from print sites to landfill (tonnes)	**13.7**	19	38
% hazardous waste from print sites to landfill	**1.32%**	1.69%	2.80%
Total weight of non-hazardous paper waste recycled (tonnes)	**7,543**	9,744	10,627
% non-hazardous paper waste from print sites under our ownership recycled	**100%**	100%	100%
% waste electrical and electronic equipment from publishing sites reused or recycled	**100%**	100%	100%
% aluminium printing plates recycled	**100%**	100%	100%

Water	2023	2022	2020
Total water consumption at all print and major publishing sites (m^3)	**19,737**	24,857	35,458

Volatile Organic Compounds	2023	2022	2020
Emissions of Volatile Organic Compounds (VOCs) (tonnes)	**2.6**	7.33	10.47

1. GHG emissions and energy consumption are calculated in line with Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019 using the UK Government's Greenhouse gas reporting: conversion factors 2023 (BEIS). 2022 and 2019 GHG emissions used 2022 and 2019 conversion factors from BEIS
2. Scope 1 covers the annual quantity of emissions in tonnes of carbon dioxide equivalent from emission sources that are under the operational control of Reach
3. The Commercial vehicles data in kWh has been added to the reporting table for SECR reporting
4. Scope 1 LPG has been re-stated for 2022. Scope 1 Company car emissions have been re-stated for 2022 as Reach sourced new mileage data and has retrospectively amended emissions As a result, the Scope 3 Well-to-tank emissions for total UK Scope 1 and Scope 2 energy consumption and emissions have also been restated (these are reported on a market-based basis). Scope 3, Purchased Goods and Services, Upstream T&D, and Waste have been re-stated for 2022 due to improvements in data quality and methodology
5. Scope 2 covers the annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by Reach for its own use
6. No global (excluding UK) Scope 2 as all UK-based operations
7. To reflect the amended totals associated with the difference in Scope 1 data, the Scope 1 intensity emissions per million pages have also been restated
8. Scope 3 covers other indirect greenhouse gas emissions for which data is currently collected, i.e. where the emissions are from sources that are not owned by Reach and where Reach does not have operational control. Our Scope 3 records for 2022 and 2023 now represent a comprehensive and complete carbon footprint for all of our Scope 3 emissions. In line with best practice, BEIS, Internal Energy Agency (for international electricity) and CEDA (for spend-based data) emission factors have been used. Our Scope 3 emissions follow the year 1 January to 31 December
9. Categories 9, 10, 13 and 14 are not relevant to Reach's business

PREPARING OUR BUSINESS FOR THE CHANGING CLIMATE

There is an overwhelming body of evidence that climate change is already causing destruction, damage and loss of life globally.

Our industry is currently undergoing a shift from being largely print-based to primarily digital. Climate impacts to both print and digital-based business remain relevant for Reach and their management is key to ensure the resilience of operations. Hence, we are assessing climate impacts in the context of these changes.

Businesses are exposed to physical climate risks, including asset damage due to extreme climate events, often resulting in additional costs and delays from operational and supply chain disruption, as well as the risks associated with transitioning to a green economy and more stringent policies and regulations. At Reach, we have developed our understanding of the most relevant risks and are working on their management.

Taking action on climate change also presents businesses with opportunities to ensure sustainable growth and improve overall resilience to future changes – and these are particularly strong for Reach as we transition to become a digitally-focused business.

We have made much progress in better understanding our current and future climate-related risks and are continuing the work we started in 2022 to ensure that our business remains resilient in the face of climate uncertainty.

Summary of our work in 2023

In 2022, we carried out our initial qualitative Climate Scenario Analysis (CSA), which involved a desk-based study and two stakeholder workshops. The qualitative CSA included the analysis of risks and opportunities using different time horizons and two climate scenarios. We identified three key risks – one physical (flooding that impacts directly and indirectly on our operations), and two transitional (carbon and energy pricing). We also identified a key opportunity for our business, which is our strategy to become a more sustainable digital business.

Following our work in 2022 to identify our most material physical and transition risks, we quantified these risks in 2023. This has improved our understanding of the risks, started to identify the potential financial implications on our business and tested the resilience of our strategy under multiple climate scenarios.

We also continued to calculate our full carbon footprint, enabling us to understand how and where we need to make changes and investments to reduce our impact on the climate and our exposure to emission-related risks. Reach retains relevant records of previous and ongoing work to support the TCFD disclosure.

Consistency with TCFD and CFD

We began reporting voluntarily against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in our 2021 Annual Report. This is our second year of mandatory reporting of TCFD and our work in this area continues to expand. Additionally, from this year, Reach is also required to align its climate financial disclosures with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, also known as CFD.

Following from progress made this year, we are fully consistent with seven of TCFD's recommendations and partially with the other four, as well as fully complying with all of the CFD requirements displayed in the table on the next page.

As a UK premium-listed company, we report on a 'comply or explain' basis against the recommendations of the TCFD. This is consistent with the requirements of the UK's Financial Conduct Authority. Reach has taken into account all of the guidance specified by the Listing Rule 9.8.6R(8). Reach follows the 'Guidance for All Sectors' TCFD recommendations.

This section of the Annual Report has been tailored to account for relevant guidance and the table below outlines our alignment to both TCFD and CFD.

TCFD report continued

TCFD recommendation	CFD requirement	Summary of disclosure and 2023 actions	Next steps
Governance: Disclose the organisation's governance around climate-related risks and opportunities			
A. Describe the board's oversight of climate-related risks and opportunities *See page 57*	**A.** A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities	• Board oversees climate risks and opportunities, led by the Sustainability Committee • In 2023 the Board and management undertook training on climate-related issues	• Continue regular engagement and delivery of training on climate-related issues, risks and opportunities more widely across the Reach team
B. Describe management's role in assessing and managing climate-related risks and opportunities *See page 57*		• Oversight by the ESG Steering Committee; management across the business involved in identifying, managing and reviewing climate-related risks and opportunities • In 2023, we further developed senior management team roles and responsibilities, and identified ownership for climate risks	• Continue to regularly review climate-related risks and opportunities with relevant risk owners and management team
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material			
A. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term *See page 60 to 63*	**D.** A description of i. the principal climate-related risks and opportunities arising in connection with the company's operations, and ii. the time periods by reference to which those risks and opportunities are assessed	• Qualitative CSA carried out in 2022 identified our most material physical and transition climate-related risks and opportunities under two climate scenarios over the short, medium and long term and recognised climate change as an emergent risk	• Risks identified will continue to be regularly reviewed
B. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning *See pages 60 to 63*	**E.** A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy (non-mandatory if director provides an explanation) **F.** An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios	• In 2023, we quantified the likely impact of each most material risk at site and Group level, taking into account the impact in relation to strategy and financial planning • Further work is required to fully develop our plan to transition to a low-carbon economy	• Continue our work to further integrate insight on climate risks to Reach in our strategy and financial planning • We are working to develop and set emission reduction targets, which will help us develop our transition plan
C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario *See page 60*	**F.** An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios	• Our CSA work considers multiple climate scenarios and time horizons when assessing our climate risks and opportunities • In 2023, our quantitative analysis has analysed our current operations and strategy within different climate scenarios (including a 2°C or lower scenario)	• In 2024: develop and implement mitigation plans for relevant risks

Full alignment | Partial alignment

TCFD report continued

TCFD recommendation	CFD requirement	Summary of disclosure and 2023 actions	Next steps
Risk management: Disclose how the organisation identifies, assesses and manages climate-related risks			
A. Describe the organisation's processes for identifying and assessing climate-related risks *See page 59*	**B.** A description of how the company identifies, assesses and manages climate-related risks and opportunities	• Reach qualitatively assessed climate risks and opportunities in 2022 • In 2023, we continued that work and quantified the most material risks	• Continue to review climate-related risks as part of our overall risk management framework
B. Describe the organisation's processes for managing climate-related risks *See page 59*		• Climate change is tracked in our emerging risk register, with specific climate-related risks managed through our risk management framework and overseen by specific risk owners	• Continue to review climate-related risks as part of our overall risk management framework
C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management *See page 59*	**C.** A description of how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management process	• Material climate-related risks identified via our CSA work finalised in 2023 have been included in the business risk registers and are being tracked by the relevant risk owners	• Continue to review climate-related risks as part of our overall risk management framework • Plan to review and update our climate scenario work in 2026 as part of a three-year review process
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material			
A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process *See page 64*	**H.** The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based	• Scope 1, 2 and 3 GHG emissions monitored and reported annually. In 2023, we focused on calculating our full Scope 3 emissions • We have further work to do to define metrics in relation to risks identified	• In 2024: identify additional metrics to monitor each key risk and opportunity quantified in our climate scenario analysis work, and set near-term SBTs
B. Disclose Scope 1, 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks *See page 64*		• See above • While we monitor Scope 1, 2 and 3 emissions we do not yet explicitly report climate risks related to Scope 1, 2 and 3	• Annual calculation of our Scope 1, 2 and 3 emissions
C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets *See page 64*	**G.** A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities, and of performance against those targets	• 75% reduction of total Scope 1 and 2 GHG emissions by 2025 against a 2019 base year • Several other climate-/environment-related targets, e.g. for business travel and electricity consumption	• In 2024: further work in reviewing and setting additional targets for the metrics identified for relevant climate risks and opportunities

Legend: green circle = Full alignment; amber circle = Partial alignment. Risk management A–C: Full alignment. Metrics and targets A–C: Partial alignment.

TCFD report continued

Governance

Climate-related risks pose a potential threat across our business but we have integrated them into our decision-making across the business and taken the necessary steps to align our operations with the latest climate science to minimise negative impacts. Overall responsibility and oversight of climate-related issues is at the Board level, supported by the management team who regularly assess, review and monitor these issues and our approach to tackling them.

Our work in 2023 has focused on strengthening our understanding and the role everyone in the business plays in tackling climate-related issues. We have extended training opportunities more widely and launched the new ReachSustainability network to connect and engage people across the business. The mission of this network is to raise the profile of environmental, social and governance (ESG) initiatives, provide training opportunities and support across the business and champion best practice around sustainability.

Board

Since our initial alignment with TCFD in 2022, our governance structure at Board level has not changed. The Board's oversight of all climate change and environmental issues is directed by our Chief Financial Officer (CFO), with ultimate responsibility lying with the Board Sustainability Committee (the Committee), which comprises all Board members. The Committee oversees and recommends for Board approval the Group's responsible business framework and related commitments, and reviews and challenges any annual sustainability-related targets. The Committee is chaired by a non-executive director, Priya Guha, and met twice in 2023 to review progress on these issues.

Our Board Audit & Risk Committee (ARC) is chaired by Anne Bulford and is made up of independent non-executive directors. It is responsible for risk management, including climate-related risks, and reviewing the content and accuracy of our reporting. Like the Committee, it has been provided with regular updates on the TCFD and quantitative CSA work that has been conducted throughout 2023.

We have not linked executive remuneration with climate-related issues to date. However for the 2024 Long Term Incentive Plan, an environmental metric regarding reductions in Scope 1 and Scope 2 emissions will be introduced. Read more on page 126.

Management

Management-level oversight of our climate-related risks and opportunities is conducted by our ESG Steering Committee. Chaired by our CFO, the ESG Steering Committee is made up of senior managers from across the business and meets quarterly to review and manage the Company's approach to sustainability, including climate-related issues. The ESG Steering Committee reports to the Sustainability Committee.

In 2023, the ESG Steering Committee worked with an external adviser to quantify the climate-related risks and opportunities identified in previous qualitative CSA work. This puts us in a position to, where needed, develop mitigation processes and measures against these risks while also identifying the links between climate-related risks and opportunities and our overall strategy as we transition from print-based to digitally-based products.

The TCFD Working Group, which focuses on addressing the requirements set out by the Task Force, has focused this year on gaps identified in 2022. There are several teams across the business which form the TCFD Working Group and support the ESG Steering Committee and its sustainability work, particularly across risk, operations and finance. Our risk team identifies, manages and monitors climate-related risk, while our operations team is responsible for monitoring of GHG emissions and energy consumption. The operations team has been consulted and has heavily contributed to the analysis done to quantify climate risks. The operations team also includes Green Teams at our print sites, who lead environmental initiatives.

As we progress our understanding of climate risks and their potential implications, the finance team plays an increasing role in identifying and managing them. For example, the responsibility for overseeing and monitoring the potential financial effects of climate-related issues falls to finance.

Next steps – Governance in 2024

- Continue to promote training opportunities more widely across the business on climate-related issues, risks and opportunities
- As we grow our understanding of financial impacts, we will further develop senior management roles and responsibilities for how climate-related issues are monitored and managed

TCFD Governance

Key: Direction and oversight · Reporting · Advice

Board

Board

The Board ensures that our governance framework is implemented through a programme of action plans and annual targets.

This year the Board has undertaken training on climate-related issues.

Sustainability Committee

The Sustainability Committee is made up of all Board directors. It has responsibility to review, challenge, oversee and recommend for approval the Group's responsible business framework and related commitments; review and challenge annual sustainability-related targets; and review and oversee the Group's sustainability reporting.

Audit & Risk Committee

The Audit & Risk Committee is responsible for scrutinising climate-related and financial reporting, and for monitoring our risks.

Management

Environmental, Social and Governance Steering Committee

The ESG Steering Committee is chaired by the Chief Financial Officer and is attended by various senior managers across the business. The Committee is responsible for ensuring that all climate change and environmental targets and legislation are met.

Executive management team

The executive management team supports the Sustainability Committee by attending each meeting as required.

TCFD Working Group

The TCFD Working Group is made up of colleagues from Group Finance, Risk and Audit, Company Secretariat and Central Services.

TCFD report continued

Risk management

Reach's process to identify and assess climate-related risks began in 2022 as part of the qualitative Climate Scenario Analysis (CSA). In 2023, we continued this work by conducting a quantitative CSA. The risks considered in the quantitative assessment are those that had been identified in 2022 by the Board and the senior management team as most material and relevant to Reach. These are:

- energy pricing;
- carbon pricing; and
- increased flooding.

This work involved engaging with a range of internal stakeholders (including senior management, risk operations and finance) through a series of questionnaires and workshops to discuss and gather insight on our level of preparedness to cope with the different risks. It also involved collecting and analysing the external climate modelling data needed to comprehensively assess our exposure to these risks. We used the risk framework developed this year to assess all risks; this supports the integration of climate risks in the overall assessment and comparison of different risks. Our risk team is responsible for the risk management framework, including climate-related risks. You can read more details on our approach to CSA in the Strategy section.

As part of our ongoing work on climate issues, and in addition to our quantitative CSA work, we have reviewed the potential overall implications of current and proposed climate regulation. As a result, climate change remains a general emerging risk. The emerging risk and the individual most material climate risks assessed are therefore monitored by our senior leadership team through our risk management framework, which includes regularly reviewing the relevance and severity of external pressures and the environment within which we are operating. Our work to improve our risk management processes, which included further work to understand more fully the emerging risk of climate change, has also led to a better embedding of this emerging risk into our risk management model; see our risk management process on page 66 for more on how we manage risk in general.

Next steps

We are working to develop a process to review all identified climate-related risks and reassess their relevance to Reach every three years. As the initial qualitative CSA was carried out in 2022, with the quantitative CSA in 2023, the next CSA assessment will be in 2026. Between now and then we will continuously monitor the most material climate-related risks that have been identified (as described in the Risk management section).

Strategy

A key focus for our business strategy at Reach is to transition away from predominantly paper-based products towards a digitally-based platform. We identified in our CSA work last year that there are climate-related physical and transition risks relevant to Reach that are likely to impact our current business model and our strategy, as well as several opportunities associated with the transition to a low-carbon economy. To prepare for these challenges and opportunities, we have progressed our CSA work and quantified the potential impacts of the main climate risks on our business.

The approach taken in the quantitative CSA assessment is formed of three parts: exposure (analysis of how the climate and related drivers are projected to change); vulnerability (sensitivity and level of preparedness to a climate hazard); and risk (combining exposure and vulnerability results to calculate overall risk).

Exposure modelling – how individual sites/the business are exposed to each hazard under different time horizons and global climate scenarios (a low-carbon scenario of 1.5-2°C and high-carbon scenario of 4°C) as well as different business scenarios. The exposure modelling was informed by climate modelling data from several sources, including regional climate models, International Energy Agency (IEA) projections and EnerFuture data. Exposure was then analysed and categorised considering the likelihood of a climate-related event (e.g. a flood or a carbon price) occurring in a given climate scenario and time horizon. Likelihood ratings were assigned based on existing definitions within Reach's risk framework.

Vulnerability assessments – how sensitive the site/business is to a hazard and if there are any measures in place to reduce the risk. As part of the vulnerability assessment, print and office site managers as well as relevant business units completed a questionnaire that enabled us to understand how sensitive each site is to the risks analysed. Vulnerability ratings were assigned based on definitions within Reach's risk framework.

Risk calculation – the vulnerability and exposure ratings were combined for each site and risk to obtain a risk score (using Reach's risk framework as a reference). Impact in Reach's risk framework is analysed based on financial, strategic (including reputation), operational and compliance considerations. Given the risks analysed quantitatively as part of the CSA work in 2023, focus has been given to financial impacts. However, considerations of strategic impacts have also been taken into account. The description of financial impact in the risk framework has been applied to assess the potential magnitude of the impact for each risk. Read more about our risk framework on page 66.

The outputs of the quantitative CSA work are being integrated into Reach's existing risk register and framework.

TCFD report continued

We conducted desk-based research across a range of the latest climate science published by international and national organisations. This gave us an overview of the latest climate projections across different possible scenarios and, based on the scenarios envisaged by these organisations in their research, we considered two when identifying and assessing our risks. These scenarios lie at opposite ends of the spectrum, which enables us to gain an understanding of the range of potential climate-related risks and opportunities relevant to Reach. These scenarios are potential pathways, rather than projections, and either are possible.

The scenarios we have looked at:

- **Low-carbon scenario:** this 'net zero by 2050' scenario assumes that we achieve the goal of the Paris Agreement, namely that the global temperature rise is limited to 1.5ºC above pre-industrial levels. In this scenario, the most likely risks are those associated with the transition to a lower-carbon economy, namely higher emission costs, while physical risks will be lower than in a high-carbon scenario. For energy and carbon pricing risks, data from two specific low-carbon scenarios developed by IEA were used, i.e. Maximum Ambition (leading to net zero by 2050) and Enhanced Ambition (assumes national targets and commitments are achieved).
- **High-carbon scenario:** this 'business-as-usual' scenario assumes that climate policies and other actions taken are insufficient to achieve the goals of the Paris Agreement and transition to a low-carbon economy, and so global temperatures rise to 4ºC above pre-industrial levels. In this scenario, we expect to see severe physical risks.

The time horizons we have considered:

Near: now to 2030
Medium: 2030 to 2050
Long: beyond 2050

These time horizons align with national climate targets (for example, the UK's commitment to net zero by 2050), potential key target years for Reach in relation to climate actions, time horizons where climate drivers are likely to materialise, and, as far as practical, with the timeframes used in relevant climate science publications.

It's important to note that there are inherent uncertainties in any climate model outputs for a specific scenario, given how much depends on variables such as the speed of the energy transition, the introduction (or not) of climate-related policies by governments across the world, and how quickly the climate changes in response. Nonetheless, the analysis allows us to understand the potential consequences and plan accordingly.

The results of our quantitative CSA work are summarised for each risk identified in the table below. Overall, carbon pricing has been identified as the most relevant risk for Reach. However, when considering Reach's strategy to transition away from paper-based products, carbon pricing should not represent a significant financial risk to Reach. In the short term, Reach could face some risk (moderate when considering Reach's risk framework) from paper consumption, with paper manufacturers facing higher carbon prices and passing some of their costs on to Reach, but carbon prices for paper manufacturers are currently low or non-existent. As Reach moves away from print, the risk of facing carbon costs from paper manufacturers or suppliers of freight services will fall sharply.

Our quantitative CSA work this year found that energy pricing should not represent a significant financial risk to Reach when considering scenarios including Reach's planned actions. Flooding does not present a significant risk to most of our offices directly, and although flooding of the surrounding area is expected for most offices in the future, the impact is expected to be minimal in most cases, taking into account existing measures to continue operations during these events. Our print sites are not projected to be directly exposed to flooding under current or future scenarios, though there is a possible indirect exposure risk, e.g. the electricity substation serving one of our print sites is exposed to surface and river flooding in current and future climate scenarios. Overall, the future risk of flooding is considered to be low to moderate and its financial impacts to be minimal.

The analysis of risks in the near and medium term under two global climate scenarios has shown that our current business model and our strategy are resilient to these main climate impacts. In fact, our strategy aligns with the climate actions needed to decrease exposure to certain transition risks.

Our qualitative CSA work in 2022 showed that climate change also presents several opportunities, particularly in a scenario where we transition to a low-carbon economy. We used the same approach as with risks to identify and assess opportunities and to identify the most significant opportunities for our business. Our key opportunity, in both scenarios and across all time horizons, is the transition from print to digital that is already under way as we deliver our strategy. This year, as part of the analysis of carbon and energy prices, we have identified scenarios that reduce potential costs. For example, in a low-carbon scenario, our energy costs would be lower than current costs in the short and medium term.

TCFD report continued

Table of summary of quantitative CSA work for each risk

FLOODING

Risk description	Most relevant climate scenario and time horizon	Likelihood rating and description	Impact rating and description	Overall risk	Mitigation actions
Context Flooding is the major physical climate-related risk in the UK and under climate change conditions it is expected to increase both in intensity and frequency (projections show that intense rainfall and flash flooding could become almost five times more likely by the end of the century). Based on findings from the latest UK Climate Risk Assessment, in a 4°C scenario damages to businesses could increase by around 44% by 2050 and 75% by 2080. Reach has offices and print sites in more than 15 locations across the UK and Ireland. The level of flood risk (including surface, river and coastal flood risk) varies depending on the site, its location and the systems it depends on. The direct and indirect impacts of extreme weather events were identified as the main physical risk to Reach. Indirect impacts might be of most relevance as downtime in the energy system and blocked access to sites can cause disruption to operations. **Risk category:** Physical, Acute **Link to existing principal risk:** Supply chain disruption	**High carbon and medium term (to 2050s)** Both low and high-carbon scenarios as well as near, medium and long term have been included in the analysis of flood risk. The most relevant scenario is the high-carbon scenario (analysed using climate modelling output from RCP8.5) and the time horizon at which the increase in the risk might be significant compared to the baseline period is the 2050s.	**Rating:** This varies depending on the site but overall it has been categorised as very unlikely direct exposure to flood but possible indirect exposure. **Description:** We have analysed flood exposure at each individual site using a range of free and at-cost datasets, representing the best flood models available to assess current and future flood exposure. For the most relevant time horizon and scenario, we have identified two locations which in the future are expected to be directly exposed to flooding (but the vulnerability of these sites was categorised as low and hence not at considerable risk). In addition, projections show that a number of sites are expected to be indirectly exposed to flooding (i.e. site not expected to flood but surrounding areas might flood).	**Rating:** The potential impact of a flood varies per site but overall it has been categorised as being low for office sites and major for print sites. **Description:** A set of vulnerability considerations were assessed at site and Group level to determine the state of preparedness for flooding. If a flood event was to occur at an office site, the level of impact was categorised as low as there is generally no critical equipment that could get damaged, and employees have the ability to work from home. Hence, the overall impact on operations would be minimal. At print sites, assuming a flood event occurs, the impact was categorised as major given the potential damage to material and equipment and impact on operations if the energy system was impacted.	**Rating:** Overall categorised as low/moderate (ranging between low to moderate depending on the site). Financial impact expected to be minimal in a future climate scenario and considering Reach's strategy and measures in place. **Description:** Risk per site was estimated by combining information on likelihood and impact. While the risk varies per site, the overall risk to Reach has been categorised as low/moderate, given the mitigation measures available and the existing insurance to cover damages. In addition, given Reach's strategy to become a digitally-focused business, flood risk to print sites would decrease as the strategy is implemented.	• Existing working from home policy for office-based workers if offices are inaccessible. • Existing warning system to inform employees in the case that working from an office is not possible. • In specific sites, elevation of water-sensitive materials and equipment to above ground-level. • Back-up power generators at print sites. • Contingency plans for print sites (shifting printing load between sites). • Planned move to digital and reduce reliance on printing.

TCFD report continued

CARBON PRICING

Risk description	Most relevant climate scenario and time horizon	Likelihood rating and description	Impact rating and description	Overall risk	Mitigation actions
Context Carbon pricing represents a major climate-related risk in the UK, primarily due to the UK Emissions Trading Scheme (UK ETS) that puts a price on emissions from certain sectors. As of November 2023, the price per tonne of CO_2e under the UK ETS is approximately £40. There are also carbon prices impacting Reach's upstream supply chain partners in countries in the EU and North America, and the prevalence of these mechanisms is growing. Firms can either face direct or indirect carbon pricing risk. Direct carbon prices usually cover large facilities in emissions-intensive industries, such as electricity generation and manufacturing. Directly regulated firms will probably pass their carbon costs through to their consumers. Most companies will face indirect risk from carbon costs passed through from emissions-intensive suppliers. Depending on how carbon price mechanisms evolve, Reach could face risk from consumption of electricity, natural gas, diesel, paper and road freight services. In all such cases, carbon costs would be passed through to Reach from the suppliers of these services, themselves directly subject to a carbon tax or emissions trading scheme. **Risk category:** Transition, Policy and Legal **Link to existing principal risk:** Supply chain disruption, Deceleration of digital growth.	**Low carbon and near term (up to 2030)** The low-carbon scenario (in enhanced and maximum ambition) is the one in which carbon prices increase to the highest levels. In the near term, Reach's direct and supply chain emissions will be highest as paper products and print sites remain critical for Reach's operations. Consequently, assuming emissions continue to fall over time, risk will increase in the short term and peak around 2030.	**Rating:** While Reach will not face direct exposure to carbon pricing, it is likely to face exposure to carbon prices due to costs passed through from suppliers. The likelihood has therefore been categorised as probable. **Description:** Reach sources paper from several countries that already have carbon prices in place (such as the UK, EU and Canada). Reach is likely already facing some impacts due to carbon prices faced by paper manufacturers. Reach is also likely already facing impacts from carbon prices faced by electricity suppliers in the UK. In a low-carbon scenario, carbon prices in these regions are expected to increase considerably in the near and medium term.	**Rating:** Potential impact is moderate, based on carbon pricing trends and Reach's planned digitalisation actions. **Description:** Reach is transitioning away from paper products and will eventually become an office-based supplier of digital products. Such companies are not at major risk from carbon pricing unless they have exceptionally high on-site energy consumption. Reach's greatest source of risk will be from carbon costs passed through from electricity suppliers. If the UK ETS expands, Reach may also face significant risk due to on-site natural gas consumption and any remaining road freight services.	**Rating:** Overall risk is categorised as moderate. **Description:** Assuming a low-carbon scenario (enhanced ambition) and currently planned actions, carbon pricing could represent a moderate financial risk to Reach. Even if Reach is not directly regulated by a carbon price, it could face some short-term risk from paper consumption due to its suppliers passing carbon costs through. Carbon cost exposure for most paper manufacturers is currently low or non-existent but that is projected to increase in the future in a low-carbon scenario. As Reach moves away from print, the risk of facing carbon costs from paper manufacturers or suppliers of freight services is expected to fall sharply. Reach will soon be largely built around grid-based electricity consumption and cloud-based data storage. While fossil-fuelled electricity production can be regulated by carbon pricing, the Company's on-site electricity consumption is unlikely to be at a level that would cause carbon pricing to be a major concern. This is especially so because the UK power grid is expected to continue along a strong decarbonisation trajectory.	• Digitalisation could reduce energy consumption from direct operations, therefore reducing exposure to both carbon and energy pricing. • Installation of on-site solar power will reduce exposure to both carbon and energy pricing.

TCFD report continued

ENERGY PRICING

Risk description	Most relevant climate scenario and time horizon	Likelihood rating and description	Impact rating and description	Overall risk	Mitigation actions
Context Energy pricing represents a major climate-related transition risk for energy-intensive organisations in the UK. Under certain scenarios, electricity and natural gas prices could rise sharply in response to policies intended to disincentivise energy consumption and CO_2 emissions. Energy-intensive companies expecting to increase their emissions will be most at risk. Reach is not currently energy-intensive, and emissions are not expected to increase based on current digitalisation plans. **Risk category:** Transition, Market **Link to existing principal risk:** Deterioration in macroeconomic conditions (inflation).	**Low carbon and near term (up to 2030)** The low-carbon scenario is the one in which natural gas prices increase to the highest levels, while electricity prices are expected to rise before falling. In the near term, Reach's energy consumption will be highest as paper products and print sites have not yet been phased out. Consequently, assuming emissions continue to fall over time, risk will increase in the short term and peak around 2030.	**Rating**: Reach will probably face some increases in the price of electricity and natural gas over time. Likelihood has therefore been categorised as probable. **Description:** As the global climate policy continues, the UK Government may enact other policies intended to increase the price of electricity and natural gas. For example, the UK carbon price is expected to rise and could increase gas production and distribution costs.	**Rating:** The potential impact of changing energy prices on Reach is categorised as low. **Description:** Despite the potential for increased energy prices, Reach's energy cost is likely to fall. There are no planned actions that would lead to a significant increase in Reach's energy consumption. Meanwhile, consumption may shift away from paper-based products to digital, therefore reducing the energy consumed in Reach's direct operations.	**Rating:** Overall risk is categorised as low and, when considering Reach's planned actions, the increase in energy prices is not a risk. **Description:** Energy pricing should not represent a financial risk to Reach if, following the current trajectory, there is a reduction in energy consumed in direct operations. Electricity consumption in offices is unlikely to be at a level that makes energy prices a concern. Reach could face increased natural gas costs if prices increase significantly in response to policy actions to restrict supply and otherwise raise production costs. However, natural gas is mainly used at Reach print sites, and the Company expects to transition away from print and towards digital products. Reach is already taking steps to reduce this risk further with the installation of on-site solar power generation.	• Digitalisation could reduce energy consumption from direct operations, therefore reducing exposure to both carbon and energy pricing. • Installation of on-site solar power will reduce exposure to both carbon and energy pricing.

Next steps – 2024:

- Continue to review the risks identified regularly
- Continue to monitor external factors and pressures on the business and how these interact with the identified risks/opportunities
- Continue our work to further integrate insight on climate risks to Reach in our strategy and financial planning

Metrics and targets

The metrics and targets we have in place play an important role in enabling us to measure and monitor our climate-related risks and opportunities. The work we have done in 2023 to quantify climate risks and opportunities will enable us to set more specific metrics and targets to further measure and monitor risks, which is the next key step we must take to align with climate financial disclosure recommendations.

We report fully on our Scope 1, 2 and selected Scope 3 emissions annually, which has been a major driver in helping us to understand the impact we are having on the climate as well as how we might in turn be affected by risks associated with our emissions throughout our value chain. In 2023, we completed the calculation of all relevant Scope 3 categories (page 53), which enables us to identify high emissions sources and act to reduce them. Our existing climate-related targets include a 75% reduction of our Scope 1 and 2 emissions by 2025 (against a 2019 baseline), which will not only help us to reduce our environmental impact but also reduce our vulnerability to any potential costs associated with carbon pricing.

We regularly review all sustainability targets to ensure they are in line with our goals for the Company. We continue to set ambitious emission reductions targets in line with the Paris Agreement.

NEXT STEPS – 2024:

- Continue the work on setting targets and metrics for the most relevant risks and opportunities following our quantitative CSA work.

Non-financial and sustainability information statement

This table summarises our policies and sets out where you can find the information required to meet the non-financial reporting requirements under sections 414CA and 414CB of the Companies Act 2006.

Policies and guidelines	In summary	More information
Focus area: Environment		
Environmental Policy	Specific commitments in relation to the main areas where the Company has the potential to cause environmental impacts Compliance with required Climate-related Financial Disclosures	Pages 46 to 53 Pages 54 to 64 for the TCFD report Pages 55 and 56
Focus area: Employees		
Dealing and Disclosure Policy	Compliance by employees with insider and share-dealing regulations	Internal only
Inside Information Policy	Clear and documented procedures for handling and disclosing inside information	Internal only
Dealing Code for Directors and PDMRs	Compliance by directors and persons discharging managerial responsibilities (PDMRs) with insider-dealing regulations	Internal only
Diversity & Inclusion Policy	Understanding the Group's approach to diversity and inclusion, the role all our people play in fostering an inclusive culture, why it matters and where to find help	Pages 41 to 44
Health & Safety Policy Statement	Understanding the Group's commitment to the health and safety of its employees and others affected by its business activities	Page 39
Disclosure Policy	Awareness of how to make a disclosure of suspected wrongdoing	Page 38
Focus area: Human rights		
Anti-slavery Policy	Compliance with modern slavery regulations under the Modern Slavery Act 2015	Page 38

Policies and guidelines	In summary	More information
Focus area: Anti-bribery and anti-corruption		
Anti-bribery Policy	Compliance with applicable anti-bribery and anti-corruption laws	Page 38
Anti-fraud Policy	Clear and documented procedures on reporting suspected fraud and how the Group will respond to a concern about fraud	Internal only
Standards of Business Conduct	Maintaining high standards of integrity and personal conduct	www.reachplc.com
Focus area: Social matters		
Code of Conduct Policy	Understanding the professional conduct that the Group expects everyone to abide by, to create a culture that all employees are proud to be a part of	Page 38
Group Procurement Policy	Understanding the Group's policy and procedures for the procurement of goods and services	Internal only
Data Protection Policy	Compliance with the UK General Data Protection Regulations (UK GDPR) and the UK Data Protection Act 2018, the Irish Data Protection Acts, and data protection laws and regulations in all jurisdictions in which we operate	Pages 37 and 38 www.reachplc.com
Focus area: Non-financial key performance indicators		
	Understanding the key metrics in measuring the Group's non-financial performance	Pages 20 and 21
Focus area: Management of principal risks and uncertainties		
	Understanding the key risks that the Group faces	Pages 68 to 72
Focus area: Business model		
	Understanding how value is created for stakeholders	Pages 16 and 17

AN OVERVIEW OF OUR RISKS IN 2023

During the year, we have continued to see the internal and external environment evolve and, as a result, we have seen the risk environment evolve and change too. We have continued to progress and embed our Customer Value Strategy (CVS) to create a more data-led digital business. Macroeconomic conditions continue to be challenging, particularly in the areas of inflation and consumer confidence, interest rates, and advertising spend. We have seen an accelerated decline in digital referral volumes driven by the evolution of referral approaches used by the different platforms. All of these areas affect our risk environment and underline the importance of managing risk and uncertainty effectively in order to ensure the successful delivery of our CVS.

We have focused on our principal risks, with further work undertaken in the year to evolve how we mitigate and manage our principal risks, taking accelerated action where required to respond to the evolving internal and external environment. We have also completed deep dive reviews with the Audit & Risk Committee for several of our principal risks. These included cyber security, data protection, brand reputation, treasury management and future funding, and US operations risk. We have continued to develop a better understanding of our emerging risks and opportunities of climate change and AI throughout the year.

In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have identified our top climate risks and opportunities and completed further analysis to understand these more fully and embed them into our risk management model, as set out on pages 61 to 63.

How we manage risk

Our risk appetite has been clearly defined and agreed by the Board and helps us to drive decision-making when determining how we best manage each of our principal risks.

We carefully evaluate the level of risk we are prepared to take, and our risk appetite in relation to strategic, operational and regulatory risks is as follows:

Strategic
In pursuing our strategy, the risks we take carefully balance the need to develop the business with not knowingly compromising our existing brands, our reputation or our financial stability. Our principal strategic risks are:

- deterioration in macroeconomic conditions; and
- deceleration of digital growth alongside acceleration of decline in print revenue.

Operational
Our appetite for risks that may lead to significant disruption of our operations is low. We seek to minimise risks from unforeseen operational failures in both our business and our service providers. Our principal operational risks are:

- cyber security breach;
- supply chain disruption;
- health and safety incident;
- lack of funding capability;
- inability to recruit and retain talent; and
- damage to brand reputation.

Regulatory
We have no appetite for any risk that may constitute a breach of regulations, although we will challenge the appropriate bodies where we feel regulations are strategically limiting. Should mistakes occur, we act promptly to resolve the issue and prevent it happening again. Our principal regulatory risk is data protection failure.

Risk management framework

Identifying and evaluating risks

We regularly identify, evaluate and monitor all risks including emerging risks that may affect the operation of each area of our business. We then identify, evaluate and monitor those risks we consider to be principal – i.e. those with the greatest potential to have a negative impact on the business.

Managing risks

Having identified and evaluated our principal risks, we consider how best to mitigate and manage their potential impacts. We have clearly defined roles, responsibilities and accountabilities for managing our risks as set out in the diagram opposite. Each of our principal risks has an Executive Committee owner and we have well-established processes in place to allow the Board to review these risks. These are detailed in our Governance Report.

Our roles, responsibilities and accountabilities

The key roles and responsibilities in risk management are set out below:

Key: Direction and oversight, Reporting, Advice

Board

- Sets strategic objectives
- Identifies, evaluates and monitors principal risks and uncertainties
- Sets the 'tone from the top' and establishes the corporate risk appetite
- Reviews and approves key Group policies and procedures to manage risk
- Responsible for the assessment of risk (delegated to the Audit & Risk Committee)

Executive Committee

- Owns the day-to-day operation of the risk management framework and systems of internal control
- Identifies and assesses risks and introduces mitigation controls
- Establishes ongoing processes to monitor and manage risk, including emerging risks
- Assesses the effectiveness of internal controls and addresses any issues identified
- Ensures significant issues are escalated promptly to the Board
- Ensures that decisions taken are in line with the corporate risk appetite
- Ensures onward communication of key Group policies and procedures

Operational functions

- Ensure appropriate risk management is in place within their business areas
- Review risks and mitigations on a regular basis
- Review and monitor the implementation of key Group policies and procedures
- Identify emerging risks, and where appropriate escalate to the Executive Committee

Risk and compliance support functions

- Support and advise management in managing risk
- Support and advise the business on the development of appropriate and proportionate risk management actions
- Co-ordinate risk identification, reporting and governance activity
- Provide an opinion on the effectiveness of internal control and risk management systems and processes

Audit & Risk Committee

- Reviews the effectiveness of the risk management framework and internal control systems
- Reviews effectiveness and integrity of financial reporting
- Oversees risk-based internal audit activity which provides independent assurance over the operation of the Group's internal control systems and risk management processes
- Monitors compliance with the corporate risk appetite

Risk report continued

Key Increase No change Decrease

Our principal risks and uncertainties

We have considered our risks in the context of delivering our strategy through a more data-led digital business and the evolving external environment. The evolving external environment has seen the macroeconomic conditions continue to be challenging, particularly in the areas of inflation and consumer confidence, interest rates, and advertising spend. We have seen an accelerated decline in digital referral volumes driven by the evolution of referral approaches used by the different platforms. This has caused our risk of digital growth deceleration to increase and our risks around deterioration in the macroeconomic environment, supply chain disruption and cyber security breach to remain elevated throughout the year. The risk environment for data protection failure has also changed during the year with our expansion into the US. We have reviewed and evolved our mitigating actions for our principal risks to ensure they adapted to the changing risk environment. The Board has undertaken a robust risk assessment and review of our principal risks in this context and the Audit & Risk Committee has also performed a deep-dive review of the following principal risks during the year: cyber security, data protection, brand reputation, treasury management and future funding, and US operations risk. Our principal risks and progress against them are set out below.

We have continued to develop a better understanding of our emerging risks of climate change throughout the year. Whilst we do not at this stage consider climate risk to be a principal risk, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) we have identified our top climate risks and opportunities and completed further analysis to understand these more fully and embed them into our risk management model, as set out on pages 61 to 63.

Risk and description	How we mitigate the risk	What we've done this year
Strategic		
Deterioration in macroeconomic conditions Risk owner: Full Executive Committee Continued deterioration in macroeconomic conditions could result in an uncertain trading environment with reduced customer and advertiser spending, higher interest rates, higher inflation and increased costs, leading to lower cash flow and profits.	The economic uncertainty continues. We closely monitor the risk and impact and continue to take action when needed. We have a proven track record of responding quickly and delivering additional cost savings as necessary when faced with unexpected revenue declines.	We have closely monitored and assessed the macroeconomic factors and during the year we have seen continued inflationary pressures and increasing interest rates. We have continued to take action to closely monitor costs and be as efficient as possible, taking timely actions to mitigate inflation cost pressures in the year.

Risk report continued

Key
Increase · No change · Decrease

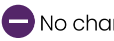
Risk and description	How we mitigate the risk	What we've done this year
Deceleration of digital growth alongside acceleration in decline of print revenues Risk owner: Full Executive Committee Changes in the traditional publishing industry have led to an ongoing decline in print advertising and circulation revenues, which is being exacerbated by macroeconomic factors. A lack of appropriate strategic focus could result in us losing further revenue from existing products, while also failing to grow digital revenues quickly enough to offset the decline in print.	Our strategic development is led by an experienced Board and Executive Committee. We focus on developing digital revenue streams through the CVS. We continue to take tactical measures to minimise print revenue declines and maintain profits, such as taking appropriate cost mitigation or pricing measures. We have governance structures which enable the ongoing review of performance against targets and strategic goals, including a weekly structured trading meeting. We keep under consideration acquisition, joint venture and other corporate development opportunities, which are aligned to our CVS.	Our strategy, led by an experienced Executive Committee, is built around moving to a digital-led model and remains the key strategic focus for the Executive Committee. During the year we have focused on building our direct relationships with customers; social video content; our strategy for affiliates; and Curiously, which aims to grow revenue from new audiences. Specifically, we have launched the Secure Audience Strategy, which focuses newsrooms on increasing the number of page views which come from reliable sources – those built on intentional relationships with us by readers. Content is analysed by age profile to understand what will appeal to under-35s in particular. This was rolled out in August, as part of the wider cultural change Curiously is tasked with delivering. We have also launched an operation in the US, which gives us another route to a digital population of 360m people, which in turn will open up new revenue opportunities.
Operational		
Cyber security breach Risk owner: Chief Financial Officer/Chief Information Officer An internal or external cyber threat or attack, or a breach within one of our suppliers, could lead to breaches of confidential data, interruption to our systems and services, reputational damage with our stakeholders and financial loss.	All business-critical systems are well established and are supported by appropriate disaster recovery plans. We regularly assess our vulnerability to cyber attack and our ability to re-establish operations in the event of a failure. The technical infrastructure supporting our websites is within the cloud and our sites have been designed to provide adequate resilience and continued performance in the event of a significant failure. We continue to invest in enhancing our cyber security infrastructure as new threats emerge.	Given our continued strategic focus on customer data as a source of revenue, the potential impact of a cyber security breach is increasing all the time. During the year we continued to deliver our cyber security improvement programme and have focused on the preparedness of our technology leaders to manage cyber incidents including cyber incident training and table-top exercises to rehearse re-establishing operations in the event of a failure. We have continued to harden our cloud environments to contain the damage from a potential cyber attack and performed regular penetration tests to identify vulnerabilities.

Risk report continued

Key Increase No change Decrease

Risk and description	How we mitigate the risk	What we've done this year
Supply chain disruption Risk owner: Chief Operating Officer/Chief Financial Officer Disruption or failure in our supply chain could lead to business disruption, increased costs, reduced service and product quality, and ultimately mean we are unable to deliver our strategy. **Print:** Our print products, which rely on a small number of key suppliers (for example, newsprint suppliers, wholesalers and distributors), could be adversely affected, operationally and financially, by changes to supplier dynamics. **Information systems and technology:** A major failure, breach or prolonged performance issues at a third-party provider could have an adverse impact on our business.	We carefully monitor and manage all our third-party print and information systems and technology providers – these include: • Ad producers and planners • Wholesalers and distributors • Newsprint suppliers • Manufacturing maintenance and parts providers • IT providers • Global digital partners We have business continuity/disaster recovery plans in place with all our key partners. For our IT partners, we have clear governance arrangements covering risk management, change control, security and service delivery.	During the year we continued to monitor our key suppliers, with a particular focus on suppliers to our print site operations. We also continued to review our contingency arrangements to ensure we have robust stock management processes and that there are contingency arrangements in place with our key suppliers.
Health and safety incident Risk owner: Chief Operating Officer Failure to adhere to our health and safety systems could result in our employees or other workers on our sites having accidents, including, potentially, fatal ones.	Every site has a professionally qualified and experienced health and safety manager and an occupational health provider. The health and safety manager oversees the implementation of our health and safety management system, which includes an adverse event reporting system. This allows investigations to be carried out in a timely manner by the health and safety team. The system includes a process for assessing risks in different areas of the business and covers risks such as external work in hostile and high-risk environments. It also includes internal and external auditing to ensure continuing compliance across our print and publishing sites. We offer health and wellbeing support, including for mental health, to all our employees.	During the year we have worked to embed the refreshed Health and Safety Policy and framework that was implemented in 2022. We have continued to enhance our risk assessment processes for events, our hubs and work in high-risk environments. We have continued to offer appropriate health and wellbeing support to all of our employees. Online threats and abuse towards our journalists is an area of increasing concern, so addressing this issue and protecting our journalists will continue to be a priority for us.

Risk report continued

Key Increase  No change Decrease

Risk and description	How we mitigate the risk	What we've done this year
Lack of funding capability Risk owner: Chief Financial Officer Our main financial risk is the lack of funding capability to meet business needs. This may be caused by a lack of working capital, unexpected increases in interest rates or increased liabilities, in particular: • pension deficits may grow at such a rate that annual funding costs consume a disproportionate level of profit • volume and level of claims for historical legal issues (HLI)	**Financing** We have committed loan facilities sufficient to deliver our strategy. Through regular dialogue, we maintain constructive relationships with our syndicate banks. We forecast and monitor cash flow regularly through our treasury reporting processes. Our exposure to foreign exchange fluctuation is limited. **Commitments** Regular reporting to the Board (including facility utilisation and covenant compliance). We hold regular discussions with pension scheme trustees. We continually review ways of de-risking our pension liabilities. We continually monitor and manage ongoing HLI claim levels, and work with external lawyers on HLI civil claims.	**Financing** Following the extension of our full loan facility for an additional year during 2022 (until November 2026) to mitigate the risk of any unexpected increases in interest rates or liabilities, no changes to the facility have been made during 2023. **Commitments** We made significant payments to our pension schemes in the year and we remain committed to addressing our historical pension deficits. This includes the successful resolution of the 2019 triennial review during the year for the one remaining scheme. Discussions are ongoing with the Group's other schemes regarding the 2022 triennial valuations and are expected to be concluded satisfactorily by the 31 March 2024 due date. In December, the High Court's judgement on time limitation provided a clearer view on our future liabilities in relation to HLI.
Inability to recruit and retain talent Risk owner: Group Human Resources Director The inability to recruit, develop and retain talent with appropriate skills, knowledge and experience would compromise our ability to deliver our strategy.	We continually monitor and review: • Digital capabilities of our workforce • Turnover levels • Pay and benefits • Opportunities to expand our talent pool (for example, outside London) • The recruitment channels we use • Diversity and inclusion	Against the backdrop of this year having a recruitment freeze we have been continuing to monitor this risk while taking into account the current business environment. We are currently downsizing our workforce. Throughout this exercise, we ensured that we retained skills and talent. Against this backdrop and the changing business environment we are closely reviewing our employee proposition in order to retain the best talent going forward.

Risk report continued

Key
Increase No change Decrease

Risk and description	How we mitigate the risk	What we've done this year
Damage to brand reputation Risk owner: Full Executive Committee Breaches of regulations or editorial best practice guidelines; editorial errors; and issues with employees' behaviour or the tone of our editorial could damage our reputation, cause us to lose readership, and put us at risk of legal proceedings.	We have highly experienced and capable people in our key senior management roles. Our governance structures provide clear accountability for compliance with all laws and regulations, and we have policies and procedures in place to meet all relevant requirements, including a crisis management procedure that is communicated to all relevant staff. We train all editorial employees on how to create content that complies with relevant legislation. We continually monitor upcoming legislative changes and emerging trends.	We have clear internal expectations around the management of editorial risk, including a mandatory escalation policy of significant risks to senior editorial and legal colleagues, and monthly reporting on editorial risk. We have reviewed and updated all our Editorial Legal policies in 2023, and created new versions for use in the US. These have formed the subject of editorial training and been publicised to all members of our editorial teams via our legal bulletin, which is circulated monthly.
Regulatory		
Data protection failure Risk owner: Group General Counsel/Data Protection Officer A contravention of data protection regulations applicable to Reach such as the UK or EU General Data Protection Regulations (GDPR), Privacy and Electronic Communications Regulations 2003 (PECR), various state and federal legislation in the US and Canada (e.g. the updated California Consumer Privacy Act CCPA Amended), could lead to monetary penalties, reputational damage and a loss of customer trust.	We have clear governance structures to direct and oversee our data protection strategy. Our Data Protection Officer and Data Protection team promote and advise on compliance with data protection regulations, address rights requests, provide oversight and help mitigate the risk of compliance breaches. The team works with a network of data protection champions and teams across the business to assist the business in delivering its data protection obligations. We have well-established data protection policies, processes and controls to govern how colleagues carry out day-to-day activities involving the handling of personal data, plus clear terms with regards to the collection, use, sharing and retention of user data, including data transferred to third parties. When developing new products and services, we use a 'data protection by design and default' approach to collecting and using personal data, to ensure we remain compliant with data protection regulations.	During the year we continued to focus on embedding data protection controls and processes and ensuring that data protection forms part of 'business as usual' in everything we do. This included reviewing and enhancing our Data Protection risk and reporting framework to incorporate new legislative requirements and regulatory focus areas and ensuring third parties met the legislative requirements and correct provisions were in place. We also advised on matters arising from new projects involving personal data including the US expansion and artificial intelligence initiatives, and monitored completion of data protection awareness training.

2023 VIABILITY STATEMENT

In accordance with the UK Corporate Governance Code the directors have assessed the Group's prospects over an appropriate period of time selected by them.

The directors assessed the prospects of the Group over a three-year period as it enables thorough consideration of the investment required to drive growth in digital and the impact of declining print revenues, and this time period is deemed to appropriately reflect the evolving environment in which the Group operates. The assessment took into account the Group's current financial position, principal and emerging risks and uncertainties facing the Group which have the greatest potential impact on viability in that period.

When approving the annual budget, projections for the next two years are also considered. The annual budget is also used by the Remuneration Committee to set targets for the annual incentive plan. The directors also consider projections for the next 10 years used in connection with the Group's impairment review.

A number of key assumptions were made in generating the baseline three-year forecast as follows:

- digital growth supported by investment in the Customer Value Strategy;
- print revenue declines with reference to recent trends and reduction in related costs;
- overall stability in total revenues and operating profit;
- funding of the historical defined benefit pension obligations based on the existing schedule of contributions agreed with the Trustees;
- payments in relation to historical legal and tax issues reflecting the provisions held in the balance sheet;
- covenant compliance on existing financing facilities; and
- dividend payments in each year.

The assessment was undertaken recognising the principal risks and uncertainties that could have the greatest potential impact on viability in that period. A number of hypothetical scenarios have been modelled. While each of the principal risks on pages 68 to 72 has a potential impact and has been considered as part of the assessment, only those that represent severe but plausible scenarios were selected for modelling, summarised opposite:

Scenario	Associated principal risk(s)	Description
Significant revenue reduction	Deceleration of digital growth alongside acceleration in decline of print revenues	Material reduction in digital and print revenues (net of direct cost reductions) compared to the three-year plan of 10% per annum.
Adverse changes in external environment leading to lower than expected revenue and higher than expected costs	Deterioration in macroeconomic conditions Supply chain disruption	Inflationary pressure in relation to energy and newsprint costs, together with key supplier failure in the manufacturing business.
Cyber security breach	Cyber security breach Data protection failure Damages to brand reputation	An external cyber attack which leads to breaches of confidential data and interruption to our systems and services, resulting in a material reduction in page views and subsequent digital revenues, together with additional investigation and remediation costs whilst the attack is rectified, in addition to associated regulatory costs and fines.

These scenarios were assessed individually and in unison to understand our capacity for each risk incident and further stress test viability. The modelling showed that the Group would be able to withstand the impact of these scenarios occurring over the assessment period. The Board also assessed the likely effectiveness of any proposed mitigating actions. This did not change the conclusions of the assessment.

Based on the above, the directors have a reasonable expectation that the Group will remain viable and be able to continue operations and meet its liabilities as they fall due over the three-year period considered.

Such future assessments are subject to a level of uncertainty that increases with time and, therefore, future outcomes cannot be guaranteed or predicted with certainty.

The Strategic Report was approved on behalf of the Board on 5 March 2024.

Darren Fisher
Chief Financial Officer

5 March 2024

PLANNING FOR THE FUTURE WITH GOOD GOVERNANCE

Nick Prettejohn
Chairman

The Board's focus for the year has been continuing to support and hold management to account on the continued journey of transforming the business and becoming a digital-first organisation.

The Board monitors culture and practices closely across the business to make sure they're aligned with our purpose and strategy, and we recognise that governance plays a key role in setting up teams for success. We nurture a culture that encourages colleagues to be entrepreneurial, take advantage of development opportunities and fulfil their potential.

Below is a summary of the most important Board activities this year. These initiatives are outlined in more detail throughout the Governance Report.

Continuing to evolve our strategy

As macroeconomic uncertainty remained throughout 2023, our strong and effective governance framework was critical in supporting the delivery of our Customer Value Strategy. To give us even greater long-term stability and control over our business, the Board spent time discussing whether the strategy continued to be the right one. These discussions included an in-depth review and selection of numerous investment initiatives to diversify revenue streams and further develop audience insight and user experience. More information on the Board's strategy days can be found on page 80.

One of the Board's principal decisions in 2022 was approving two organic growth initiatives: our youth content brand, Curiously, and our expansion into the US. The Board regularly reviewed updates on the progress of these initiatives, while the Audit & Risk Committee performed a deep dive into the risks associated with the expansion into the US market, and how these are being managed and mitigated. The Board is encouraged by the progress made during 2023 and will continue to monitor and provide oversight as these initiatives develop.

Like many companies, we faced considerable uncertainty and a rapidly changing business environment. Our rigorous approach and willingness to challenge in Board meetings has meant that the difficult decisions we've had to take ensure the interests of all stakeholders are considered, and their views sought.

In 2023, the Board sought a capital reduction of Reach plc to maintain the Company's ability to pay dividends to its shareholders and return capital to shareholders, while also investing to grow the business and meet our funding commitments to the defined benefit pension schemes. This was approved by shareholders at a General Meeting held in November, and by the Court in early December. You can read more about this in our section 172 statement on pages 85 to 87.

Compliance with the UK Corporate Governance Code

The Board considers that, during 2023, the Company applied the principles and complied with the provisions of the Financial Reporting Council's (FRC) 2018 UK Corporate Governance Code (2018 Code). You can read more about our compliance with the 2018 Code on pages 127 to 130.

Chairman's statement continued

Our Board and Executive Committee

We have ushered in some changes to the Board during the year. Darren Fisher joined the Board in February 2023 as Chief Financial Officer, as set out in my Chairman's statement on page 5. Darren's financial, operational and strategic skills have helped the Board navigate through a number of complex matters, while managing the Company's financial performance in line with expectations.

At the AGM in May 2023, Steve Hatch stepped down from the Board after more than seven years of service, following his full-time appointment as Chief Executive Officer of YouGov plc. I would like to thank Steve for his commitment and outstanding contribution to the Board during his tenure as Non-Executive Director.

I am pleased that we have met the targets on Board diversity that must be reported on under the new Listing Rule requirements, and we will continue to prioritise diversity on the Board. The Board acknowledges that, as set out on page 91, there is progress to be made at Executive Committee level regarding ethnicity and this has been discussed at Board meetings numerous times this year. We recognise that diversity needs to be considered throughout the whole organisation to maintain a strong and diverse pipeline of talent and to ensure that the organisation better reflects its wider audience.

Once again, the Board has continued to work closely with the Executive Committee and other senior leaders, particularly through the two in-depth Board strategy meetings held during the year. Individual non-executive directors have also provided insight and expertise in certain areas to teams outside the formal Board meeting structure. This is a two-way relationship that enables non-executive directors to share their deep knowledge and expertise, assisting strategic decision-making in the boardroom, and, in turn, gaining insight into the business in a more informal way.

Our responsible business framework

During the year, the Sustainability Committee oversaw all the work and progress achieved under the four pillars of our responsible business framework, which was created in 2022 to formalise our approach to being a responsible, sustainable business.

One key area of focus has been setting reduction targets for greenhouse gas emissions. We are now in the process of validating these targets, in order to be able to announce a net zero commitment date in due course. More information on this can be found on page 95.

Reflecting on our effectiveness as a Board

We regularly reflect on our performance as a Board and consider ways we can improve our processes and behaviours to make sure we're operating effectively. During 2023, we took several actions to address the issues and recommendations that arose from our internal Board evaluation in 2022, covering ESG, market developments, training and lessons learnt. At the end of 2023, we conducted another internal Board evaluation by way of a detailed questionnaire. You can find more detail about our processes, recommendations and actions on page 90, and we will report on progress against this year's recommendations at the end of the year.

Remuneration Policy

In 2024, we will be asking shareholders to renew the three-year authority for our Directors' Remuneration Policy at the AGM. The proposed new Directors' Remuneration Policy (the Policy) can be found on pages 107 to 115. The Remuneration Committee has proposed to roll forward materially the current Policy with minor changes only.

The year ahead

The actions the business has taken during 2023 prepare us to face 2024 with a refreshed focus on our digital-first goal. As a Board we will continue to oversee the delivery of the strategy, which to be successful will require diversity of people and thought throughout the entire organisation. The pace and scale of change in artificial intelligence (AI) means that this will be a priority as outlined on page 81 and we will consider setting measures and targets to monitor progress.

The upcoming corporate governance reforms, while now not as extensive as originally proposed, will be another step in strengthening the governance and controls landscape, and we will remain focused on overseeing any changes required to continue to ensure we have a strong and robust governance framework.

Nick Prettejohn
Chairman

5 March 2024

Our Board

Nick Prettejohn
Chairman

Appointment date: March 2018
(appointed as Chairman in May 2018)

Skills, experience and contribution: Nick has significant chairmanship and listed company experience. Since his appointment in 2018, Nick has successfully led the Board through a period of transition, bringing on board a new CEO, two CFOs, a Senior Independent Director and Audit & Risk Committee Chair. Nick has deep financial services experience, in-depth regulatory knowledge, significant experience in strategic planning and implementation, and strong leadership qualities. The Board believes Nick's strong leadership and chairing skills means he continues to effectively lead the Board. Some of Nick's previous appointments include Chairman of the Financial Services Practitioner Panel, the Britten-Pears Foundation, Brit Insurance, the Royal Northern College of Music and Scottish Widows Limited; Non-Executive Director of Lloyds Banking Group plc, the Prudential Regulation Authority and Legal & General plc; Member of the BBC Trust; and CEO of Prudential UK and Europe, and Lloyd's of London.

Current external appointments: Chairman of TSB Banking Group plc and the charity Prisoners Abroad, Senior Independent Director of YouGov plc and a Trustee of the charity Opera Ventures.

Jim Mullen

Chief Executive Officer

Appointment date: August 2019

Skills, experience and contribution: Jim has significant experience in advertising and communications, having spent more than 10 years in some of the industry's leading marketing and communications groups, as well as on significant digital transformation projects. Since his appointment in August 2019, Jim has developed and communicated a clear strategic vision for the future of the business, and the Board considers his continuing leadership critical to executing the strategy. Some of Jim's previous appointments include Group CEO of Ladbrokes Coral plc and Ladbrokes plc, Chief Operating Officer of William Hill Online, and Director of Digital Strategy and Product Management at News International.

Current external appointments: Senior Non-Executive Director of Racecourse Media Group.

Darren Fisher
Chief Financial Officer

Appointment date: February 2023

Skills, experience and contribution: Darren is a seasoned finance professional with more than 30 years' leadership experience in global multi-service sector, blue-chip companies in the UK, India and Australia. Darren has worked across the media, technology, business services and aviation sectors. His extensive experience means he offers the Board relevant insight into strategy development and implementation, business transformation and integrating acquisitions.

Darren was previously Group Director of Finance of ITV plc, responsible for the group finance functions and operations. He was also divisional CFO for the Media & Entertainment division, which contains the UK broadcast business as well as ITV's digital offerings (ITVX). He has previously served as Director of Finance for Micro Focus plc, Sage plc and Xchanging plc.

Current external appointments: None.

Nomination Committee Audit & Risk Committee Sustainability Committee Remuneration Committee Denotes committee chair

Our Board continued

Anne Bulford, CBE

Independent Non-Executive Director

Appointment date: June 2019

Skills, experience and contribution: Anne is a chartered accountant and an experienced media CFO and Audit Committee Chair. The Board considers her continuing leadership of the Audit & Risk Committee to be important to ensuring the Company continues to benefit from an independent and objective audit. Anne was awarded an OBE in 2012 for services to UK broadcasting and, in 2020, a CBE for services to broadcasting and charity. Some of Anne's previous appointments include Deputy Director General of the BBC and Chief Operating Officer of Channel 4. Her previous non-executive roles include Chair of the Audit Committee of the Executive Committee of the Army Board, and Audit Committee Chair of Ofcom and the Ministry of Justice. Anne qualified as a chartered accountant with KPMG and spent 12 years in practice.

Current external appointments: Non-Executive Member of KPMG's Public Interest Committee, Non-Executive Chair of Trustees of Great Ormond Street Children's Hospital Charity, and Governor of the Royal Ballet.

Priya Guha, MBE

Independent Non-Executive Director

Appointment date: September 2022

Skills, experience and contribution: Priya brings a unique mix of senior diplomatic and governmental leadership to the Board, alongside extensive experience of the technology sector. She is a Venture Partner at Merian Ventures, with a focus on women-led innovation investments. She is also a Non-Executive Director of Herald Investment Trust, UK Research & Innovation and the Digital Catapult. Previously, Priya was a career diplomat, most recently as British Consul General to San Francisco, with postings before that in India and Spain. In 2021, Priya was awarded an MBE for services to international trade and women in innovation.

Current external appointments: Venture Partner at Merian Ventures, Non-Executive Director of Herald Investment Trust, UK Research & Innovation and the Digital Catapult, Adjunct Faculty at the Hult Ashridge Business School, Member of the Royal Academy of Engineering International Committee and Trustee of TechSheCan.

Denise Jagger

Senior Independent Director

Appointment date: December 2022

Skills, experience and contribution: Denise is a qualified solicitor, having been a partner at Addleshaw Goddard and, until 2020, at Eversheds Sutherlands LLP. Denise brings extensive governance and plc experience to the Board, having held a number of non-executive positions during her career. Her previous appointments include Non-Executive Director at CLS Holdings plc, Bellway plc, Pool Reinsurance Company Limited, Redrow plc, and the British Olympic Association, and Chair and Pro Chancellor of the University of York. She was also a Director of Asda Stores, and Group General Counsel and Company Secretary of Asda Walmart. Through these roles, she has acquired a broad range of M&A, finance raising, competition, regulation compliance, HR, and remuneration and benefits experience.

Current external appointments: Non-Executive Director of Topps Tiles plc, Trustee of the National Trust and a Member of the Advisory Panel of the charity IntoUniversity.

N Nomination Committee

A Audit & Risk Committee

S Sustainability Committee

R Remuneration Committee

Denotes committee chair

Our Board continued

Barry Panayi
Independent Non-Executive Director

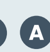
N S A R

Appointment date: October 2021

Skills, experience and contribution: Barry is an established and recognised leader in the digital and data space, having spent most of his career in senior positions at a range of sectors focusing on data, insight and analytics capability development. Barry has current executive experience, having worked as Chief Data and Insight Officer at the John Lewis Partnership since March 2021. Before this, he was Group Chief Data & Analytics Officer at Lloyds Banking Group. Barry has extensive experience in leading data-driven transformations and managing large teams, having also held senior roles at Bupa and Virgin Group. He started his career working in consultancy for EY, specialising in data and digital.

Current external appointments: Chief Data and Insight Officer at the John Lewis Partnership and Non-Executive Director of Ofgem.

Wais Shaifta
Independent Non-Executive Director


N S A R

Appointment date: September 2022

Skills, experience and contribution: Wais brings a varied ecommerce background and customer focus expertise to the Board, having previously held executive roles in a number of online businesses. He has extensive experience driving growth and transformation for several digitally enabled brands, with a track record of leveraging data to drive customer engagement. As the former CEO at Push Doctor, one of the leading digital healthcare companies in Europe, Wais worked in partnership with the NHS to connect thousands of patients each week with clinicians. Before joining Push Doctor, Wais was Director of Global Operations at Treatwell, and before that International Operations Director at Just Eat.

Current external appointments: Chief Executive Officer of PrivateDoc, Non-Executive Director and Chair of the Sustainability Committee and Remuneration Committee of The Gym Group plc, Non-Executive Director of Snappy Shoppers Ltd and Operating Partner of Samaipata.

Olivia Streatfeild
Independent Non-Executive Director and Colleague Ambassador

N S A R

Appointment date: January 2016

Skills, experience and contribution: Olivia has a strong commercial and consumer background, having previously held executive roles at TalkTalk, including as Commercial Director and Marketing & CRM Director. Olivia has a data-driven and analytical approach to problem solving, having worked in consulting for McKinsey & Company. This enables Olivia to support the Board in overseeing the data-driven and customer-centric strategy. Some of Olivia's previous appointments include Chief Executive Officer of INTO University Partnerships, Commercial Director of TalkTalk's consumer business, and Partner at Sir Charles Dunstone's investment vehicle Freston Ventures. Olivia was an Associate Principal at McKinsey & Company and a leader in the business's consumer retail practice.

Current external appointments: Chief Executive Officer of Flamingo Horticulture Investments.

N Nomination Committee A Audit & Risk Committee S Sustainability Committee R Remuneration Committee Denotes committee chair

BOARD IN ACTION

BOARD ACTIVITIES DURING 2023

FEBRUARY
- Darren Fisher joined the Board as Chief Financial Officer
- Finalisation of the 2023 budget and delivery plan
- Update on Curiously, the new youth content brand launched in 2022
- Annual insight into workforce engagement from Olivia Streatfeild, our Colleague Ambassador
- Update on data protection priorities and progress
- Financial training for Audit & Risk Committee members

MARCH
- 2022 full-year results released and dividend declared to shareholders, along with a Company-wide cost-reduction programme
- 2022 Annual Report approved
- Review of 2022 editorial output and highlights
- Deep dive into digital performance
- Gender Pay Gap Report approved

APRIL
- The Board held a two-day strategy off-site meeting to reassess and review Customer Value Strategy (CVS) goals and priorities
- Colleague lunch held with the Board and regional leaders in Manchester
- Tour of Oldham print site
- Colleague breakfast hosted by non-executive directors

MAY
- Steve Hatch, Non-Executive Director, stepped down from the Board
- Product update and user experience improvements
- Update on cyber security programme
- Modern Slavery Statement approved
- AGM held with shareholders

JUNE
- Board visit to the Bristol office and Colleague lunch held with the Board and regional leaders
- Update on the strategic actions and initiatives agreed at the strategy meeting in April
- Update on the 2019 and 2022 pensions valuations process
- Broker update on macroeconomic environment and investor views on delivery of the management plan and strategy
- Review of the Group's financial performance and forecasts
- AI training and insights from an external expert

JULY
- 2023 half-year results released and dividend declared to shareholders

SEPTEMBER
- The Board held another two-day strategy off-site meeting to reassess and review CVS goals and priorities
- Colleague lunch held with the Board, Executive Committee and other leaders in London
- Colleague breakfast hosted by non-executive directors
- Climate-related training for the Board and Executive Committee

OCTOBER
- Proposed Reach plc capital reduction of the share premium account announced
- Conclusion of the 2019 and 2022 triennial pensions valuation for the MGN pension scheme announced
- Update on cyber security programme

NOVEMBER
- Cost-reduction programme for implementation in 2024 announced
- General Meeting to approve Reach plc capital reduction of the share premium account

DECEMBER
- Approval of 2024 budget
- Review of proposed 2024 organisational structure
- Update on data protection programme
- Annual review of corporate governance
- Approach to our second year of reporting under TCFD approved, including scenario analysis
- Agreed in principle the science-based targets for our pathway to net zero. To be formally announced during 2024

Board in action continued

SUPPORTING DELIVERY OF THE STRATEGY

Purpose

Our purpose is to enlighten, empower and entertain through brilliant journalism.

This purpose directly informs and inspires our strategy. By better understanding our customers and delivering more data-led content and advertising, we can continue to invest in our journalism, our people and our future.

To deliver our purpose, we must continue to strengthen our data capabilities and audience engagement and support our strategy by maintaining a company culture that empowers our people to perform at their best.

For more information, see our strategy on pages 18 and 19 of the Strategic Report.

Strategy days

The Board held two in-depth strategy days in April 2023 and September 2023. Having initiated the Customer Value Strategy (CVS) in 2020 the goals and objectives of the sessions were to reflect on the progress the Company had made since then, and identify further areas with potential for growth.

Given the importance to the Board of understanding the business rationale and the risks and opportunities faced, the Executive Committee and Board worked together throughout the strategy days to encourage an immersive debate and discussion. At the end of the sessions, the Board was given the opportunity to reflect collectively and make key decisions.

The main topics covered over both sessions were:

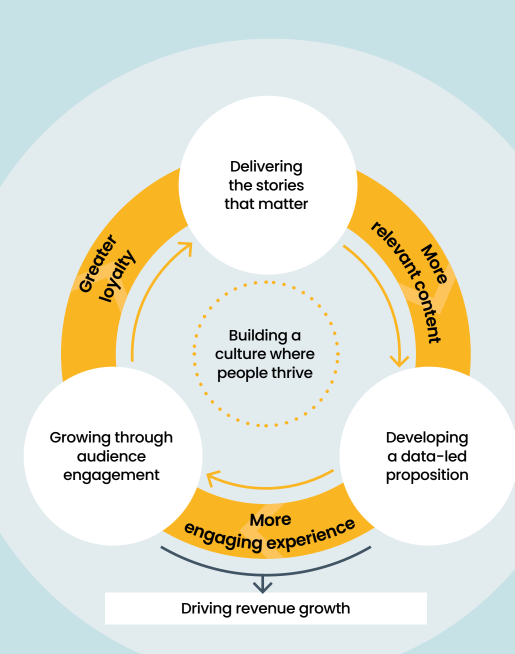
- re-affirming Reach's current strategic priorities for a data-led, customer-centric proposition and evolving the interpretation of the CVS to broaden revenue beyond advertising while still protecting its core purpose – journalism;
- knowing our customers and the benefits of data, and considering the results of an external customer insights panel;
- the future of the CVS and the consideration and debate of numerous investment initiatives;
- editorial restructure, the future of the newsroom and Company culture; and
- the risks and opportunities surrounding AI.

The outcomes were:

- an agreement to diversify revenue streams through Mantis, affiliates and ecommerce and consider new initiatives as appropriate;
- a plan to restructure editorial to enable a digital-first approach and continue the development of audience insight and user experience; and
- an agreement that the Board would continue to monitor the culture of the business and its development so that Reach can attract the best talent.

Next steps

Given the ongoing development of strategic priorities, the Board will continue to monitor and critically evaluate progress made. As well as reviewing progress at two planned off-site strategy sessions in 2024, the Board will spend time outside these sessions discussing all aspects of the strategy.



Board in action continued

INCREASING OUR FOCUS ON ARTIFICIAL INTELLIGENCE

Throughout 2023, the Board regularly discussed artificial intelligence (AI) and its increasing relevance and importance to Reach, in terms of both risks and opportunities. It became apparent in these discussions that the Board needed to increase its knowledge and understanding of this complex area, and so in June an external expert presented to the Board. They provided insights into the development and potential of AI as well as data and governance issues to be considered and tackled, particularly as technology advances.

The Board has had oversight and been kept informed of the workstreams and outputs of the internal AI steering group. This group is cross-functional across all divisions of the business, including the General Counsel, and covers editorial usages, innovation and governance.

The Board recognises the importance of creating an environment where teams can innovate by testing and trying out new ideas, products and ways of working to realise the potential of AI while at the same time building, maintaining and monitoring a robust regulatory framework. During 2024, additional training will be provided to the Board as required, and a list of AI topics relevant to the business will be reviewed and discussed regularly at Board meetings. We will also consider setting measures and targets for AI to monitor progress.

OVERSEEING CYBER SECURITY AND DATA PROTECTION

During 2023, the Board, together with the Audit & Risk Committee, continued to oversee the steps taken and measures put in place to mitigate the risk and impact of a cyber security breach and/or a data protection failure. The Board has identified both of these as principal risks (for more information, see pages 68 to 72).

These steps and measures include:

- endorsing the move to be more objectively risk-based to better focus cyber security efforts on the threats to the business, the state of defences and the threat landscape;
- overseeing the development of a measurement framework to track improvements in cyber security, which includes the development of a consistent set of KPIs to monitor and report progress on the security improvement journey;
- reviewing the key findings of an audit review on cyber security arrangements, which focused on the design and implementation of controls to ensure the confidentiality, integrity and availability of systems, enterprise assets and Reach data;
- receiving updates on cyber security training for colleagues, such as major cyber security incident preparation and simulation desktop exercises;
- receiving updates on the comprehensive programme in place to deliver the Group's data protection and privacy strategy to enable Reach to meet its commercial goals and data-led digital-first growth in a privacy-compliant way (this includes updates on focus areas and any action plans in place); and
- overseeing compliance with relevant privacy laws in the US and Canada following the 2023 expansion into the US, plus the legal and regulatory data protection requirements of evolving laws in existing markets, and new technology such as AI.

The Board and Audit & Risk Committee will continue to stay regularly informed and updated, and recognise that the success of the cyber security and data protection programmes depends on engaging with, and the capability within, all business units.

Directors' attendance at Board and Committee meetings during the year is outlined below:

Director	Board	Nomination Committee	Sustainability Committee	Audit & Risk Committee	Remuneration Committee
Nick Prettejohn	10/10	3/3	2/2	n/a	5/5
Anne Bulford	10/10	3/3	2/2	5/5	5/5
Darren Fisher	10/10	n/a	2/2	n/a	n/a
Priya Guha[1]	10/10	3/3	2/2	4/5	5/5
Steve Hatch[2]	4/4	1/1	n/a	2/2	2/2
Denise Jagger[3]	9/10	3/3	2/2	5/5	4/5
Jim Mullen	10/10	3/3	2/2	n/a	n/a
Barry Panayi	10/10	3/3	2/2	5/5	5/5
Wais Shaifta	10/10	3/3	2/2	5/5	5/5
Olivia Streatfeild	10/10	3/3	2/2	5/5	5/5

1. Priya Guha was unable to attend an Audit & Risk Committee meeting due to a pre-existing commitment prior to joining the Company
2. Steve Hatch left the Board in May 2023
3. Denise Jagger was unable to attend a Board meeting and a Remuneration Committee meeting due to pre-existing commitments prior to joining the Company

Board in action continued

MONITORING OUR CULTURE

The Board wants Reach to be a community in which all colleagues feel respected, happy in their work, united by a shared purpose and empowered to succeed. And while the Board works to establish and support this culture, it is the individual actions of all colleagues that make it a reality and ensure that it is embedded within the business.

For the Board, developing a culture that encourages and creates opportunities for individuals and teams to thrive and to realise their full potential is not only the right thing to do for us as people but also helps create long-term value for shareholders and stakeholders.

Throughout 2023, the Board used several indicators and measures to monitor and assess the Group's culture, and we describe some of those below.

Employee engagement surveys and experience

The Board receives quarterly reports on engagement survey results, which contain several culture-related questions. The HR Director reports the findings to the Board and discusses key focus areas and actions in detail.

The mechanisms for understanding engagement include:

- employee metrics, such as absence, unplanned leavers and churn, employee relations cases, health and wellbeing, and talent, including management training;
- engagement forums, such as interest networks, working groups, ambassadors and union relationships; and
- employee feedback, such as monthly surveys, focus groups, leadership meetings and monthly check-ins for all colleagues with their managers.

In response to feedback from 2022 that our people were concerned about attracting and retaining talent, a new Head of Talent Development joined in July 2023. The 2023 priorities have been to evolve the employee experience and also to develop both a career development framework and editorial recruitment practices to deliver a truly innovative platform and a customer-first newsroom fit for the future.

The Board continues to encourage improvements in systems and processes that benefit the health and wellbeing of our people, and wellbeing zones have been put in place in some of our offices.

Colleague Ambassador

In her role as Colleague Ambassador, Non-Executive Director Olivia Streatfeild provides the Board with an independent link to our workforce. Olivia joins regular employee engagement review meetings with our Group HR Director, which cover key diversity and inclusion initiatives and outputs, overall employee experiences and feedback, and talent and succession planning. These are all supported by clear data and evidence.

"It was great to see the linkages and interactions across different sites in action and to speak to colleagues about how the operational structure and system dynamics fit together and work in practice. Reach is home to many titles and brands, but I got a real sense from colleagues that they felt well connected and passionate about what they do."

Barry Panayi, Non-Executive Director

Olivia reports her observations and the matters raised by colleagues to the Board to make sure they are considered and factored into key decisions. Olivia also continues to attend colleague forums and Inclusion Champion meetings, and her participation has been received positively by our people.

Site visits

All our Board members met with colleagues in person this year, as part of visits to our Oldham and Bristol hubs, a tour of the Oldham print site, and also a lunch held in London with the Executive Committee and other leaders. These allowed the Board to gather views about how well the strategy was understood and embedded within the business and gain valuable insights into the regions.

Colleague breakfasts

The Board decided to expand opportunities for engagement with the workforce in 2023 and introduced colleague breakfasts with non-executive directors (without senior executives present) to our events schedule. Olivia Streatfeild hosted both breakfasts as Colleague Ambassador and was joined by Wais Shaifta in April and Priya Guha in September. The breakfasts were held in person in small groups to make sure everyone had a chance to be heard and give the Board a direct insight into the opinions of the workforce, its current morale and any issues faced by the business. Colleagues from a wide range of teams attended both breakfasts to ensure a diverse range of voices were present, including the editorial, commercial, finance, IT, HR, print, customer and product teams.

Board in action continued

The insights and outcomes of the sessions were fed back to the Board at the following Board meetings. Themes raised included:

- user experience;
- keeping up morale in the newsroom;
- the split between focus on page views versus engagement;
- acquiring, retaining and developing top talent; and
- creating career paths for technical experts and premium content journalists.

The sessions were very well received by both colleagues and the Board, and we are scheduling further ones for 2024.

Diversity and inclusion

The Group Head of Diversity and Inclusion presented regular updates to the Board. In 2023, these included updates on that year's agreed priorities (read more on page 41 and 42) which were:

- line managers having accountability and responsibility for ensuring inclusive behaviour;
- increasing participation rates and reducing 'Prefer Not to Say' responses in Be Counted employee data; and
- delivering a programme of outreach activities to support social mobility in the communities we serve.

"Colleague breakfasts are an invaluable way to have rich discussions with teams across the business. These have covered managing the tension between short and medium-term objectives, competing for talent, the impact of our efficiency focus on colleague morale, and how to increase the speed of innovation. As a Board, we have an informed overview of our colleagues' biggest concerns and opportunities, as well as our strategic priorities."

Olivia Streatfeild, Colleague Ambassador

The Board recognises that the employee data it receives helps it to understand and refine the cultural and organisational characteristics of Reach. During 2024, it will continue to focus on gathering high-quality information to enable it to critically monitor progress.

At the end of 2022, Reach signed up to Generation Valuable, a 12-month programme that aims to address the gap in disability talent. A participant who was mentored by Jim Mullen, our CEO, provided an update to the Board on the 2023 objectives for the programme. Reach is striving to accelerate inclusion in this area and ensure it is truly embedded in the business. You can read more about this on page 44.

Talent

The Nomination Committee regularly receives talent assessment updates about the Executive Committee and its direct reports. This provides the Board with insight into decision-making around investing, succession planning and managing our talent pipeline, in line with Reach's values, vision and strategy.

Compliance

The Board oversees the implementation of policies regarding anti-bribery, anti-slavery, data protection and cyber security. It also oversees e-learning modules for colleagues and receives regular updates on completion rates. The Head of Risk and Internal Audit provides updates on any matters raised through the Group's whistleblowing procedures.

Board in action continued

Q&A WITH DENISE JAGGER

Senior Independent Director

What is your background and why did you join the Company?

Throughout my career, I have enjoyed working in large, multi-site organisations with high numbers of employees, similar to Reach. I like fast-paced, competitive and dynamic marketplaces and consumer-facing businesses. In complex and geographically spread organisations, the company's purpose and its strategy to deliver must be clearly understood and well communicated across all areas, and the challenge of achieving this at Reach interested me. A further motivation was the opportunity to oversee digitisation, which is particularly significant for Reach as the Company focuses on accelerating development in this area against a backdrop of print decline. I was also keen to join an impressive and diverse Board focused on ensuring the business is modernised and in tune with changing consumer demand and emerging technologies.

Which sites did you visit last year and what impressions and insights did you gain from them?

I visited the Newcastle office, and also the Oldham site as part of the Board's off-site strategy days. I'm a big advocate of site visits, not least because of my retail background but also because you can experience the culture of a company first-hand and ascertain whether colleagues are empowered to do their job, rather than just hearing about it second-hand in the boardroom.

"We want to look beyond those people immediately visible to the Board so that we are informed and can more effectively support the executive's plans for their teams."

I've met colleagues at all stages of their careers, which is important when looking at succession. Site visits are a great litmus test for the strategy, enabling you to understand whether it's understood across all business functions. Site visits also enable Board members to increase their understanding of operating parameters, which informs strategic decision-making.

How have you found the induction process, and do you have any suggested improvements?

The induction process was thorough. I was well briefed through a series of meetings with senior executive team members and key advisers on the operating landscape and the issues the Company faces, which helped me quickly get up to speed. Future director appointments would benefit from additional briefings in 6-12 months once a greater understanding of the business has been established, resulting in a more rigorous line of questioning and specific areas of interest. I also highly recommend site visits as a useful part of the induction process.

SECTION 172 STATEMENT

Under the UK Companies Act 2006 (the Act), we must promote the success of the Company for the benefit of its members as a whole – and, in doing so, consider the interests of all our stakeholders in the decisions we make, along with any other relevant factors.

We consider the interests and views of all our stakeholder groups (as outlined in the table on pages 86 and 87), the effect of the Company's operations on the community and the environment and the need to act fairly between stakeholders.

We acknowledge that key decisions we make will affect long-term performance. We also recognise that every decision we make will not necessarily result in a positive or equivalent outcome for all our stakeholders. By considering our purpose, vision and values, together with our strategic priorities, we are better able to choose the best course of action for the Company while maintaining our reputation for high standards of business conduct. In the same way, by assessing the outcomes of our decisions and engaging with stakeholders, we can determine and revise potential decisions in the future.

In this section, we set out how the Board has, in performing its duties over the year, considered matters set out in section 172 of the Act, alongside examples of how each of our key stakeholders has been considered and engaged. We also discuss how we do this on pages 30 to 53 of the Strategic Report.

Principal decisions in 2023

Here are three examples of our principal decisions in 2023 and how we considered section 172 matters.

PLANNING FOR THE FUTURE

In March and November 2023, the Board approved and the Company announced a cost-reduction programme that committed to a 5-6% reduction in the Company's operating costs for 2023 and 2024. Part of the programme for 2024 proposed the reduction of the workforce by an estimated 450 full-time roles.

These difficult decisions were made against the backdrop of the macro-environment: fundamental changes in the external market, rising interest and inflation and a change in audience behaviour resulting in shifts in advertising spend. Throughout the year, the Board has considered the information and data available to it, and debated and discussed the pros and cons to satisfy itself that any decisions were made after taking into account all stakeholder interests.

While the business is having to let a number of colleagues leave the business and drive cost efficiencies, the Board's decision on this was taken to safeguard the sustainability of the business in the medium to long term. As a result, we can ensure that the business operates in a way that creates value for our shareholders, continues to make progress to deliver our core purpose and protects the future of our journalism. Alongside this, in considering the needs of other stakeholders when making such decisions, the overall reduction in costs enables the Board to reform the shape of the business. This will allow us to capture a wider audience online in accordance with their changing habits, ensuring our journalism remains relevant and engaging to the communities that are served, which in turn secures advertising spend. It is also critical that as a company, our financial obligations, particularly to our pension trustees, continue to be met.

PENSION SCHEMES

Having settled all but one of the 2019 triennial review of pensions within the statutory 15 month period, the Company continued to work with the Trustees of the MGN pension scheme during 2023 to achieve its resolution. In October 2023, the Board approved, and the MGNPS Trustee agreed, both the 2019 and 2022 triennial valuations for the MGN pension scheme.

The decision was taken to settle the pension funding at an extra cost of £5m per annum to the business. While the Board recognises the additional financial burden, this agreement was made having carefully considered stakeholders' expectations around pension commitments and the benefit to be gained by all stakeholders in creating certainty for the business that enables it to plan for the future.

CAPITAL REDUCTION

In October 2023, the Board decided to seek shareholder and subsequent court approval of a reduction in capital. A shareholder General Meeting was held on 15 November 2023 and court approval was given on 5 December 2023. The reduction in capital resulted in the cancellation of the balance standing to the credit of the Company's share premium account (£605.4m) and the creation of distributable reserves of the same amount. The capital reduction itself did not involve any return of capital to any shareholder.

In taking this decision, the Board was unanimously of the view that such reserves would be available to support the future payment by the Company of dividends or other distributions to its shareholders (as considered appropriate and in accordance, and subject to, the Company's Dividend Policy) while also meeting our funding commitments to the defined benefit pension schemes.

S172 statement continued

BOARD ENGAGEMENT

Stakeholder	How the Board engaged in 2023	Outcomes and impact
Our people	• Site visits to the Manchester and Bristol hubs, where the Board met with colleagues on an informal basis and hosted lunches with Reach leaders • Olivia Streatfeild, Colleague Ambassador, hosted two breakfast sessions with colleagues, each attended by another non-executive director, to hear about challenges currently faced by the business from a diverse range of voices (read more on pages 82 and 83) • Tour of the Oldham print site, providing an opportunity for directors to speak to colleagues involved in the print manufacturing process • The directors continued to interact with senior leaders and receive their presentations at Board meetings. Executive Committee members all regularly present to the Board, often discussing the views and sentiments of their respective teams • The CEO held fortnightly breakfast sessions with colleagues across the business and, together with the CFO, held regular town halls with colleagues • The Board received regular updates on HR matters, diversity and inclusion, and employee engagement survey results	Site visits and face-to-face interactions with colleagues provided first-hand insight into culture and sentiment within the business, helping the Board make broader strategic decisions. Through regular diversity updates, the Board endorsed the inclusion and social mobility agenda for 2023. Reach has been ranked as the 19th most inclusive employer in the Inclusive Top 50 UK Employers List 2023/24 (up from 29th the previous year).
Customers	• Received regular updates on the two organic growth initiatives approved by the Board in 2022: Curiously, and entry into the US market • Discussed the use of behavioural and contextual data to understand customers better and drive page views • Considered initiatives to boost page views following declining digital referral volumes • Discussed AI and its potential application and use, as well as risks and opportunities • Received the results of a customer insights panel to understand the digital behaviour of the general audience and how the brands' content relates to this	Customer insight and market knowledge are a vital part of the decision-making process, for example, in areas such as new market development and expansions. The Board has requested more research and detail into customer insights and the output of this work will be presented for debate in 2024 to further assist our strategic thinking.
Communities	• The Sustainability Committee received presentations on the positive social impact that the Group's content has had on communities across the country, through campaigns, lobbying and forcing change, protecting the environment and promoting social good • Undertook climate training on Scope 1, 2 and 3 greenhouse gas emissions, and science-based targets • The Audit & Risk Committee and Sustainability Committee monitored compliance with, and progress on, the journey to net zero and climate-related reporting, including the Task Force on Climate-related Financial Disclosures (TCFD) and climate scenario analysis • The Board received an update on the Generation Valuable programme and Reach joining the Valuable 500: a partnership of 500 global companies working together to end disability exclusion	The Board deepened its understanding and awareness of ESG factors to help inform its decisions. The Board approved near-term science-based targets to commit to reducing Scope 1, 2 and 3 emissions. The Board has encouraged the application of measurable objectives to monitor continued progress in the Generation Valuable programme.

S172 statement continued

Stakeholder	How the Board engaged in 2023	Outcomes and impact
Advertisers	• Received regular updates from executive directors on advertising performance and also marketplace trends as part of the financial performance • Received regular presentations throughout the year about the development of Mantis, our in-house machine learning tool	This engagement enabled the Board to understand the opportunities and the challenges, and to interrogate the revenue impact of the strategy. Approved further investment in Mantis.
Suppliers and partners	• Discussed contracts and relationships for major suppliers, looking at each supplier's perspectives and pressures, and at the key risks to Reach and relevant mitigating actions • Reviewed and negotiated the terms of two significant raw material suppliers • Agreed a new IT outsourcing supplier and oversaw its implementation and rollout across the business	Ongoing monitoring to make sure the benefits outweigh the risks, including shipping risks and changes to our carbon emissions. We changed one significant raw material supplier this year. The potential environmental impact was considered before we made this change. By moving to a new IT outsourcing supplier it was determined that there would be a significant reduction in cost, improved automation, enhanced efficiencies and a more streamlined service.
Shareholders	• Held an AGM in May 2023, providing an opportunity for shareholders to interact with directors and ask questions • Held a General Meeting in November 2023 to approve a capital reduction of the Company's share premium account • The Chairman held meetings with institutional shareholders to discuss topics such as governance, risk and remuneration • The Remuneration Committee Chair met with institutional shareholders to discuss the 2024 Remuneration Policy • The CEO and CFO held investor roadshows and results of briefings for the full-year and half-year results, involving presentations and Q&A sessions for analysts • Reviewed reports and received presentations from brokers and the Investor Relations Director on shareholder feedback and market perceptions	Engagement activities provide opportunities for the Board to communicate its strategy and financial performance and to understand shareholder views and perceptions. The 2024 Remuneration Policy can be found on pages 107 to 115 and shareholders will be asked to approve this at the 2024 AGM. The capital reduction became effective on 18 December 2023, which means the full amount from the Company's share premium account can now be utilised as distributable reserves.
Pension funds and members	• Regularly discussed the triennial valuations alongside lawyers and advisers for support	The 2019 and 2022 triennial valuations for the MGN pension scheme were concluded and the schedule of contributions has been agreed with the trustees. Discussions with the other pension scheme Trustees for the 2022 triennial review are expected to be completed by the 31 March 2024 due date.
Government and regulators	• Received regular regulatory updates from the CEO and Head of External Communications covering topics such as the Online Safety Bill, the Digital Competition Bill and Ofcom's consultation on the BBC's operating licence • Through the CEO's chairmanship of the News Media Association, the Board received regular updates regarding the views and concerns of the Government, regulatory authorities, industry bodies and other organisations on political, legal and regulatory matters	Government policies and regulation in areas such as competition and technology can affect our ability to operate effectively. We will continue to engage with the Government and other stakeholders to make sure our views feed into policymaking.

Nomination Committee Report

COMPOSITION, SUCCESSION AND EVALUATION

Nick Prettejohn
Nomination Committee Chair

There were several changes to the Board at the end of 2022 and the start of 2023, and inducting and embedding the new Board members to enable them to contribute effectively to Board discussions from the outset was a key priority of the Nomination Committee (the Committee) during the year.

We performed an internal evaluation again this year and the results and progress made against last year's recommendations are discussed on page 90. Recognising the need for more interaction with colleagues during 2023 was a key outcome of 2022's evaluation, so I am pleased that we were able to meet with colleagues in Oldham and Bristol as part of our two awaydays. We also held a lunch with the Executive Committee and other senior leaders in London. Two colleague breakfasts were also hosted by non-executive directors, providing direct insights into workforce sentiments and morale. We will continue with these valuable engagements in 2024 and beyond. You can learn more about the 2023 events on pages 82 and 83.

Building and maintaining a diverse and inclusive workforce is of the utmost importance to the Board and the Committee and its desire to achieve this goal influences every hiring discussion and decision.

At the end of 2023, the Board was 44.4% female (four of nine directors), with two Board members from an ethnic minority background. The position of senior independent director is also held by a woman, meaning the Board meets the new diversity requirements under the Listing Rules. The Board aims to maintain or improve on this level in the future and also looks to make progress on diversity in other areas of the business.

Olivia Streatfeild will reach her nine-year tenure at the end of 2024 so as a Committee, we will consider the composition of the Board during the year. This will also include considerations for her other Board roles of Remuneration Committee Chair and Colleague Ambassador. Executive and senior management succession and talent will remain a keen area of focus, to ensure that we develop the strong and diverse pipeline of future leaders we need to deliver our strategy and long-term plans.

Nick Prettejohn
Nomination Committee Chair

5 March 2024

Role of the Committee

The Committee is responsible for:

- Board composition – the Committee considers the balance of skills, diversity, knowledge and experience of the Board and its Committees, and reviews the Board's structure, size and composition, including the time commitment required from non-executive directors;
- Board appointments – the Committee leads on the recruitment and appointment process for directors and makes recommendations regarding any adjustments to the composition of the Board; and
- succession planning – the Committee proposes recommendations to the Board for the continuation in service of each director and ensures that the Board is well prepared for changes to its composition with appropriate succession plans in place.

The Committee has formal terms of reference, which are available on the Company's website at www.reachplc.com.

Committee membership

The members of the Committee are the Chairman of the Board as the Committee Chair, all non-executive directors and the CEO. The majority of Committee members are independent non-executive directors. The Committee met three times during 2023 and attendance is set out in the table opposite.

Key focus areas

Board succession planning

At least twice a year, the Committee discusses the future composition of the Board, with a rolling programme to consider the size and shape of the Board, taking into account the tenure of individuals, expertise required and diversity. Denise Jagger was appointed as Senior Independent Director in December 2022 and Darren Fisher as Chief Financial Officer in February 2023. The focus for 2023 was embedding the new Board members, including reviewing and improving the induction process. You can read more about Denise's programme on page 93.

Steve Hatch left the Board in May 2023 due to external commitments and it was decided not to appoint a replacement to reduce the size of the Board to its former level.

The Committee regularly reviews Board and Committee succession plans. There were no changes to Committee Chairs in 2023, but emergency and short-term succession plans for Board and Committee roles were reviewed and agreed by the Committee.

Executive succession planning and talent

The Committee regularly reviews Executive Committee and senior management succession planning and has formal plans in place for the short, medium and long term. Emergency plans are in place should the need arise for any executive position, which are periodically assessed.

The Committee also received presentations on the performance of the Executive Committee and other senior managers and reviewed the Executive Committee and senior management pipeline.

Board Diversity and Inclusion Policy

A Board Diversity and Inclusion Policy (the Policy) was introduced in 2021 and is available to view on the Company's website at www.reachplc.com/corporate-governance/policies. It is reviewed annually and was last substantially updated by the Committee in 2022 to include Board diversity targets in line with the Listing Rule targets, and to cover the diversity policies of the Board Committees and wider diversity characteristics.

Committee membership and attendance

Member	Attendance
Nick Prettejohn, Chair	●●●
Anne Bulford	●●●
Priya Guha	●●●
Steve Hatch	●
Denise Jagger	●●●
Jim Mullen	●●●
Barry Panayi	●●●
Wais Shaifta	●●●
Olivia Streatfeild	●●●

"Building and maintaining a diverse and inclusive workforce is of the utmost importance to the Board and the Committee and the desire to achieve this goal influences every hiring discussion and decision."

The Policy formally sets out the Company's approach to the diversity of the Reach plc Board. The Policy is consistent with the Company's objective to promote diversity and inclusion (D&I) across the business and is aligned with the Company's three D&I pillars: connect, respect and thrive. This helps to ensure that the skills, experience and social, cultural, educational and professional backgrounds of the workforce are appropriately diverse to support the Company's strategy.

The Group's Diversity and Inclusion Policy and its objectives are inextricably linked to the Company's strategy, a part of which is focused on creating a culture in which all can thrive. The governance framework ensures that, for senior leaders, the Executive Committee and the Board's strategic priorities incorporate D&I where appropriate. For example, senior leaders have developed and implemented action plans to support the achievement of each function's inclusion strategy and to embed it throughout the organisation. You can read more about how D&I forms part of our strategy on pages 41 to 44.

Nomination Committee Report continued

The table below sets out the actions undertaken during the year as a result of the 2022 evaluation, and also actions to be taken in 2024 as a result of the 2023 evaluation.

Issues and recommendations from 2022 evaluation	Actions undertaken in 2023
ESG Having established the responsible business framework in 2022, further develop and articulate the Company's approach to ESG	Reach has created a Sustainability Network to bring together people across the Company who are keen to make a difference on ESG initiatives, and to discuss how the Company can be more sustainable. We organised two colleague breakfasts, each attended by two non-executive directors, providing an opportunity for the Board to engage with employees. We completed a full Scope 3 emissions inventory, a key goal in our climate strategy. More details can be found on page 48.
Market developments More information about market developments and how the Company is performing relative to competitors to be provided to the Board	The Board discussed and reviewed a paper on the competitive landscape of Reach at a Board meeting. An external expert was then invited to join a subsequent Board meeting to present insights into the development and potential of AI.
Training Offer the Board more training and deep dive sessions on topics requested by the Board, from both an internal and external perspective	External subject matter experts delivered financial and climate-related training to the Board. The Audit & Risk Committee conducted deep dives into brand reputation and ongoing business funding, overseas operations, cyber risk and data protection. The Board conducted a deep dive into how the curated marketplace worked, and how Mantis was being used to enable the monetisation of data.
Lessons learnt Ensure that lessons learnt from past decisions are reviewed and captured, and are used as part of decision-making for future strategic initiatives	The Board has regularly discussed how its decision-making process has changed and directors continue to be open and honest about lessons learnt.
Issues and recommendations from 2023 evaluation	**Actions to be undertaken in 2024**
Board engagement Continue the Board's formal and informal engagement activities with key talent across the Group	Key talent (including the level below the Executive Committee) to present where appropriate to the Board and Committees. Informal Board engagement with leaders to also be arranged during the year.
Succession planning Review the Board's composition and the skill sets needed over the medium term	Board skills matrix to be revisited to determine desired skills for future Board members. Succession planning for the roles of Remuneration Committee Chair and Colleague Ambassador to be considered.
Risks and controls Continue work to strengthen governance and controls in light of upcoming governance reforms	Continue to document and where necessary further strengthen controls, and ensure compliance with the new FRC's UK Corporate Governance Code requirements under the sponsorship of the Audit & Risk Committee.

Evaluating performance

A formal review of the Board, its Committees and the Chairman is performed annually. The Board last undertook an externally facilitated evaluation in 2021. The 2022 and 2023 reviews were conducted internally and led by the Chairman, Nick Prettejohn. The non-executive directors, led by the Senior Independent Director, Denise Jagger, conducted a review of the Chairman's performance, with Denise providing feedback from this review to Nick.

A detailed questionnaire was completed by all Board members, regular Committee attendees from senior management and external advisers. The questionnaire sought feedback on a range of matters, including the Board's oversight of purpose, values, strategy and risk, and the composition and diversity of the Board, as well as themes and issues that emerged from the last external evaluation in 2021. The 2023 evaluation confirmed that the Board was operating effectively, with appropriately balanced agendas and discussions to cover all key areas and issues. The four directors that joined the Board at the end of 2022 and the start of 2023 had embedded well, contributing to robust debate and challenge, and open communication. Further progress had been made in interactions with colleagues, through the comprehensive programme of awaydays, site visits, and colleague lunches and breakfasts.

Diversity

Valuing D&I is an integral priority of the Company. While the Board Diversity and Inclusion Policy applies to the Board only, it sits alongside the wider Company Diversity and Inclusion Policy, setting out the Company's broader commitment to D&I. It is implemented, in part, through the Code of Conduct programme.

The Board recognises the importance of D&I in the boardroom and seeks to recruit directors with varied backgrounds, skills and experience. Reach seeks to broaden the diversity of the Board to reflect its audience and their communities. This will continue to be a key consideration when appointing new non-executive directors in the future.

As at 31 December 2023, the Company has met the targets on Board diversity required to be reported on under Listing Rule 9.8.6R(9)(a), with 44.4% of Board members being women (four of nine in total), the senior Board position of senior independent director being held by a woman, and two Board members being from a minority ethnic background. In addition, each of the Audit & Risk, the Remuneration and the Sustainability Committee is chaired by a woman and all of the non-executive directors are members of all committees, therefore reflecting the diversity of our Board.

The Board aims to maintain or improve this level of diversity in the future and also looks to make progress on diversity in other areas of the business. The Committee keeps the Board composition and size under review to maintain an appropriate balance of skills, experience, diversity and knowledge for the Group. The Board also recognises the importance of D&I at senior management level. The Group's Executive Committee, the members of which are direct reports of the CEO and CFO, is made up of nine members, including the CEO and CFO. In 2023, there were three women on the Executive Committee (2022: two). There are 80 direct reports to the Executive Committee for the purposes of FTSE 350 Women Leaders Review reporting, of whom 37 were female. Information on senior management initiatives on D&I can be found on pages 41 to 44 of the Strategic Report. The percentage of women within the Group overall decreased slightly to 39.0% (2022: 39.1%), with women occupying 36.3% of senior managerial roles across the Group (2022: 39.4%).

In 2021, Reach plc joined the 30% Club, committing the Company to 30% representation of women on the Board, including one person of colour by 2023, and 30% representation of women on the Executive Committee, including one person of colour by 2023. By committing to these targets, the Board also voluntarily committed to meeting the Parker Review requirements by 2024. At the end of 2023, these targets had been met, other than the Executive Committee including one person of colour.

The Board also aspires to meet the Parker Review requirement on a voluntary basis for the Executive Committee that at least 10% of the Executive Committee will self-identify as being from an ethnic minority background by 2027.

Our Be Counted initiative was launched in 2021, to capture colleague demographic and diversity data and develop the D&I strategy. According to the protected characteristics of the Equality Act 2010, along with socioeconomic data, Reach is able to identify areas of opportunity, along with challenges, to help drive D&I activity. Regular updates of the results of the Be Counted initiative have been provided to the Board, including how this has fed into progressing the social mobility agenda.

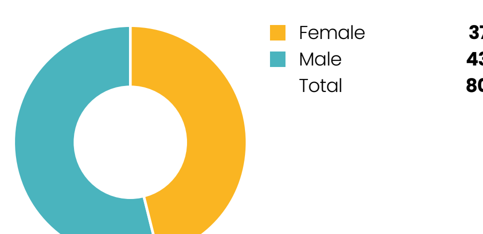
The following table sets out the information required under Listing Rule 9.8.6R (10) on the Board's and executive management's ethnic background and gender identity or sex:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	55.6%	3	6	66.7%
Women	4	44.4%	1	3	33.3%
Other categories	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0
White British or other White (including minority-white groups)	4	44.4%	2	8	88.8%
Mixed/Multiple Ethnic Groups	1	11.1%	0	0	0
Asian/Asian British	1	11.1%	0	0	0
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group, including Arab	0	0	0	0	0
Not specified/prefer not to say	3	33.3%	2	1	11.1%

Nomination Committee Report continued

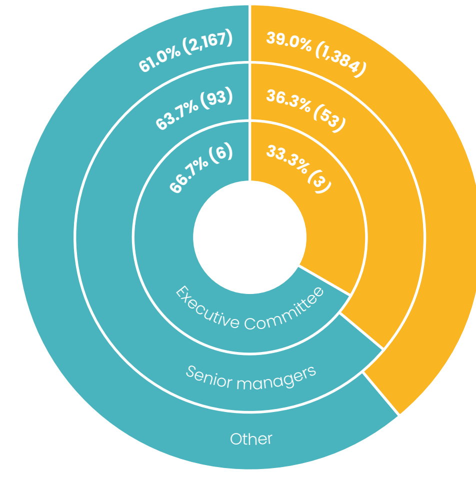
Gender breakdown as at 31 December 2023

Gender split of direct reports to the Executive Committee



Female	37
Male	43
Total	80

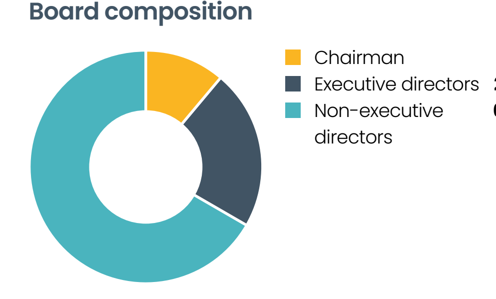
Gender split of Group employees



Female	1,440
Male	2,266

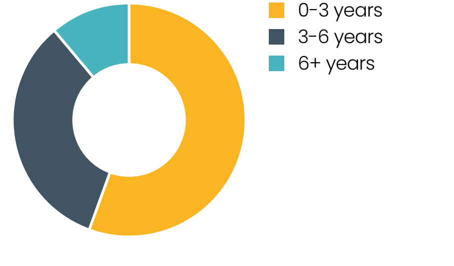
Board composition as at 31 December 2023

Board composition



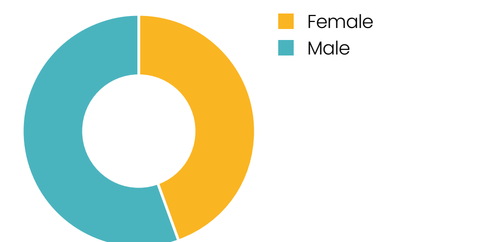
Chairman	1
Executive directors	2
Non-executive directors	6

Board tenure



0-3 years	5
3-6 years	3
6+ years	1

Board gender diversity



Female	4
Male	5

Board skills and experience

Skill	Number of directors
Media	70%
Digital transformation	90%
Strategy and business planning	90%
Accounting and finance	40%
People and talent	90%
Sustainability/ESG	60%
Technology/IT	40%
Digital marketing/advertising	30%
Data analytics	40%

Board skills evaluation

The broad range of skills, experience and diversity of the Board that are relevant to Reach's strategy and business are illustrated above. This represents where the Board as at 5 March 2024 considers they have considerable or expert knowledge in the listed area.

NON-EXECUTIVE DIRECTOR INDUCTION

A full, formal and tailored induction programme is in place for new Board members, to provide a comprehensive induction to the Group and enable new Board members to contribute to Board discussions from the outset. The induction is designed to cover a range of areas, including Board procedures and listed company director duties, the Group's operational and financial performance and strategic direction, and key areas of the business.

Denise Jagger's induction programme, designed through discussion with the Chairman and Company Secretary, consists of:

- a series of in-depth meetings with other Board members, Executive Committee members and other senior leaders, such as the Director of Investor Relations and Director of Risk and Internal Audit;
- training about Board procedures and listed company duties;
- a visit to the Newcastle hub;
- a visit to the Oldham print site;
- introductory meetings with our auditors and lawyers advising on pensions matters;
- remuneration training delivered by FIT Remuneration Consultants; and
- access to a comprehensive library of internal and external papers and presentations covering key functional and operational areas of the Group.

You can read more about Denise's views on the induction programme on page 84.

Nick Prettejohn
Nomination Committee Chair

5 March 2024

Induction meeting attendees	Meeting purpose
Chairman	Introduction to the priorities of the Board and way of working, ongoing matters considered by the Board, and the Group's governance structure.
Committee Chairs and other non-executive directors	Introduction to the responsibilities and composition of the Board's Committees.
Executive directors	Strategic priorities and direction of the Group, operational and financial performance, and culture and purpose.
Executive Committee members	Overview of their respective business area and current priorities.
Company Secretary	Induction planning, duties and responsibilities of a listed company director, and Market Abuse Regulation duties and responsibilities.

TO EMBED, REVIEW AND CHALLENGE

Priya Guha, MBE
Sustainability Committee Chair

As stated in the 2022 Annual Report, I took over as Chair of the Sustainability Committee (the Committee) at the end of 2022, so this report marks my first full year in the role. I'm pleased with the further progress we have made on being a responsible, sustainable business that aims to do things with integrity at all times. One of my priorities as Chair this year has been to work closely with management outside the formal Committee meetings, to support them in the development of the sustainability strategy and ensure it aligns with our purpose and business strategy.

Our main focus this year was to embed the responsible business framework (please see pages 30 to 53) that was developed and approved at the end of 2022. The Committee has discussed and received updates on work being undertaken by the business under all four pillars of the framework.

To keep pace with the fast-moving regulatory landscape, the Committee and Executive Committee undertook climate-related training delivered by external experts.

Through this, we gained a broader understanding of Scope 1, 2 and 3 greenhouse gas (GHG) emissions and Reach's full GHG emissions breakdown including Scope 3, types of science-based targets (SBTs) and the SBTi requirements for target-setting.

In 2024, we'll continue to hold management accountable for delivery across the four pillars, including overseeing and reviewing quantitative and qualitative analysis of progress. We'll also continue our work in order to be able to announce our net zero commitment date in due course.

Following the news that the International Sustainability Standards Board's (ISSB) disclosure standards for the UK are expected to be endorsed by the Government during 2024, the Committee will oversee the application of the standards and any work required to be undertaken to comply with them by the time they are expected to come into force in 2025.

Priya Guha, MBE
Sustainability Committee Chair

5 March 2024

Role of the Committee

The role and responsibilities of the Committee are set out in its terms of reference, which are available on the Company's website at www.reachplc.com.

The role of the Committee is to:

- review, challenge, oversee and recommend for Board approval the sustainability strategy, and any sustainability-related commitments communicated externally in support of the Group's corporate purpose;
- embed, review, challenge, oversee and support the sustainability strategy, management initiatives and their performance, to ensure a coherent and consistent approach is adopted across the Group;
- be responsible for the oversight and review of relevant internal reporting regarding the implementation of the sustainability strategy;
- stay up to date with ESG best practice and thought leadership, keeping under review the extent and effectiveness of the Group's external reporting of relevant sustainability performance, and its participation in external benchmarking indices;
- consider the appropriateness of the Group's position on relevant emerging sustainability issues; and
- be responsible for the oversight of diversity and inclusion matters, people and community engagement and monitoring of corporate culture in support of the Group's purpose and values, reporting to the Board on such matters as appropriate.

Sustainability Committee Report continued

Committee membership

The members of the Committee are all the non-executive and executive directors. The Committee met twice during the year and attendance is set out opposite.

Embedding our responsible business framework

At the end of 2022, the Committee reviewed and recommended for Board approval the responsible business framework, which formalised the Company's sustainability approach and key sustainability-related disclosures. Key issues were grouped into four pillars, creating a purpose-led framework that is unique to our business.

This year, the Committee received updates on work being undertaken by the business under all four pillars of the framework. It has also focused on embedding the framework and assessing its alignment with our purpose and business strategy, forming a strong foundation for the ongoing evolution of our approach to measuring and disclosing progress related to being responsible and sustainable. Some of the KPIs are reported in the Responsible business section on pages 30 to 53. Additional KPIs have been identified and will be kept under review by the Committee for consideration in future reporting.

For the pillar 'Creating trusted, quality content', a Group-wide editor forum was established in 2023, which meets every three months to review and provide evidence of the positive social impact the content of both our national and regional brands have on society. The Committee has received updates on the highlights, which include campaigning against injustice, striving to improve the common good, lobbying to change laws and fight inequity and promoting social good, inclusion and diversity. You can read more about some of our 2023 campaigns on pages 34 and 35.

For more information on our responsible business framework, see page 30.

Task Force on Climate-related Financial Disclosures

The Committee has been provided with regular updates on the progress made on climate strategy and the Task Force on Climate-related Financial Disclosures (TCFD). We carried out qualitative Climate Scenario Analysis (CSA) in 2022 which identified three key risks – flooding, carbon pricing and energy pricing. In 2023, we completed further work to quantify these risks by carrying out detailed quantitative CSA. This has improved our understanding of the risks and has started to identify what the potential financial implications on our business could be now and in the future, as well as the resilience of our strategy under multiple climate scenarios.

Committee membership and attendance

Member	Attendance
Priya Guha, Chair from 31 December 2022	●●
Anne Bulford	●●
Darren Fisher	●●
Steve Hatch	n/a
Denise Jagger	●●
Jim Mullen	●●
Barry Panayi	●●
Nick Prettejohn	●●
Wais Shaifta	●●
Olivia Streatfeild	●●

The Committee has worked closely with the Audit & Risk Committee on the quantitative CSA work, with that committee being responsible for risk management, including climate-related risks, and for reviewing the content and accuracy of our TCFD report.

Our TCFD report can be found on pages 54 to 64.

Setting our target for net zero

One key area of focus has been setting greenhouse gas emission reduction targets and the Committee has approved Reach's near-term science-based targets for Scope 1, 2 and 3 emissions.

We are now in the process of validating these targets, in order to be able to announce a net zero commitment date in due course.

More information can be found on page 48.

Priya Guha, MBE
Sustainability Committee Chair

5 March 2024

AUDIT, RISK AND INTERNAL CONTROLS

Anne Bulford, CBE
Audit & Risk Committee Chair

During the year, the Audit & Risk Committee's (the Committee) core duties remained unchanged. We continued to fulfil an important oversight role, monitoring the effectiveness of the Group's system of internal controls and risk management framework and reviewing the integrity of the Group's financial reporting. The principal role of the Committee is to help the Board to fulfil its responsibilities and provide valuable independent challenge around financial reporting and financial controls. The Committee also oversees the external auditor relationship.

Throughout the year, the Committee has continued to review the Group's principal risks, particularly considering the evolving internal and external environment, and performed several in-depth reviews into principal risk areas. This included reviewing the comprehensive measures in place to protect the integrity and reputation of Reach brands, which plays an important part in maintaining audience trust and the confidence of shareholders. The Committee also reviewed how Reach had approached its expansion into the US and the risks related to the US business across various areas such as tax, finance, HR, governance, intellectual property and data.

The internal control environment has been reviewed in depth. The Committee has reviewed reports from internal audit and overseen that, where appropriate, corrective action is being taken to address any weaknesses identified in those reports, to enhance the internal control environment. During the year, the Committee has continued to review regular updates on ongoing work to strengthen controls and governance.

In 2024, the Committee will maintain focus on the ongoing work to strengthen controls and governance arrangements. We have also planned deep dives on information security, data protection, supply chain and health and safety.

Anne Bulford, CBE
Audit & Risk Committee Chair

5 March 2024

Role of the Committee

The role and responsibilities of the Committee are set out in its terms of reference, which are available on the Company's website at www.reachplc.com.

The key objectives of the Committee are to review and report to the Board and shareholders on the Group's financial reporting, internal control and risk management systems, and the independence and effectiveness of the external auditors.

The Committee is also responsible for:

- monitoring the financial reporting process, including the integrity of the financial statements of the Company such as its annual and half-year financial results;
- reviewing and assessing the Annual Report to determine whether it can advise the Board that, taken as a whole, the Annual Report is fair, balanced and understandable;
- monitoring the statutory audit of the annual, and the review of the half-year, consolidated financial statements;
- reviewing significant financial reporting issues;
- recommending to the Board the appointment of the external auditors and approving their remuneration and terms of engagement;
- monitoring and reviewing the external auditors' independence, objectivity and the effectiveness of the external audit process, including considering relevant UK professional and regulatory requirements such as the appropriateness of the provision by the auditors of non-audit services;
- monitoring and reviewing the effectiveness of the internal control and risk management systems, including the internal audit function; and
- reviewing and approving the remit of the internal audit function, ensuring it has the necessary resources and can meet appropriate professional standards for internal auditors.

The Board's responsibility for the assessment of risk is delegated to the Committee.

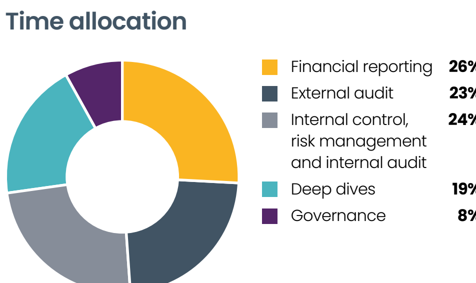
Audit & Risk Committee Report continued

The Board has confirmed it is satisfied that the members of the Committee are independent and, as a whole, have competence relevant to the sector in which the Group operates, gained from their respective external roles, previous and present. Committee member biographies are set out on pages 76 to 78.

Anne Bulford, the Committee Chair, is considered by the Board to have recent and relevant financial experience for the purposes of the Financial Reporting Council's (FRC) 2018 UK Corporate Governance Code (the 2018 Code).

At the invitation of the Committee Chair, the Chairman, CEO and CFO, along with the Group Financial Controller and the Director of Risk and Internal Audit, attended all meetings during the year to maintain effective and open communications. The external auditors, PricewaterhouseCoopers LLP (PwC), attend meetings and have direct access to the Committee should they wish to raise any concerns outside the formal Committee meetings.

Time allocation



Committee membership

The members of the Committee are all the independent non-executive directors. The Committee met five times during 2023 and attendance is set out below.

How we used our meetings in 2023

In addition to planned activities and work, the Committee:

- undertook a detailed review and scrutiny of wider risk areas, with deep dives into cyber security, data protection, brand reputation, treasury management and future funding, and a review of the US operations;
- reviewed TCFD compliance and its application through the governance framework, alongside the Sustainability Committee; and
- reviewed the internal control environment in depth and received regular updates on ongoing work to strengthen controls and governance arrangements in light of the upcoming regulatory changes.

Committee membership and attendance

Member	Attendance
Anne Bulford, Chair	●●●●●
Priya Guha	○●●●●
Denise Jagger	●●●●●
Steve Hatch	●●
Barry Panayi	●●●●●
Wais Shaifta	●●●●●
Olivia Streatfeild	●●●●●

Annual Report

The Committee has undertaken a review and assessment of the Annual Report to determine whether it can advise the Board that, taken as a whole, the Annual Report is fair, balanced and understandable, and provides shareholders with the information they need to assess the Group's position, performance, business model and strategy.

In doing this, the Committee has:

- considered the results of an internal review performed by a senior chartered accountant not involved in the preparation of the Annual Report;
- reviewed and discussed the findings from the external auditors as part of the 2023 year-end audit; and
- fully discussed the Annual Report at the Committee meeting in February 2024.

Following a robust process, the Committee recommended to the Board that the Annual Report, taken as a whole, is fair, balanced and understandable.

Going concern and viability statement

In its Annual Report, the Company is required to include statements relating to going concern and viability. The Committee reviewed and discussed a report from management and concluded that the financial statements can be prepared on a going concern basis, and that there is a reasonable expectation that the Group will be able to continue operating and meet its liabilities as they fall due over the next three years.

The directors assessed the prospects of the Group over a three-year period, which enabled them to consider the investment required to drive growth in digital and the impact of declining print revenues. The Group's going concern statement is set out on pages 149 and 150 and the viability statement is set out on page 73 of the Strategic Report.

Interactions with the FRC

There have been no interactions with the Financial Reporting Council (FRC) during 2023.

External auditors

Auditors' appointment and independence

PwC was appointed by shareholders as the Group's statutory auditor in 2019 following a formal tender process. The external audit contract will be put out to tender every 10 years. It is the Committee's current intention to tender its audit services by no later than 2028.

The lead audit partner at PwC is rotated at least every five years to ensure continuing independence. The new audit partner, Colin Bates, has been in post since the start of 2021.

PwC has indicated its willingness to continue in office and shareholders' approval will be sought at the AGM on 2 May 2024.

The Company complied throughout the year with the provisions of the Statutory Audit Services Order 2014 relating to the UK audit market for large companies. There are no contractual obligations that restrict the Company's choice of external auditors.

During the year, private meetings were held with PwC to ensure there were no restrictions on the scope of their audit, and to discuss any items that the external auditors did not wish to raise with the executive directors present.

The Committee is satisfied that there are no relationships between the Company and the external auditors, its employees or its affiliates that may reasonably be thought to impair the external auditors' objectivity and independence.

The Committee formally reviews the effectiveness of the external auditors in July each year and considers the results of a survey sent to directors and senior managers, including the Executive Committee and members of the finance team. This survey asks questions about independence, planning, expertise and resources, the audit process, communications and fees. A full report of the survey results was reviewed by the Committee, which concluded that the external auditors' performance remained effective. The effectiveness review of PwC for the 2023 audit will be carried out in the coming months.

An example of the auditors demonstrating their effectiveness this year was through debate and challenge on key assumptions within the impairment assessment, including circulation decline and digital growth within the Group's financial projections from 2024 to 2033.

In addition, the effectiveness of the external auditors is closely monitored on an ongoing basis, and there is a regular cycle of meetings between the Company and PwC where audit planning and process are discussed, and any issues can be raised. This includes monthly meetings between the CFO and the lead audit partner, and a meeting between the Committee Chair and the lead audit partner before each scheduled Committee meeting. In audit periods, weekly meetings are held between the finance team and PwC to discuss progress on deliverables and resolve any issues in real time.

Non-audit services

The Group has a formal policy on the engagement and supply of non-audit services, to protect the objectivity and independence of the external auditors and avoid a conflict of interest. The policy is in line with the recommendations set out in the FRC's Guidance on Audit Committees and its 2019 Revised Ethical Standard. Generally, the external auditors will not be engaged to provide any additional services other than audit-related services, including the review of the interim financial information and loan covenant reporting.

There may, however, be circumstances where it could be in the Company's and shareholders' interests if the external auditors were engaged. Such circumstances are likely to relate to either exceptional transactions or those deemed not to be of a material nature.

The Committee's approval must be obtained before the external auditors are engaged to provide any permitted non-audit services, which are detailed in the policy.

For permitted non-audit services that are clearly trivial, the Audit & Risk Committee has pre-approved the use of the external auditors, subject to the following limits:

Value of service requested	Approval required prior to engagement of the external auditors
Up to £25,000	Chief Financial Officer
£25,001 to £50,000	Audit & Risk Committee Chair
£50,001 and above	Audit & Risk Committee

Where non-audit work is performed by PwC, steps are taken to safeguard auditors' objectivity and independence, including a different team of people working on the task.

Details of the fees paid to PwC for the financial period ending 31 December 2023 can be found in note 6 to the consolidated financial statements. In 2023, the approved non-audit fee items provided by PwC related to the interim review, loan covenant reporting and provision of access to the PwC accounting website.

The spend in relation to these services was £149,000 totalling 10.8% of the overall fees paid. The Committee was satisfied that the non-audit services purchased were in line with the non-audit services policy and did not compromise the independence of the auditors.

The Committee is satisfied that the Company was compliant during the year with both the 2018 Code and the 2019 Revised Ethical Standard, in respect of the scope and maximum level of permitted fees incurred for non-audit services provided by PwC.

Significant matters considered by the Committee in relation to the financial statements

The Committee has assessed whether suitable accounting policies have been adopted and whether management have made appropriate estimates and judgements on significant issues.

The Committee reviews accounting papers prepared by management, which provide details of the main financial reporting judgements. The Committee also reviews reports by the external auditors on the full-year and half-year results, which highlight any issues with respect to the work undertaken. After receiving reports on the significant issues and after discussion with PwC, the Committee agreed that the judgements made by management were appropriate.

Audit & Risk Committee Report continued

The Committee considered the following significant issues in relation to the 2023 financial statements:

<table>
<tr><th>Critical estimate or key judgement</th><th>How the Committee addressed the issue</th></tr>
<tr><td>Impairment reviews in respect of the carrying value of assets on the consolidated and parent company balance sheets</td><td>The Committee received detailed papers from management in respect of the impairment reviews in relation to the carrying value of assets on the consolidated and parent company balance sheets.
The Group’s consolidated balance sheet has material goodwill and other intangible assets (publishing rights and titles), and the parent company balance sheet has material investment in subsidiary undertakings.
The Committee needed to assess whether the carrying value of assets of a cash-generating unit are impaired and are carried at no more than their recoverable amount (the higher of fair value less costs of disposal and value in use) in the consolidated balance sheet.
The Committee also assessed whether the carrying value of investments are impaired and are carried at no more than the recoverable amount (the higher of fair value less costs of disposal and value in use) in the parent company balance sheet.
The value in use has been calculated using a discounted cash flow model, and the fair value has been considered based on the value of the Group with costs of disposal considered to be minimal.
The discounted cash flow model has been prepared based on the final budget for 2024, and then high level projections for the period 2025 to 2033. There are a number of judgements made in setting the assumptions that underpin the model:
• the projections are management’s best estimate of the future performance of the Group which are subject to risk and uncertainties as set out in the Annual Report;
• the key assumptions in the projections relate to the continuation of print declines, of digital growth and the associated change in the cost base as a result of the changing revenue mix;
• the long-term growth rate has been set at 0.9% (2022: 1%) from year 10;
• capital expenditure has been based on expected run rates of the existing business over the next 10 years;
• tax has been modelled based on the expected future tax rates at the balance sheet date; and
• the weighted average cost of capital post tax rate of 10.2% (2022: 10.8%) is calculated after due consideration of market factors impacting the rate and items that are specific to the Group, such as the current capital structure and the best estimate of future movements in the capital structure.

The value in use from the discounted cash flow model is in excess of the carrying value of assets of the cash-generating unit resulting in no impairment (2022: nil) being required in respect of the carrying value of assets on the consolidated balance sheet. Management also considered sensitivity scenarios which highlighted that no impairment would be required.
The impairment review in respect of the carrying value of investments in the parent company balance sheet resulted in an impairment charge of £167.8m (2022: £65.1m). The impairment review is highly sensitive to reasonably possible changes in key assumptions. The Committee noted that the Company has significant distributable reserves of £522.0m (2022: £111.8m) following the capital reduction converting the entirety of the share premium account into distributable reserves, which provides headroom relating to the Company’s ability to pay dividends.</td></tr>
</table>

Audit & Risk Committee Report continued

Critical estimate or key judgement	How the Committee addressed the issue
Impairment reviews in respect of the carrying value of assets on the consolidated and parent company balance sheets continued	The Committee members reviewed in detail the papers supporting the impairment review ensuring consistency with Board discussions relating to the budget and the progress on the Customer Value Strategy which underpin the digital growth in the projections (all members of the Committee are Board members). The Committee also reviewed the consistency of the current year model with the prior year model. The external auditors challenged the conclusions and considered any external factors which may change the conclusions of the review. The external auditors also undertook a detailed review of the assumptions and of the model supporting the papers. In reaching its conclusion on the impairment review, the Committee considered the papers prepared by management and the external auditors. The Committee noted the comparisons to external forecasts (which were supportive of the projections) and sensitivity analysis (which showed sufficient headroom of the carrying value of assets in the consolidated balance sheet and an impairment of £167.8m in the parent company balance sheet). The Annual Report contains disclosure of the Critical Judgements in applying the Group's accounting policies, the key factors relating to the impairment reviews and the conclusions reached (note 3 and note 16 in the notes to the consolidated financial statements, note 2 and note 4 in the notes to the parent company financial statements). Impairment is not considered a principal risk for the Group, as identified on pages 68 to 72 of the Strategic Report, as it relates to historical transactions with no future cash impact, nor is there any impact on the financial covenants for the Group's debt facilities. **Consideration was also given to the continued adoption of the indefinite life assumption in respect of publishing rights and titles, and in assessing the publishing rights and titles with reference to a single publishing cash-generating unit. The appropriateness of a single cash-generating unit for the publishing rights and titles:** The assumption is considered at each reporting date and is a Critical Judgement in applying the Group's accounting policies. The Group is a content business with content delivered through multiple brands. The brands have traditionally been in print and are transitioning to digital. The challenges facing the brands have resulted in the Group becoming more integrated to such an extent that the interdependency of revenues across the network of brands is significant. As such, assessing the publishing rights and titles with reference to a single publishing cash-generating unit, whose cash flows are interconnected, is deemed to be the most appropriate treatment. There has been no change to the assessment of this Critical Judgement. **The indefinite life assumption in respect of publishing rights and titles:** The assumption is considered at each reporting date and is a Critical Judgement in applying the Group's accounting policies. The Group has, from first recognition to the latest results announcement, consistently adopted an indefinite life assumption for its publishing rights and titles. Indefinite life intangible assets are not amortised. The Committee noted that indefinite is not the same as infinite (that is, limitless in extent). The brands have delivered trusted news to readers for many years in print and more recently digital. The brands are core to our digital strategy, either directly or indirectly. In support of the assumption, management have prepared 10-year illustrative projections which highlight that print will continue to be significant, and that digital will be increasingly significant. Based on the Group's strategic focus and the illustrative projections, it is considered that there is no foreseeable limit to the period over which the net cash inflows are expected to be generated from the publishing rights and titles and that the current carrying value will be supported for the foreseeable future. As such, continuing to adopt the indefinite life assumption in respect of publishing rights and titles is deemed to be the most appropriate treatment. There has been no change to the assessment of this Critical Judgement.

Audit & Risk Committee Report continued

Critical estimate or key judgement	How the Committee addressed the issue
Pensions	At each reporting date, the Group's actuaries for this purpose, Willis Towers Watson (WTW), undertake a detailed calculation of the IAS 19 valuation of the Group's defined benefit pension schemes and of the specific financial disclosures in the financial statements. The assumptions are agreed by management after taking advice from WTW. This includes external benchmarking of the key assumptions by WTW. Independent investment manager confirmations are received for all investment assets and confirmation is received from the scheme administrators for all scheme bank accounts. An executive summary and a detailed report prepared by WTW setting out the methodology, judgements, assumptions and conclusions is presented to the Committee for review. The assumptions regarding the discount rate, inflation rates and demographic assumptions are reviewed by the Committee. The external auditors perform a detailed review of the reports prepared by WTW and of the methodology, judgements and assumptions used for the valuation, including external benchmarking and testing in respect of the investment assets and bank accounts. Full disclosure of the Group's pension schemes including valuation, the approach to setting assumptions and the sensitivity to changes in key assumptions are disclosed in note 21 in the notes to the consolidated financial statements. Pension schemes are included in one of the Group's principal risks that are set out in the risks and uncertainties section on pages 68 to 72 of the Strategic Report. This sits under the wider lack of funding capability risk which sets out the pensions risk and mitigating management action.
Historical legal issues	The Group is exposed to civil claims in relation to historical phone hacking. This is a standing item on the Board agenda and therefore is not specifically an agenda item for the Committee. The Committee does assess the appropriateness of any provisions in relation to these matters and other implications on the consolidated financial statements, and that the Annual Report contains sufficient disclosure of such matters, noting that there has been a material reduction in the provision following the High Court's judgment on time limitation during December 2023. Disclosures relating to the latest position are set out on page 27 of the Strategic Report and in note 27 in the notes to the consolidated financial statements. The external auditors' report to the Committee details the procedures undertaken by them and their discussions with management, and this is discussed in detail by the Committee. Historical legal issues are included in one of the Group's principal risks that are set out in the risks and uncertainties section on pages 68 to 72 of the Strategic Report. This sits under the wider lack of funding capability risk which sets out the historical legal issues risk and mitigating management action.
Restructuring and impairment	The Group has recorded significant restructuring and impairment charges in respect of the ongoing transformation programmes undertaken during the current year. The Committee reviewed the reasonableness and inclusion of these items in operating adjusted items and the disclosures in the Annual Report.

Risk management

The Board is responsible for ensuring sound internal control and risk management systems are in place. During 2023, there was an ongoing process for identifying, evaluating and managing the significant and emerging risks faced by the Company, including those exacerbated by the current economic uncertainty. The process is subject to regular review by the Board and the Committee. The process accords with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, as applicable for this financial year.

The Committee reviews the principal risks, including descriptions of the risks, an assessment of the impact on the business, the probability of their occurrence, management accountability and mitigating controls and actions. During 2023, principal and emerging risks were identified, assessed and reviewed by impact and probability, and the Board reconfirmed its view of the Group's appetite for risk and how this manifests itself in the way the Group conducts its business.

During the year, further work was undertaken to embed risk management within the business and evolve how the Group mitigates and manages principal risks, taking accelerated action where required to respond to the evolving internal and external environment. Work was also undertaken to continue to identify the Group's top climate risks and opportunities, plus further analysis to understand these more fully and embed them into our risk management model.

The Committee undertook a more detailed review of several key risk areas during the year, including cyber security, data protection, brand reputation, treasury management and future funding, and a risk review of the US operations.

The way the Company manages risk is set out in the Strategic Report on pages 66 and 67, with the key risks facing the Group and the associated mitigating actions described on pages 68 to 72.

Internal controls

The directors are responsible for the Group's established system of internal control and for reviewing its effectiveness. The directors confirm that the actions they considered necessary have been or are being taken to remedy any failings or weaknesses identified from their review of the system of internal control. This has involved considering the matters reported to them and developing plans and programmes that they consider reasonable in the circumstances.

The changing internal and external environment has led us to commit to improving our internal control environment. The Committee has received updates and reviewed ongoing progress made throughout the year on the work undertaken to enhance our internal control environment.

The Board also confirms that it has not been advised of material weaknesses in the part of the internal control system that relates to financial reporting. No system of internal control can provide absolute assurance against material misstatement or loss. However, such a system is designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

Although the Board has overall responsibility for internal control, we acknowledge the positive contribution made by senior management to establish and develop internal controls within the Group. In reviewing the effectiveness of our system of internal controls, the Board has considered several key elements, including financial controls, investment controls, management reporting and the various review, steering, policy and Board committees.

The key procedures that have been established and designed to provide effective internal financial control are:

Financial reporting

Part of the budgeting, forecasting and comprehensive management reporting discipline involves the preparation of detailed annual budgets and regular forecasts by the business. These budgets and forecasts are carefully examined by the executive directors and then summarised and submitted to the Board for approval. Weekly revenue and profit forecasts are prepared and reported against the approved budget and latest forecasts. Weekly trading meetings are held to review and discuss latest performance.

Consolidated monthly management accounts – including detailed revenue and profit analysis with comparisons to budget, latest forecasts and prior year, and treasury, health and safety and risk updates – are prepared, providing relevant, reliable and up-to-date financial and other information to the Board.

Investment appraisal

The Group has a well-defined framework for capital expenditure, which is controlled centrally. Appropriate authorisation levels and limits are clearly established. There is a prescribed format for capital expenditure applications, which places a high emphasis on the overall Group strategy or support for the expenditure, and requires a comprehensive and justified financial appraisal of the business case being put forward.

All significant corporate acquisitions or investments are controlled by the Board, or a Board sub-committee, and are subject to detailed investment appraisal and due diligence procedures before the Board will approve them. Additionally, an Investment Committee, which is a management committee, is held every month to review key business cases that management has prepared.

Functional reporting

Several key functions – including treasury, taxation, internal audit, risk management, litigation, IT strategy and development, environmental issues and insurance – are dealt with centrally. Each of these functions reports to the Board regularly, through the CEO or CFO, as appropriate.

Audit & Risk Committee Report continued

The treasury function operates within the terms of clearly defined policy statements. The policy statements exist to ensure that the Group is not exposed to any unnecessary risk and that, where appropriate, there is hedging against foreign currency and interest rate risks.

Effectiveness of risk management and internal controls system

The Board has overall responsibility for the Company's system of risk management and internal controls. In accordance with the 2018 Code, the Committee carries out a robust assessment of the principal and emerging risks. It also reviews the effectiveness of the Company's risk management and internal control systems, covering all material controls, including financial, operational and compliance controls.

The Committee's assessment includes a review of the risk management process and the principal and emerging risks and uncertainties.

As usual, the Committee reviewed reports from the internal audit function in 2023, which provided reasonable assurance that internal control procedures remain in place and are being followed. Formal procedures have been established for taking appropriate action to correct weaknesses identified from these reports, and for enhancing the internal control environment.

The Committee confirms that necessary actions have been or are being taken where failings or weaknesses were identified. The key risks and uncertainties are set out on pages 68 to 72 of the Strategic Report. The Committee considers that the appropriate systems are in place, adequate and operating properly.

The Committee also believes that the Company's Remuneration Policy is adequate for a group of this size and nature and that compensation policies and practices are appropriate for maintaining a robust control environment and do not put the Company at risk.

Risk management and internal controls compliance

Our risk management process and system of internal control was operated through the structure described here during 2023:

Group internal audit

The internal audit function focuses on providing assurance about the design and operating effectiveness of the internal control system and enhancing the Group's internal controls. It has an annual plan based on a rolling programme and specific risk-based audits, which are approved by the Committee every year. Internal audit sits independently of the business, with no responsibility for operational management.

The Director of Risk and Internal Audit oversees an internal audit programme using in-house resources and the services of external service providers, as necessary. The internal audit plan, being risk-based, is focused on those areas deemed critical to achieving our business objectives.

The Committee oversees the performance of the internal audit function by having the Director of Risk and Internal Audit attend Committee meetings. In addition, a review of the effectiveness of the internal audit function was undertaken for the financial year.

The Committee concluded that the function continues to operate effectively.

Risk management framework

The executive directors, assisted by the Director of Risk and Internal Audit, oversee and co-ordinate the risk management activities of the Executive Committee.

The agreed objectives for the risk management framework have been achieved during 2023 and all significant risks have been reviewed.

To enable consistent and focused monitoring, reporting, evaluation and management of significant Group risks, the executive director owners of each key risk have reviewed and documented the plans, actions and initiatives that have taken place or are under way.

Year-end compliance reporting

A formal process exists for year-end compliance reporting, requiring executive directors to confirm their responsibilities for risk management and internal control. Ultimate compliance reporting is required of all Board members.

Steps have been taken to embed internal control and risk management deeper into the operations of the business and to deal with areas for improvement that come to the attention of management and the Board.

The Group's systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Whistleblowing charter and procedure

The Group has a whistleblowing charter in place and provides a confidential, independent whistleblowing line where employees may report any concerns about the integrity of the business or breaches of the Group's policies, without fear of criticism or future discrimination.

The whistleblowing charter is supported by an independent external service provider and arrangements are overseen by the Director of Risk and Internal Audit. The whistleblowing charter is owned by the Committee with oversight from the Board.

The Director of Risk and Internal Audit oversees the investigation of all whistleblowing cases, involving relevant resources as necessary. The Committee Chair and the CEO are informed of all cases as they arise. The Committee reviews all information received to ensure the process is working correctly.

Overall, we remain satisfied that the whistleblowing policies and procedures are robust and adequate. More information can be found on page 38 of the Strategic Report.

Anne Bulford, CBE
Audit & Risk Committee Chair

5 March 2024

RENEWING OUR POLICY

Olivia Streatfeild
Remuneration Committee Chair

Our report is split into three parts: our Annual Statement, including this foreword and our 2023 Remuneration at a glance summary on page 106, the Policy Report and the Annual Remuneration Report.

I thank our shareholders for their support on remuneration matters at our 2023 Annual General Meeting (AGM), when our 2022 Directors' Remuneration Report was approved by 90.45% of shareholders voting.

2023's performance and pay outcomes

As explained earlier in this Annual Report, the Company's 2023 focus on 'controlling the controllables' meant priority focus on transforming our cost base and driving efficiencies, while also accelerating digital transformation through improved customer engagement and diversified revenues. Despite continued progress on digital transformation and resilience in our print business, the 2023 Group adjusted operating profit did not reach threshold levels sufficient to allow bonus payments for our executive directors or wider senior management group. Accordingly, annual bonuses for 2023 were nil.

Similarly, no Long Term Incentive Plan (LTIP) vested in respect of the Company's performance measured across the three years to 31 December 2023, and these LTIP awards which were made in 2021 will accordingly lapse during 2024.

Renewing our Remuneration Policy in 2024

Revised Remuneration Policy

At the 2024 AGM, we will ask shareholders to renew the three-yearly authority for our Directors' Remuneration Policy (the Policy), which was last approved at our AGM in 2021 (with 94.64% approval).

We propose to roll forward materially our current Policy and retain the architecture of our current incentive plans (the annual bonus and LTIP). No increases in incentive quantum are proposed. The Remuneration Committee (the Committee) came to this decision after thoroughly reviewing the continuing appropriateness of the current Policy.

Our proposals include a limited number of changes only, as described below:

- our shareholding guidelines for executive directors will apply for two years from stepping down from the Board (increased from one year); and
- we will continue our practice since 2022 of using a three-month average share price to determine the number of shares used for LTIP awards. This moderates the potential for short-term share price volatility to impact the number of shares in awards made each year.

Operation of share plans in 2024

We are also proposing two changes in how we operate our share plans for 2024.

First, we will seek our shareholders' approval at the 2024 AGM to operate our share plans within the 10% in 10 years share plans dilution limit only (removing the internal 5% in 10 years limit for selective plans). The LTIP is our only selective plan and there is a continuing commercial need for Reach to offer the LTIP each year to a broad population, which can be over 40 people a year.

Remuneration Report continued

Using our LTIP so broadly makes the 5% dilution limit potentially constraining and, unless it is removed, likely to inhibit our ability to make LTIP awards to colleagues who have been making important contributions to our business, particularly the Company's continuing transformation into a customer-data-led business. Accordingly, we view this proposed change on share plans dilution limits as important in supporting our Customer Value Strategy. The wider colleague group who have been included in the LTIP in recent years would often expect to be included in equity plans as part of their packages in competitor businesses where their skills would be similarly in demand.

We remain committed to offering all-employee share plans when we can do so within the 10% share plans dilution limit.

The Company also intends to buy shares into its employees' share trust when it is appropriate to do so to manage overall dilution from share plans. Reach has made such purchases in the past and would also expect to make such purchases in future.

Secondly, we are revising the mix of performance conditions for our LTIP awards in 2024. In 2023 the performance conditions were 75% relative TSR and 25% Customer Value Strategy measures, but in 2024 the weightings will be:

- Relative TSR – 40%
- Absolute TSR growth – 20%
- Customer Value Strategy metrics – 25%
- Environmental metrics, reductions in Scope 1 and Scope 2 emissions – 15%

The element of absolute TSR growth was introduced to recognise the importance of absolute shareholder value for our shareholders. The growth range for this measure will be 10% to 20% three-year compound annual growth rate (CAGR). This will be measured from a three-month base period to 31 December 2023 in which our average share price was 75.4p.

The new environmental performance conditions for our 2024 LTIP reflect the importance which Reach places on environmental matters. As we explain in the Strategic Report, Reach has a twofold responsibility: we promote awareness of environmental issues across all of our publications and we also seek to reduce the negative impacts of our own operations on the environment.

The metrics proposed for our 2024 LTIP are aligned to Reach's near-term science-based targets for Scope 1 and 2 emissions in 2030. These targets were approved by the Reach Sustainability Committee in December 2023 and the measurement of progress against the metrics will be subject to external verification.

Committee membership and attendance

Member	Attendance
Olivia Streatfeild, Chair	●●●●●
Anne Bulford	●●●●●
Priya Guha	●●●●●
Steve Hatch, until 3 May 2023	●●
Denise Jagger, from 31 December 2022	○●●●●
Barry Panayi	●●●●●
Nick Prettejohn	●●●●●
Wais Shaifta	●●●●●

Matters to be approved at our 2024 AGM

At the 2024 AGM, shareholders will be asked to approve three resolutions related to remuneration matters, which are:

- a resolution to approve the Directors' Remuneration Report, which is the normal annual advisory vote on this report;
- a resolution to approve the updated Directors' Remuneration Policy, which, as explained above, is the normal three-year vote on this matter; and
- a resolution to amend the share plan dilution limits within the rules of the Company's LTIP as described above.

I hope that our shareholders will remain supportive of our approach to executive pay at Reach and vote in favour of all of these resolutions at our 2024 AGM.

The Committee welcomes all input on remuneration matters so if you have any comments or questions on any element of the Directors' Remuneration Report or the proposed changes to our Directors' Remuneration Policy, please email me – care of Laura Harris, Interim Group Company Secretary – at company.secretary@reachplc.com. We are grateful for the guidance and support we have received from our shareholders on remuneration matters in the past year.

Olivia Streatfeild
Remuneration Committee Chair

5 March 2024

2023 REMUNERATION AT A GLANCE

2023 Single total figure of remuneration for executive directors (£'000)

Executive directors (£'000)	Salary	Taxable benefits	Pension benefits	Other	Single-year variable	Multiple-year variable	Total
Jim Mullen	504	22	38	–	–	–	**564**
Darren Fisher	330	21	25	195[1]	–	–	**571**

1. Darren Fisher received a cash payment of £123,662 which was a buy-out of the value of Darren's attained ITV 2022 cash bonus which was forfeited on his joining the Company. In addition a share award which was made to buy-out a forfeited ITV share award vested on 6 June 2023 with a value of £70,910 (95,760 shares with a share price of £0.7405)

Summary of Remuneration Policy

Pay element	Overview of Policy	Remuneration in respect of 2023	Implementation of Policy in 2024
Base salary	Reviewed annually, considering salary increases across the Group. Increases not normally to exceed workforce increases	CEO, Jim Mullen = £504,425 (frozen for 2023) CFO, Darren Fisher = £360,000 (from appointment in February 2023)	Salary review date is 1 April 2024. If the CEO and CFO receive any salary increase, this will be in line with workforce increases for 2024
Benefits	Benefits typically consist of provision of a company car or car allowance, private medical cover, permanent health insurance and life assurance	In line with Policy	No change to benefits for 2024
Pensions	7.5% salary contribution level, with this rate being within the range of contribution rates for the workforce (for which there are a large range of legacy arrangements in place)	7.5% of base salary	No change to pensions for 2024
Annual bonus	Maximum annual bonus opportunity 125% of salary for CEO and 100% of salary for CFO Based on financial/business performance, with financial measures to be not less than 50% of the total bonus opportunity Any bonus up to 50% of salary is paid in cash, with the remainder delivered in the form of deferred bonus share awards vesting after three years Clawback provisions apply	Annual bonus for 2023 confirmed as nil Performance measures for 2023 were fully assessed on Group adjusted operating profit for 2023. Progress considered against a wider range of factors (including Customer Value Strategy, diversity and inclusion and cash management)	Maximum annual bonus opportunities remain at 125% of salary for CEO and 100% of salary for CFO Performance measures for 2024 will be similar to 2023. These are fully assessed on Group adjusted operating profit. Progress will also be considered on a wider range of factors
LTIP	Annual awards of LTIP of 175% of salary for CEO and 150% of salary for CFO in normal circumstances Awards vest subject to performance over a three-year period. Vested shares are subject to an additional two-year holding period Malus and clawback provisions apply	Awards of 175%/150% of salary made to the CEO/CFO Performance to be measured over the period December 2022 to December 2025 against relative TSR (75% weighting) and Customer Value Strategy metrics (25%) 2021 LTIPs have nil vesting	No change to structure or quantum of LTIP for 2024 Performance to be measured over the period January 2024 to December 2026 against relative TSR (40% weighting), absolute TSR growth (20% weighting), Customer Value Strategy metrics (25% weighting), and ESG (Scope 1 and Scope 2 reduction) (15% weighting)

Remuneration Report continued

Introduction

This Directors' Remuneration Report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

The report meets the requirements of the FCA Listing Rules and the Disclosure Guidance and Transparency Rules. In it, we describe how the principles of good governance relating to directors' remuneration, as set out in the FRC's UK Corporate Governance Code July 2018 (2018 Code), are applied in practice.

Policy Report

Revised Directors' Remuneration Policy table

As described earlier in this report, the Committee undertook a review of Reach's Remuneration Policy in 2023 and as confirmed below, no material changes are proposed to the Policy for the next policy period which will apply from Reach's 2024 AGM.

Pay element and how it supports strategy	Operation	Opportunity	Performance conditions	Changes from previous Policy
Base salary To attract and retain talent by ensuring base salaries are competitive in the relevant talent market	Base salaries are reviewed annually, taking into account individual performance, market competitiveness, the experience of each executive director, and salary increases across the Group Any base salary increases are applied in line with the outcome of the review	Percentage salary increases for executive directors will not normally exceed those of the wider workforce Increases may be above this level if there is an increase in the scale, scope, market comparability or responsibilities of the role. Where increases are awarded in excess of the wider employee population, the Committee will provide an explanation in the relevant year's Annual Remuneration Report	Individual and business performance are considerations in setting base salary	No material changes
Pensions To provide post-retirement benefits for participants in a cost-efficient manner	Executive directors participate in the Company's defined contribution scheme or receive a cash allowance in lieu	7.5% salary contribution level, with this rate being within the range of contribution rates for the workforce (for which there are a large range of legacy arrangements in place)	None	No material changes

Remuneration Report continued

Pay element and how it supports strategy	Operation	Opportunity	Performance conditions	Changes from previous Policy
Benefits To provide non-cash benefits, which are competitive in the market in which the executive is employed	Benefits typically include the provision of a company car or car allowance, private medical cover, permanent health insurance and life assurance. Where appropriate, other benefits may be offered including, but not limited to, allowances for accommodation, travel, relocation and participation in all-employee share schemes	Benefits vary by role and individual circumstances; eligibility and cost is reviewed periodically Relocation benefits may only be paid for a maximum of two years	None	No material changes
Annual bonus (delivered in the form of cash and deferred shares) To focus executive directors on delivering the business priorities for the financial year Deferral of an element of bonus outcomes in shares provides further alignment with the interests of shareholders	Performance measures, targets and weightings are set at the start of the year. At the end of the year, the Committee determines the extent to which the targets have been achieved For executive directors, any bonus earned over 50% of salary is delivered in the form of deferred bonus share awards Deferred bonus share awards may not normally be transferred or otherwise disposed of by a participant for a period of three years from the date of grant, and will be forfeited on resignation to join a competitor Clawback provisions apply as described in the notes to this table	The maximum annual bonus opportunity will be 125% of base salary for the CEO and 100% of base salary for the CFO For on-target performance, the bonus opportunity is up to 50% of maximum For threshold performance, the bonus opportunity is up to 20% of maximum Additional shares representing reinvested dividends may be released following the vesting of any deferred bonus share award	The performance conditions applied may be financial or non-financial and corporate, functional or individual, and in such proportions as the Committee considers appropriate The performance conditions selected may vary each year depending on business context and strategy and will be weighted appropriately according to business priorities. Financial measures will not be less than 50% of performance measures for annual bonus in each year of this policy However, the annual bonus plan remains a discretionary arrangement and the Committee retains a standard power to apply its judgement to adjust the outcome of the annual bonus plan for any performance measure (from zero to any cap) should it consider that to be appropriate	No material changes

Remuneration Report continued

Pay element and how it supports strategy	Operation	Opportunity	Performance conditions	Changes from previous Policy
Long Term Incentive Plan To align the interests of executives with shareholders in growing the value of the business over the long term	LTIP awards may be granted annually There is a three-year vesting period subject to continuing employment, and a further two-year holding period for vested LTIP shares to provide additional alignment with shareholders Malus and clawback provisions apply as described in the notes to this table	LTIP awards in normal circumstances are for shares worth up to 175% of base salary for the CEO and 150% of base salary for the CFO in each year Additional shares representing reinvested dividends for the vesting period may be released following the vesting of an LTIP award The plan rules under which LTIP awards are made provide for LTIP awards of up to 200% of base salary in each year; however, the Committee intends that this limit will be used only in exceptional circumstances In calculating the numbers of shares for LTIP awards, the Company normally uses the three-month average share price preceding the award date	Performance conditions are reviewed before each award cycle to ensure they are appropriate and targets are set to be appropriately stretching over the performance period The performance conditions applied may be financial or non-financial and corporate, functional or individual, and in such proportions as the Committee considers appropriate However, the Committee would expect to consult leading shareholders if it proposed materially changing the current performance conditions for LTIP awards made to executive directors (relative TSR: 20%; absolute TSR growth: 25%; strategic measures: 25%; ESG metrics 15%), or the weightings between these measures Performance periods will not be less than, but may be longer than, three years No more than 20% of awards vest for attaining the threshold level of performance conditions The Committee also has a standard power to apply its judgement to adjust the formulaic outcome of any LTIP performance measures (including to zero) should it consider that to be appropriate	No material changes Clarified that when calculating the numbers of shares for awards, a three-month average share price will be used

Notes to the Policy table

1. Payments from existing awards

Executive directors are eligible to receive payments from awards made prior to the approval and implementation of the Policy detailed in this report. Such payments may not be within the scope of this Policy. Details of these awards, if applicable, will be disclosed in the Annual Remuneration Report.

2. Performance measure selection and approach to target setting

The measures used under the annual bonus plan are selected annually to reflect the Company's key strategic priorities for the year and to reinforce Company performance. Targets are set to reflect the need to support performance in the short term while making progress towards achievement of the Group's strategic objectives.

The Committee considers that the metrics used in the LTIP help align executives with shareholder interests, and provide objective and transparent measures of the Company's performance and shareholder value.

3. Malus and clawback

The Committee may apply malus and clawback to an LTIP award, to a deferred bonus share award (malus only) and to cash amounts under the annual bonus plan (clawback only). The relevant circumstances when malus and clawback can operate are where:

- there has been a significant deterioration in the underlying financial health of the Company; or
- there has been a material misstatement of the Company's accounts; or
- the participant has deliberately misled the Company, the Company's shareholders or the market regarding the Company's financial performance; or
- circumstances of significant reputational damage (or potential damage) for any Group company; or
- errors in assessment or calculation of performance condition outcomes; or
- gross misconduct.

Malus can operate during the three-year period until the vesting of a deferred bonus share award. Malus and clawback can operate from the award date until the end of the two-year holding period for a vested LTIP award. Cash bonuses can be subject to clawback for up to three years from payment.

4. Travel and hospitality

While the Committee does not consider travel and hospitality to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality, whether paid for by the Company or another, and business travel for directors (and any related tax liabilities settled by the Company) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities and reimbursement of associated expenses within its agreed policies.

5. Committee discretions

The Committee will operate the annual bonus plan, the plan for awarding deferred bonus share awards and the LTIP according to their respective rules and the above Policy table. The Committee retains discretion, consistent with market practice, in a number of respects, in relation to the operation and administration of these plans. These discretions include, but are not limited to, the following:

- the selection of participants;
- the timing of grant of an award/bonus opportunity;
- the size of an award/bonus opportunity subject to the maximum limits set out in the Policy table;
- the determination of performance against targets and resultant vesting/bonus pay-outs;
- discretion required when dealing with a change of control or restructuring of the Group;
- determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends); and
- the annual review of performance measures, weightings and targets from year-to-year.

While performance measures and targets for annual bonus and LTIP will generally remain unchanged once set, the Committee has the usual discretions to amend the measures, weightings and targets in exceptional circumstances (such as a major transaction) where the original conditions would cease to operate as intended. Any such changes would be explained in the subsequent Annual Remuneration Report and, if appropriate, be the subject of consultation with the Company's major shareholders.

In any year where the Company is unable to make an annual LTIP award due to corporate activity, the Committee may use its discretion to make that award in the following year in addition to the normal annual award for that following year.

Any use of these discretions would, where relevant, be explained in the Annual Remuneration Report.

Remuneration Report continued

6. Shareholding guidelines

The policy on shareholding guidelines for the executive directors can be summarised as follows:

- executive directors are subject to a guideline requirement of 200% of base salary; and
- until the relevant shareholding levels are acquired, executive directors are required to retain 100% of shares vesting, after the sale of sufficient shares to meet any income tax or national insurance obligations, under all share plan awards.

From the 2024 AGM, this guideline applies additionally for a period of two years (an increase from one year) from the date on which an executive director stands down from the Board. The requirement in these circumstances is to retain shares with a value equivalent to the lower of either: a) the 200% of salary guideline; or b) the value of shares held at the date of standing down from the Board.

This calculation excludes: a) shares purchased by an executive director with their own funds; b) shares obtained under awards granted at recruitment to buy-out awards from a prior employer; or c) shares from awards made before the 2020 AGM (when a policy on post-employment share ownership was first introduced). Any shares obtained from awards made between the 2020 AGM and the 2024 AGM will be subject to the equivalent requirement applying when those awards were made (one year from the date of standing down from the Board).

7. Differences in Remuneration Policy operated for other employees

Pay and employment conditions generally in the Group will be taken into account when setting executive directors' remuneration.

The same reward principles guide reward decisions for all Group employees, including executive directors, although remuneration packages differ to take into account appropriate factors in different areas of the business:

Base salary/benefits/ pension	The Committee receives and considers an annual report summarising the base salaries, benefits and pension arrangements received by each category of Group staff
Annual bonus	The majority of Group employees can participate in an annual bonus plan, although the quantum and balance of Group, business unit and individual objectives varies by level and nature of role. The Committee receives an annual report summarising the bonus potential and performance metrics used in each of the annual bonus schemes in operation across the Group
Long-term incentives	Key Group employees participate in the same share plan as is available to the executive directors (LTIP) and may receive awards based on the same terms as for executive directors (although the Committee reserves the discretion to vary the terms for awards made to employees below Board level). The Committee is responsible for approving all share awards made to Group staff The Company operates a SAYE all-employee share plan when considered appropriate to do so. All employees (including executive directors) are given the opportunity to participate on the same terms when this plan is offered, reflecting HMRC requirements and the limits specified by HMRC from time to time

Reflecting standard practice, the Company does not consult with staff in drawing up the Company's Annual Remuneration Report or when determining the underlying Policy.

Remuneration Report continued

Recruitment Policy

External appointment

In cases of hiring or appointing a new executive director from outside the Company, the Committee may make use of all existing components of remuneration, as follows:

Component	Approach	Maximum annual grant value
Base salary	The base salaries of new appointees will be determined based on the experience and skills of the individual, internal relativities, relevant market data and their current basic salary. Initial salaries may be set below market and consideration given to phasing any increases over two or three years subject to development in the role	Not applicable
Pension	New appointees will be entitled to become members of the Company's defined contribution pension scheme or receive a cash alternative	7.5% of base salary
Benefits	New appointees will be eligible to receive benefits in line with the Policy	Not applicable
Annual bonus (cash and deferred bonus shares)	The structure described in the Policy table will apply to new appointees with the relevant maximum being pro-rated to reflect the portion of the year served	Up to 125% of base salary for the CEO and 100% of base salary for the CFO
LTIP	New appointees will be granted LTIP awards on similar terms as other executives, as described in the Policy table	Up to 200% of base salary, but normally 175% of base salary for the CEO and 150% of base salary for the CFO

In determining appropriate remuneration structures and levels, the Committee will take into consideration all relevant factors to ensure that arrangements are in the best interests of both the Company and its shareholders. The Committee may make an award in respect of a new appointment to 'buy-out' incentive arrangements forfeited on leaving a previous employer, i.e. over and above the approach outlined in the prior table, and may exercise the discretion available under Listing Rule 9.4.2 R if necessary to do so. If making buy-out awards, the Committee will consider relevant factors including any performance conditions attached to the forfeited awards, the likelihood of those conditions being met and the proportion of the vesting period remaining. The Committee will seek, as far as practicable, to make any buy-out awards subject to comparable requirements in respect of service and performance as the awards forfeited. For the avoidance of doubt, the value of buy-out awards is not capped.

Internal promotion

In cases of appointing a new executive director by way of internal promotion, the Recruitment Policy will be consistent with that for external appointees, as detailed above. Where an individual has contractual commitments made prior to their promotion to executive director level, the Company will continue to honour these arrangements.

Executive directors' service contracts

Name	Date of contract	Date joined the Reach plc Board	Notice period from either party (months)
Jim Mullen	27 July 2019	16 August 2019	12 months
Darren Fisher	10 October 2022	1 February 2023	12 months

Non-executive directors' letters of appointment

Name	Date of letter of appointment	Date joined the Reach plc Board	Notice period from either party (months)
Nick Prettejohn	13 November 2017	6 March 2018	No prescribed period
Anne Bulford	17 June 2019	18 June 2019	3 months
Priya Guha	28 July 2022	1 September 2022	3 months
Denise Jagger	21 December 2022	31 December 2022	3 months
Barry Panayi	13 October 2021	13 October 2021	3 months
Wais Shaifta	28 July 2022	1 September 2022	3 months
Olivia Streatfeild	8 January 2016	15 January 2016	No prescribed period

Exit payment policy

Each of the executive directors has a service contract which can be terminated by either party giving one year's written notice.

The termination provisions of executive directors' service contracts provide that should the Company seek to terminate an executive director's employment it may do so making a payment in lieu of 12 months' base salary. Any payment in lieu will not include elements relating to any bonus or benefits. The contract provides that the Company may terminate in breach of the agreement and may require the director to mitigate any loss.

The Company may reimburse reasonable legal costs incurred in connection with a termination of employment, if the Committee considers it appropriate.

Any new executive directors will be engaged on these, or similar, contractual terms.

Executive director service contracts are available for inspection at the registered office and at the AGM.

In the event that a participant ceases to be an employee of Reach, treatment of outstanding awards under the Group's incentive plans will be determined based on the relevant plan rules as summarised in the following sections.

Annual bonus plan – exit treatment

If an executive director resigns or is dismissed for cause before the payroll cut-off date for annual bonus payments the right to receive any bonus normally lapses. If an executive director ceases employment before such date by reason of death, injury, ill health, disability or any other reason determined by the Committee, such bonus may be payable as the Committee in its absolute discretion determines, although normally such payment will be pro-rated to reflect only the period worked in the year. Similar treatment will apply in the event of a change in control of the Company.

Deferred bonus share awards – exit treatment

Outstanding awards held by leavers will normally continue to vest at the usual time, unless the Committee exercises discretion to allow early release in compassionate cases. In cases of summary dismissal or the resignation of a director to join a competitor, unvested awards will lapse. On a change of control, outstanding awards would normally vest.

LTIP awards – exit treatment

Unvested LTIP awards normally lapse unless the participant is a good leaver. An executive director will be considered a good leaver if he/she ceases employment by reason of death, injury, disability, ill health, redundancy, retirement, transfer of an employing company or business, or any other reason determined by the Committee. In the case of a good leaver, unvested LTIP awards will be retained and may only vest in accordance with the performance conditions at the end of the vesting period, but will be pro-rated for time, subject to Committee discretion to vary the time pro-rating formula if considered appropriate. The Committee also has discretion to allow earlier performance condition assessment and release of time pro-rated vested shares in exceptional cases. Vested LTIP awards which are subject to an additional holding period will typically be retained and released at the end of the holding period, subject to the Committee's discretion to allow release of the holding period in compassionate cases. On a change of control, unvested LTIP awards would normally vest immediately subject to performance condition assessments and be pro-rated for time, subject to Committee discretion to vary the time pro-rating formula if considered appropriate.

External appointments

The Company acknowledges that its executive directors are likely to be invited to become non-executive directors of other companies. The Committee believes that these non-executive duties can broaden the directors' knowledge and experience to the benefit of the Company. Executive directors are therefore, with the Board's permission, allowed to accept one such appointment as long as there is no conflict of interest and to retain any fees. Details of external appointments are set out on page 76 of the Governance Report and details of any remuneration received in respect of such positions is set out on page 120.

Consideration of conditions elsewhere in the Company

The Committee does not currently consult with employees specifically on the effectiveness and appropriateness of the Directors' Remuneration Policy and framework. However, the Company seeks to promote and maintain good relationships with employee representative bodies, including trade unions and staff forums, as part of its employee engagement strategy and consults on matters affecting employees and business performance as required in each case by law and regulation in the jurisdictions in which the Company operates. The Committee is mindful of the salary increases applying across the Group when considering salary increases for the executive directors.

Remuneration Report continued

Consideration of shareholder views

The Committee considers shareholder views received during the year and at the AGM each year, as well as guidance from shareholder representative bodies more broadly, in shaping remuneration policy. The Committee continues to keep its remuneration arrangements under regular review, to ensure it continues to reinforce the Company's long-term strategy and align closely with shareholders' interests. We consulted with selected major shareholders regarding our Directors' Remuneration Policy to be brought forward at the 2024 AGM.

Non-executive director remuneration

Non-executive directors do not have service contracts, but are engaged on the basis of a letter of appointment. In line with the 2018 Code guidelines, all directors are subject to re-election annually at the AGM. It is the policy of the Board that non-executive directors are not eligible to participate in any of the Company's bonus, long-term incentive or pension schemes.

Details of the Policy on fees paid to our non-executive directors are set out in the following table. On any recruitment of a new non-executive director, the Committee will also apply this Policy.

Pay element and function	Operation	Opportunity	Performance conditions	Changes from previous Policy
Company Chair and non-executive directors' fees To attract and retain a company Chair and non-executive directors of the highest calibre with broad commercial and other experience relevant to the Company and sector	Fee levels are reviewed periodically The fees paid to the Company Chair are determined by the Committee and the fees paid to the non-executive directors are determined by the Board Additional fees are payable for additional Board responsibilities such as acting as Senior Independent Director and as Chair of the Audit & Risk, Sustainability and Remuneration Committees In exceptional circumstances, if there is a temporary yet material increase in the time commitments for non-executive directors, the Board may pay extra fees to recognise the additional workload When reviewing fee levels, time commitment, responsibilities and the market positioning of fees against sector comparators and FTSE-listed companies of similar size and complexity are taken into account However, the Company's preferred way to consider the appropriateness of any future reviews for Company Chair and non-executive directors' fee levels is to have regards to percentage salary increases for the wider workforce within Reach in any year	Any Company Chair and non-executive director fee increases are applied in line with the outcome of the annual fee review There is no prescribed maximum. Fees from 1 January 2024 are set out in the Annual Remuneration Report on page 119 The maximum aggregate annual fee for all non-executive directors provided in the Company's Articles of Association is £700,000	None	No material changes Clarified the Company's preference to align fee reviews with percentage salary increases for the wider workforce

Notes:

While the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality, whether paid for by the Company or another, and business travel for directors (and any related tax liabilities settled by the Company) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities and reimbursement of associated expenses within its agreed policies.

Remuneration Report continued

Scenario analysis

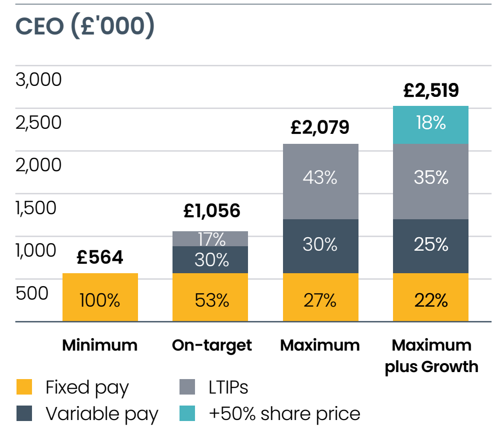
The charts that follow provide an estimate of the potential future reward opportunities for the executive directors, and the potential split between the different elements of remuneration under four different performance scenarios: 'Minimum', 'On-target', 'Maximum' and 'Maximum plus Growth'. Potential reward opportunities are based on Reach's Remuneration Policy, applied to latest known base salaries and incentive opportunities. Note that the LTIP awards granted in a year do not normally vest until the third anniversary of the date of grant.

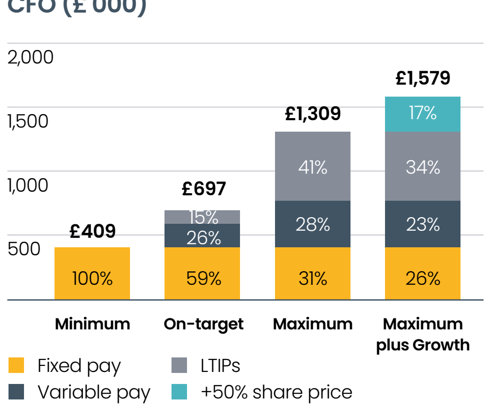
The 'Minimum' scenario reflects base salary, pension and benefits (i.e. fixed remuneration), being the only elements of the executive directors' remuneration package not linked to performance.

The 'On-target' scenario reflects 'Minimum' fixed remuneration as above, plus target bonus (based on 50% of maximum opportunity) and LTIP threshold vesting (20% vesting).

The 'Maximum' scenario reflects 'Minimum' fixed remuneration, plus maximum payout under all incentives. This could be lower than single figure total remuneration which includes the value of LTIP awards which vested based on the share price at vesting (rather than grant).

The 'Maximum plus Growth' applies a 50% share price growth factor to awards of LTIPs under the 'Maximum' scenario.





Annual Remuneration Report

The following section provides details of how the current Policy was implemented during 2023. References to 2023 or any other year in the Annual Remuneration Report (unless otherwise stated) refer to a calendar year (1 January to 31 December inclusive).

The Remuneration Committee is a committee of the Board of directors and has been established with formal terms of reference approved by the Board. The Committee's purpose is to help the Board fulfil its oversight responsibility by ensuring that Reach's Remuneration Policy and practices reward fairly and responsibly, link to corporate and individual performance, and take account of the generally accepted principles of good governance. A copy of the terms of reference is available on the Company's website at www.reachplc.com.

The Committee fulfils its duties with a combination of formal meetings and informal consultation with relevant parties internally. During the year, the Committee, where appropriate, sought advice and assistance from the executive directors and the Group HR Director in connection with carrying out its duties. The activities of the Committee include appropriate review and oversight of the operation and implementation of the Company's Remuneration Policy each year. The Committee also reviewed its terms of reference in the year.

The Chairman of the Board, together with the CEO, is responsible for evaluating and making recommendations to the Board on the remuneration of the non-executive directors. Members of the Committee and any person attending its meetings do not participate in any decision on their own remuneration.

The Committee met five times during the year, and details of members' attendance at meetings are provided on page 81 of the Governance Report and page 105 of this Remuneration Report.

During the year, the Committee considered its obligations under the 2018 Code and concluded that:

- the Directors' Remuneration Policy supports the Company's strategy, including the performance measures chosen; and
- remuneration for our directors remains appropriate.

In addition, the Committee has ensured that its policy and practices are consistent with the six factors set out in Provision 40 of the 2018 Code:

Clarity – our Policy is well understood by our senior executive team and has been clearly articulated to our shareholders and representative bodies.

Simplicity – the Committee is mindful of the need to avoid overly complex remuneration structures that can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our executive remuneration policies and practices are straightforward to communicate and operate. We operate one annual bonus and one senior executive share plan across all our senior team.

Risk – our Policy has been designed to ensure that inappropriate risk-taking is discouraged and will not be rewarded, through: 1) the balanced use of both annual incentives and LTIPs; 2) the significant role played by shares in our incentive plans, together with bonus deferral and in-employment and post-cessation shareholding guidelines; and 3) malus and clawback provisions within all our incentive plans. The Committee reviews the overall appropriateness of all incentive plan outcomes before they are confirmed, and any risk-related concerns can be considered during that review.

Predictability – our incentive plans are subject to individual caps, with our share plans also subject to appropriate share plans dilution limits. The weighting towards use of shares within our incentive plans means that actual pay outcomes are highly aligned to the experience of our shareholders.

Proportionality – there is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/'at risk' pay, together with the structure of the executive directors' service contracts, ensures that poor performance is not rewarded. Both post-vesting holding periods for LTIP awards and deferral of annual bonus ensures that rewards at Reach are aligned with longer-term shareholder experience.

Alignment to culture – our executive pay policies are fully aligned to Reach's culture through the use of metrics in both the annual bonus and the application of performance conditions for LTIPs. These metrics consider how we perform against key aspects of our strategy.

The Company engages in collective bargaining on pay for those areas in the business where there are agreements to do so. The members of the Committee (as full Board members) are kept informed on these engagements.

We consider that our executive directors' pay is shown to be aligned to wider Company pay policy through the consistency of approach taken on base salary increases and annual bonus measures.

Before proposing the revised and updated Directors' Remuneration Policy which is being presented at the 2024 AGM, the Company engaged with some of its major shareholders with regards to the continued appropriateness of our Policy.

Advisers

The Committee evaluates the support provided by its advisers annually to ensure that advice is independent, appropriate and cost-effective. The Committee retains responsibility for appointing any consultants in respect of executive director remuneration.

The Committee received advice from FIT Remuneration Consultants LLP (FIT) in 2023. FIT was appointed by the Committee in 2019 following a competitive tender process. FIT also provided share plan implementation advice to the Company during the year. The Committee reviewed the advice provided to it and is satisfied that the advice received from FIT in 2023 was independent and objective. FIT does not have any connection with the Company or its directors.

FIT's total fees for the provision of remuneration services to the Committee in 2023 were £89,200 plus VAT. These fees were charged on the basis of FIT's normal terms of business for advice provided.

Summary of shareholder voting on remuneration matters

The table below shows the results of the votes on: (1) the Directors' Remuneration Policy at the 2021 AGM; and (2) the advisory vote on the 2022 Directors' Remuneration Report at the 2023 AGM.

Resolution text	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld
(1) Approve the Directors' Remuneration Policy	239,993,386	94.64	13,592,059	5.36	253,585,445	17,272
(2) Approve the Directors' Remuneration Report	212,391,939	90.45	22,430,699	9.55	234,822,638	100,410

Single total figure of remuneration for executive directors (audited)

The table below sets out a single figure for the total remuneration received by each executive director for the years ended 31 December 2023 and 31 December 2022.

	Salary £'000		Taxable benefits £'000		Pension benefit £'000		Total fixed remuneration £'000		Other £'000		Single-year variable £'000		Multiple-year variable £'000		Total variable remuneration £'000		Total £'000	
Executive	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**[2]	2022	**2023**[3]	2022[3]	**2023**	2022[4]	**2023**	2022	**2023**	2022
Jim Mullen	**504**	501	**22**	22	**38**	38	**564**	561	**–**	–	**–**	–	**–**	–	**–**	–	**564**	561
Darren Fisher[1]	**330**	–	**21**	–	**25**	–	**376**	–	**195**	–	**–**	–	**–**	–	**–**	–	**571**	–

1. Darren Fisher was appointed as CFO on 1 February 2023
2. Darren Fisher received a cash payment of £123,662 which was a buy-out of the value of Darren's attained ITV 2022 cash bonus which was forfeited on his joining the Company. In addition a share award which was made to buy-out a forfeited ITV share award vested on 6 June 2023 with a value of £70,910 (95,760 shares with a share price of £0.7405)
3. Annual bonus for 2023 was nil (2022: nil)
4. Jim Mullen asked that his March 2020 LTIP would not vest and this award was cancelled. As at the date this award would have vested (27 March 2023), the value of this award was £264,827

Remuneration Report continued

SALARY (AUDITED)

The salary review date in the year was 1 April 2023. The CEO did not receive a salary increase in 2023. The CFO's salary applied from appointment.

	Salary until 31 March 2023	Salary from 1 April 2023	% increase
Jim Mullen	**£504,425**	**£504,425**	0%
Darren Fisher	**£360,000**	**£360,000**	0%

TAXABLE BENEFITS (AUDITED)

This item relates to the provision of car allowance and healthcare cover.

	Car allowance	Value of healthcare cover
Jim Mullen	£20,000	£2,454
Darren Fisher	£18,333	£2,254

PENSIONS (AUDITED)

For both Jim Mullen and Darren Fisher, this item applied a 7.5% pensions contribution rate throughout the year to paid salary (see page 106).

Neither of the executive directors participated in any of the Group's defined contribution or defined benefit pension schemes. Each executive director received the above as an annual cash sum to use for pension purposes.

SINGLE YEAR VARIABLE (AUDITED)

The 2023 annual bonus was based entirely on the achievement of Group adjusted operating profit. As the threshold level of Group adjusted operating profit was not attained, the outcome was nil.

Measure	Weighting (% of bonus)	Threshold	Stretch	Actual	Total payout (% of maximum)
Group adjusted operating profit	100%	£103.0m (Nil)	£116.0m (100%)	£96.5m	Nil
Total					**Nil**

2021 LTIP AWARDS (AUDITED)

Details of the performance metrics applying for the 2021 LTIP awards, the performance period for which ended in December 2023, are summarised below. As noted in the Committee Chair's introduction on page 104, the vesting level was nil.

Vesting of the 2021 LTIP award was dependent on achieving relative TSR (70% weighting) and Cumulative Net Cash Flow performance measures (20% weighting), and Overall Digital Average Revenue Per User (ARPU) (10% weighting) as follows:

TSR performance relative to constituents of FTSE SmallCap (ex. IT)	% of award that can be exercised
Upper quartile or above	70%
Between median and upper quartile	Straight-line vesting between 14% and 70%
Median	14%
Below median	Nil

TSR performance was measured using a three-month average period at the start and end of the three-year performance period. The Company's ranking was below median, which warranted nil vesting of the TSR shares.

Cumulative Net Cash Flow over the performance period	% of award that can be exercised
£395m (or above)	20%
Between £345m and £395m	Straight-line vesting between 4% and 20%
£345m	4%
Below £345m	Nil

Cumulative Net Cash Flow was measured over financial years 2021, 2022 and 2023. However, the Cumulative Net Cash Flow attained was £224.1m and so was below the £345m threshold. Accordingly, there was nil vesting of the Cumulative Net Cash Flow shares.

Cumulative Net Cash Flow for the 2021 award was defined as the net cash flows generated by the business before the payment of dividends, pension deficit funding and associated tax relief, and the cost of acquisitions, and before any significant cash outflows that have been treated as non-recurring in the financial statements.

Remuneration Report continued

The Customer Value Strategy metrics applied for 2021 LTIPs considered Overall ARPU with the following scale, measured to the end of financial year 2023. Overall ARPU is defined as the total digital revenue generated across the business, divided by the active UK digital audience (based on the accepted industry measurement standard). The ARPU figure attained was £3.05, and there was nil vesting of the ARPU shares.

ARPU (£)	% of award that can be exercised
£4.57 (or above)	10%
Between £4.35 and £4.57	Straight-line vesting between 7.33% and 10%
Between £3.91 and £4.35	Straight-line vesting between 2% and 7.33%
£3.91	2%
Below £3.91	Nil

Single total figure of remuneration for non-executive directors (audited)

The table below sets out a single figure for the total remuneration received by each non-executive director for 2022 and 2023.

	Base fee £'000		Other fees £'000		Total £'000	
	2023	2022	**2023**	2022	**2023**	2022
Anne Bulford	**52**	49	**13**	13	**65**	62
Priya Guha[1]	**52**	17	**13**	–	**65**	17
Steve Hatch[2]	**17**	49	**–**	–	**17**	49
Denise Jagger[3]	**52**	–	**13**	–	**65**	–
Barry Panayi	**52**	49	**–**	–	**52**	49
Nick Prettejohn	**185**	183	**–**	–	**185**	183
Wais Shaifta[1]	**52**	17	**–**	–	**52**	17
Olivia Streatfeild	**52**	49	**13**	13	**65**	62

1. Priya Guha and Wais Shaifta joined the Board on 1 September 2022
2. Steve Hatch stepped down from the Board on 4 May 2023
3. Denise Jagger joined the Board on 31 December 2022

The non-executive director fee rates below were in place during 2023.

Chairman base fee	£185,400
Non-executive director base fee	£52,000
Additional fee for Senior Independent Director	£12,500
Additional fee for chairing Audit & Risk Committee	£12,500
Additional fee for chairing Remuneration Committee	£12,500
Additional fee for chairing Sustainability Committee	£12,500

The aggregate remuneration of all executive and non-executive directors under salary, fees, benefits, cash supplements in lieu of pensions and annual bonus in 2023 was £1.63 million (2022: £1.57 million).

LTIP interests awarded in 2023 (audited)

On 13 April 2023, Jim Mullen and Darren Fisher were granted awards under the LTIP. To the extent that performance conditions are met, these awards will vest on 13 April 2026. The three-year period over which performance is to be measured is from 26 December 2022 to 31 December 2025. Vested shares are subject to a two-year holding period.

	Date of grant	Shares over which awards granted[1]	Value of awards granted (£)	% of salary
Jim Mullen	13 April 2023	1,040,970	£882,743	175
Darren Fisher [2]	13 April 2023	582,708	£494,136	137

1. The base price for calculating the level of awards was £0.848, the three-month average share price to the date of grant. The share price on 13 April 2023 was £0.758, and so using £0.848 reduced the number of shares in 2023 LTIP awards
2. Darren Fisher's award was pro-rated in 2023 to reflect his starting date of 1 February 2023

Vesting of LTIP awards granted (as nil-cost options) in 2023 is subject to three performance conditions: relative TSR, representing 75% of each award, three-year Overall ARPU for 12.5% and revenue per thousand page views (RPM) 12.5%.

More details of the targets applying to these awards are included in the tables below.

Relative TSR condition (75% weighting)

TSR performance relative to constituents of FTSE SmallCap (ex. IT)	% of award that can be exercised
Upper quartile or above	75% (100% of this part)
Between median and upper quartile	Straight-line vesting between 15% and 75%
Median	15% (20% of this part)
Below median	Nil

In addition, for this part of an award to become exercisable, the Committee must be satisfied that the Company's TSR performance is a genuine reflection of the underlying business performance of the Company over the performance period.

When making this assessment, the Committee will consider factors including revenues, free cash flow and change in net debt, as well as the Company's TSR performance over the period. The Committee will be guided in its assessment by a review of performance against these metrics, based on the audited results, which it will undertake prior to vesting. The Committee will consider both a quantitative and qualitative analysis of the performance and consider any relevant internal and external factors to help ensure that unexpected events during the period are considered properly.

ARPU condition (12.5% weighting) and RPM condition (12.5% weighting)

ARPU is defined consistently with the definition for this measure on page 119, with the targets for 2023 LTIP awards being by reference to ARPU for 2025. RPM is defined as the total worldwide digital revenue generated across the business during a specified period, divided by the total number of worldwide page views (measured in thousands).

In line with other conditions, 20% will vest for achieving threshold and full vesting for achieving maximum target.

The Committee regards ARPU targets and RPM targets for the 2023 LTIP awards as commercially sensitive at the current time, and accordingly will not be disclosing these targets on a prospective basis. This information will be disclosed when it is appropriate to do so, and not later than the publication of the Annual Remuneration Report for the year of vesting.

Buy-out awards made to the CFO in 2023 (audited)

On 6 June 2023, the Company granted nil-cost options to Darren Fisher which were a buy-out of share awards from his former employer (ITV) previously held by Darren Fisher and that were forfeited on his joining the Company. The buy-out awards will vest on the original vesting dates of the forfeited awards, subject to Darren's continued employment with Reach up to the relevant vesting dates. The forfeited awards were awards in respect of deferred bonus or restricted share awards in ITV and had no pre-vesting performance conditions.

The number of shares under the buy-out awards were equivalent in value to the awards forfeited, calculated using a three-month average share price of £0.7771 per share.

Shares over which awards granted	Year of vesting
95,760	2023
61,164	2024
80,816	2025
77,360	2025
79,566	2026

Payments for loss of office (audited)

In the 2022 Directors' Remuneration Report we disclosed the remuneration-related arrangements for Simon Fuller stepping down as our CFO on 31 December 2022. In 2023, Simon received fixed pay (base pay, pension and benefits) in line with contractual entitlements whilst on garden leave until 10 October 2023 (£351,584). Following the 2023 financial year end, Simon Fuller's 2021 LTIP award (which had been retained on a time pro-rated basis) lapsed in full.

Payments to past directors (audited)

There were no payments to past directors in the year.

External directorship fees

As set out in the Remuneration Policy, the Company recognises the benefits of executive directors taking on external appointments as non-executive directors. Jim Mullen serves as a non-executive director of Racecourse Media Group Limited. For 2023, he received fees of £40,000, which he retained.

Remuneration Report continued

Annual percentage change in remuneration of directors and employees

The table below shows the percentage change in CEO remuneration from the prior year, compared to the average percentage change in remuneration for all other employees. In accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), we also show the relevant percentage changes for all other directors and figures are shown for 2020 through to 2023. Over time, five years' worth of data will be shown.

The CEO's remuneration includes base salary paid in 2023, taxable benefits and bonus. The base salary and taxable benefits for all other employees is calculated using the increase in the earnings of employees taken from salary (as at the end of the year and the end of the previous year) and payroll and P11D data from the relevant tax years. It excludes any discount from participation in the Reach Savings-Related Share Option Scheme.

The table is based on a consistent set of employees, that is, the same individuals appear in both years' populations but there are now four years and people may have left. The annual bonus is the amount payable in respect of 2023 compared to the amount paid in respect of 2022. The base salary data for part-time employees has been pro-rated up to the full-time equivalent.

	Jim Mullen CEO	All other employees[5]	Darren Fisher CFO[6]	Nick Prettejohn Chairman	Anne Bulford Non-Executive Director[7]	Priya Guha Non-Executive Director[8]	Steve Hatch Non-Executive Director[9]	Barry Panayi Non-Executive Director[10]	Wais Shaifta Non-Executive Director[9]	Olivia Streatfeild Non-Executive Director
2023[1,2]										
Salary	**0.6%**	**5.4%**	**n/a**	**1.1%**	**4.8%**	**282.4%**	**(65.3%)**	**6.1%**	**205.9%**	**4.8%**
Taxable benefits	**0.0%**	**7.0%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Annual bonus[3]	**0.0%**	**0.0%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
2022										
Salary	2.7%	6.3%	n/a	1.7%	6.9%	n/a	8.9%	390.0%	n/a	21.6%
Taxable benefits	(12.0%)	10.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual bonus[3]	(100%)	(100%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2021										
Salary	13.2%	3.8%	n/a	11.8%	13.7%	n/a	12.5%	n/a	n/a	27.5%
Taxable benefits	13.6%	(0.3%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual bonus	100%	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2020										
Salary[4]	(14.8%)	4.2%	n/a	(10.6%)	112.5%	n/a	(11.1%)	n/a	n/a	(11.1%)
Taxable benefits	nil	2.9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual bonus[3]	(100%)	(100%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

All figures are expressed as percentage changes from the prior year

1. Please see the single total figure of remuneration tables for both the executive directors and non-executive directors
2. Annual reviews from 1 April each year produce year-on-year changes and for non-executive directors, differentials can reflect changes in committee chair responsibilities
3. The annual bonus for 2023 was nil, the annual bonus for 2022 was nil and the annual bonus for 2020 was cancelled
4. The voluntary salary reduction in 2020 for all directors impacts differentials for 2020 and 2021
5. There are no other employees of the listed parent and, as such, the all employees (of the Group) measure is a more appropriate comparable
6. Darren Fisher was appointed as Chief Financial Officer on 1 February 2023. n/a has been included as Darren has no prior year data for the purposes of a comparison
7. Anne Bulford was appointed as a non-executive director on 18 June 2019. Accordingly, the percentage difference in 2020 shown represents a comparison between a full year (2020) and a part year (2019)
8. Priya Guha and Wais Shaifta were appointed as non-executive directors on 1 September 2022. Accordingly, the percentage difference in 2023 shown represents a comparison between a full year (2023) and a part year (2022)
9. Steve Hatch stepped down from the Board as a non-executive director on 3 May 2023
10. Barry Panayi was appointed as a non-executive director on 13 October 2021. Accordingly, the percentage difference in 2022 shown represents a comparison between a full year (2022) and a part year (2021)

Denise Jagger was appointed as a non-executive director on 31 December 2022. She is not included in the table above for 2023 because Denise has no prior year data for the purposes of a comparison. Simon Fuller, David Kelly and Helen Stevenson all left the Board on 31 December 2022 and have not been included in this table.

Remuneration Report continued

Chief Executive Officer pay ratio

The table below shows the ratio of the CEO's single figure total remuneration to the total remuneration for the median (50th percentile), 25th and 75th percentile paid employee.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2018	Option B	38:1	27:1	18:1
2019[1]	Option B	43:1	31:1	24:1
2020	Option B	17:1	14:1	11:1
2021	Option B	59:1	53:1	41:1
2022	Option B	18:1	16:1	10:1
2023	**Option B**	**17:1**	**14:1**	**9:1**

1. The CEO single figure total remuneration for 2019 was determined by adding together Simon Fox and Jim Mullen's single figures of total remuneration as disclosed in the single figure table for that year

The ratios are calculated using Option B methodology set out in the remuneration regulations. This was considered the optimum approach utilising data compiled for annual gender pay reporting which provides a robust set of data to refer to in order to identify representative employees in the organisation at median, lower quartile and upper quartile. Our preference is to have a consistent reporting reference date.

The median, 25th and 75th percentile employees were identified from the list of full pay relevant employees in the organisation on 5 April 2023 and where the individuals were also in employment at full year end in December 2023. The total compensation figure was then calculated and checks made to ensure the employees identified are representative of pay at these levels in the organisation. The data points are reflective of our Company structure and types of roles across the organisation and accordingly the Committee believes the median pay ratio for 2023 to be consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole as at the reference date.

The median pay ratio for 2023 is slightly lower than the figure reported for 2022 where in both years Group bonuses were not payable and there was no LTIP benefit for the CEO. The ratio has been significantly higher in years when bonus has paid out and LTIP vested positively.

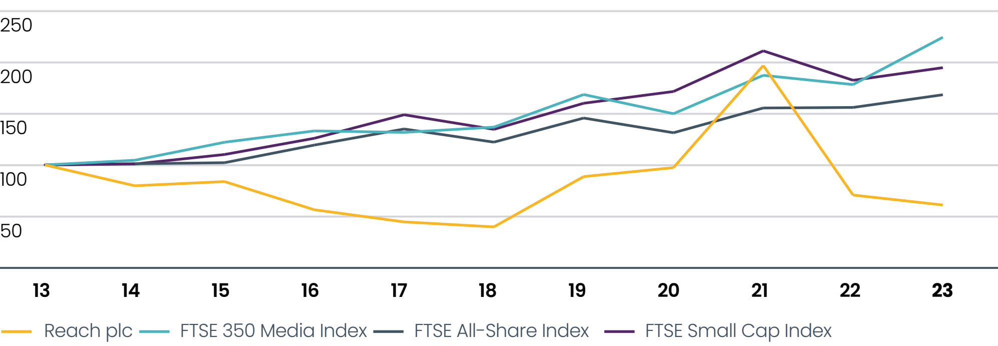
As the CEO pay ratio will involve the inclusion of variable pay outcomes for any year, it is reasonable to expect the ratio to vary from year to year. However, the Committee will take employee pay arrangements into account when setting the pay of our executive directors for any year, and is committed to paying our directors appropriately and in line with Company performance.

Supporting data compensation figures	25th percentile	Median	75th percentile
Total employee pay and benefits figure	£32,767	£41,611	£59,758
Salary and wages component of total employee pay and benefits figure	£31,080	£39,511	£53,638

Review of past performance

The following chart illustrates the Company's performance compared to the FTSE SmallCap Index – which is considered the most appropriate form of 'broad equity market index' against which the Company's performance should be measured (the Company is a constituent) – and the FTSE AllShare Index (of which the Company is also an constituent), and to the FTSE 350 Media Index. Performance, as required by legislation, is measured by TSR.

10-year TSR chart



Source: Refinitiv Eikon

Remuneration Report continued

Chief Executive Officer's single figure of remuneration

	2014	2015	2016	2017	2018	2019(a)[1]	2019(b)[2]	2020	2021	2022	**2023**
Single figure of remuneration (£'000)	1,678	2,260	749	893	949	780	323	485	2,069	561	**564**
Annual bonus outcome (% of maximum)	45.8%	34.6%	34.6%	39.7%	38.3%	67.65%	67.65%	nil	70.83%	nil	**nil**
LTIP vesting (% of maximum)	62.6%	25.3%	nil	40.0%	40.0%	40.0%	n/a	n/a	100%	nil	**nil**

1. 2014 to 2019(a) figures for the CEO are in respect of Simon Fox. Simon Fox resigned on 16 August 2019
2. 2019(b) to 2023 figures reflect Jim Mullen

Relative importance of spend on pay

The table below shows shareholder distributions (dividends and any share buy-backs) and total employee pay expenditure for 2022 and 2023, along with the percentage change in both.

	2023 £'000	2022 £'000	% change 2022–2023
Shareholder distributions (dividends)	**23,100**	22,900	0.9%
Total employee expenditure	**221,700**	233,200	(4.9)%

Directors' beneficial interests shareholding requirements (audited)

The table below sets out the beneficial interests of the current non-executive directors in the share capital of the Company as at 31 December 2023.

Non-executive directors	**Ordinary shares at 31 December 2023**	Ordinary shares at 25 December 2022
Anne Bulford	**11,953**	11,953
Priya Guha	**–**	–
Steve Hatch[1]	**10,207**	10,207
Denise Jagger[2]	**–**	–
Barry Panayi	**3,979**	3,979
Nick Prettejohn	**131,640**	131,640
Wais Shaifta	**–**	–
Olivia Streatfeild	**55,255**	55,255

1. Steve Hatch left the Board in May 2023
2. Denise Jagger joined the Board in December 2022

The table below sets out beneficial interests of the executive directors in the share capital of the Company and achievement against shareholding requirements, being 200% of base salary for the CEO and CFO. The targets were not met as at 31 December 2023.

The table shows the position as at 31 December 2023 for current executive directors. Until the relevant shareholding levels are attained, executive directors are required to retain 100% of shares vesting, after the sale of sufficient shares to meet any income tax or National Insurance obligations in respect of vested LTIP awards or in respect of vested deferred bonus share awards (such awards are made under the Restricted Share Plan (RSP)).

Executive directors	Owned outright	Unvested and subject to other conditions[1]	Total share interests for SOGs[2]	Value of share interests[3]	Current shareholding (% salary/fee)
Jim Mullen	741,488	85,514	827,002	£589,321	117%
Darren Fisher	52,345	298,906	351,251	£157,863	44%

1. For the CEO, these are RSP awards in respect of deferred bonus and for the CFO are buy-out awards as detailed on page 120. The RSP awards and buy-out awards are subject to continuing service requirements and malus and clawback provisions
2. Share Ownership Guidelines
3. Calculations are based on the share price as at 31 December 2023. Value of the RSP and the CFO"s buy-out awards are reduced by 47% to reflect estimated tax and NI due at time of vesting in line with Investment Association guidelines

None of the directors has a beneficial interest in the shares of any other Group company. Since 31 December 2023 and up to the latest practicable date (27 February 2024), there have been no changes in the directors' interests in shares.

The lowest closing price of the shares during the year was £0.6605 and the highest price was £1.108. The share price as at 29 December 2023 (the last trading day before 31 December 2023) was £0.749.

Remuneration Report continued

Directors' interests in shares under the Reach share plans (audited)

Director	Date of grant	Share price used at date of grant	At 26 December 2022	Granted	Exercised LTIPs/released RSPs[1]	Lapsed	**At 31 December 2023**	Performance period	Exercise period (holding period)
Jim Mullen									
LTIP[2]	27.03.20	£0.969	782,346	–	–	(782,346)	**–**	30.12.19-25.12.22	27.03.23-27.06.25 (27.03.23-27.03.25)
RSP	27.03.20	£0.969	34,932	3,398[3]	(38,330)[4]	–	**–**	–	Restricted until 27.03.23
LTIP	11.05.21	£2.3517	364,430	–	–	–	**364,430**	28.12.20-31.12.23	11.05.24-11.11.24 (11.05.24-11.05.26)
Sharesave	14.07.21	£2.46	3,658[5]	–	–	–	**3,658**	01.09.21-01.09.24	01.09.24-01.03.25
LTIP	11.04.22	£2.207	399,974	–	–	–	**399,974**	27.12.21-31.12.24	11.04.25-11.10.25 (11.04.25-11.04.27)
RSP	11.04.22	£2.207	85,514	–	–	–	**85,514**	–	Restricted until 11.04.25
LTIP	13.04.23	£0.848	–	1,040,970	–	–	**1,040,970**	26.12.22-31.12.25	13.04.26-13.10.26 (13.04.26-13.04.28)
Darren Fisher									
LTIP	13.04.23	£0.848	–	582,708	–	–	**582,708**	26.12.22-31.12.25	13.04.26-13.10.26 (13.04.26-13.04.28)
Buy-out[6]	06.06.23	£0.7771	–	95,760	(95,760)[7]	–	**–**	–	06.06.23–06.12.23
Buy-out[6]	06.06.23	£0.7771	–	61,164	–	–	**61,164**	–	13.05.24-12.11.24
Buy-out[6]	06.06.23	£0.7771	–	80,816	–	–	**80,816**	–	28.03.25-28.09.25
Buy-out[6]	06.06.23	£0.7771	–	77,360	–	–	**77,360**	–	28.03.25-28.09.25
Buy-out[6]	06.06.23	£0.7771	–	79,566	–	–	**79,566**	–	28.03.26-28.09.26
Simon Fuller									
LTIP[8]	11.03.19	£0.646	871,664	–	–	–	**871,664**	01.01.19–26.12.21	11.03.22-11.06.24 (11.03.22-11.03.24)
LTIP[8]	27.03.20	£0.969	488,299	–	–	(261,563)	**226,736**	30.12.19-25.12.22	27.03.23-27.06.25 (27.03.23-27.03.25)
RSP	27.03.20	£0.969	15,597	1,517[9]	(17,114)[10]	–	**–**	–	Restricted until 27.03.23
LTIP	11.05.21	£2.3517	243,706	–	–	(53,096)[11]	**190,610**	28.12.20-31.12.23	11.05.24-11.11.24 (11.05.24-11.05.26)
LTIP	11.04.22	£2.207	267,474	–	–	(139,955)[11]	**127,519**	27.12.21-31.12.24	11.04.25-11.10.25 (11.04.25-11.04.27)
RSP	11.04.22	£2.207	36,061	–	–	–	**36,061**	–	Restricted until 11.04.25

1. The aggregate amount of gains made by the directors on the exercise of share options in the year was £64,925 and release of vested RSP awards in the year was £27,943 (2022: £983,532 and £159,650)
2. Jim Mullen's 2020 LTIP award was cancelled and lapsed at his request, as described on pages 120 and 121 of the 2022 Annual Report
3. On vesting of this award, another 3,398 shares in respect of dividends in the period to vesting were credited to this award in accordance with the terms of the RSP plan rules
4. Of the 38,330 RSP shares which vested and were released on 27 March 2023, 18,080 were sold to cover tax & NI liabilities
5. These shares were granted as options under the Reach Savings-Related Share Option Scheme
6. These awards represent a buy-out of awards previously held by Darren Fisher that were forfeited on his joining the Company. The buy-out awards will vest on the original vesting dates of the forfeited awards, subject to Darren's continued employment with Reach up to the relevant vesting dates. The number of shares under the buy-out awards are equivalent in value to the awards forfeited, calculated using a three-month average share price of £0.7771 per share
7. Of the 95,760 LTIP shares which were awarded on 6 June 2023, all of the shares vested on the same date and were exercised on 22 June 2023. 45,168 shares were sold to cover tax & NI liabilities. The share price on 22 June 2023 was £0.668
8. These shares have vested but have not yet been exercised
9. On vesting of this award, another 1,517 shares in respect of dividends in the period to vesting were credited to this award in accordance with the terms of the RSP plan rules
10. Of the 17,114 RSP shares which vested and were released on 27 March 2023, 8,105 were sold to cover tax & NI liabilities
11. When Simon stepped down from the Board he retained an interest in the 2021 and 2022 LTIP awards which were pro-rated to reflect time served. These awards will continue to vest at the usual times subject to achievement of the respective performance conditions. Following the FY23 year end, the 2021 LTIP lapsed in full

Details of plans

Long Term Incentive Plan

Vesting of LTIP awards is subject to continued employment and the Company's performance over a three-year performance period. If no entitlement has been earned at the end of the relevant performance period, awards will lapse. There is a two-year holding period on vested LTIP shares, with malus and clawback provisions. The 2021, 2022 and 2023 LTIP awards are granted as nil-cost options, with a six-month exercise period post vesting.

	TSR targets			Cumulative Net Cash Flow targets		
Plan	Weighting	Threshold (20% vesting)	Full vesting (100% vesting)	Weighting	Threshold (20% vesting)	Full vesting (100% vesting)
2021 LTIP (relative TSR)	70%	Median	Upper quartile	20%	£345m	£395m
2022 LTIP (relative TSR)	70%	Median	Upper quartile	20%	£285m	£330m
2023 LTIP (relative TSR)	**75%**	**Median**	**Upper quartile**	**n/a**	**n/a**	**n/a**

Relative TSR for the 2021 and 2023 LTIP is measured against the constituents of the FTSE SmallCap (ex. IT). For 2022's award, it is measured against the constituents of the FTSE 250 Index (ex. IT).

Cumulative Net Cash Flow under each of the awards is defined consistently with past years.

In addition, the 2021 and 2022 LTIP each has a 10% weighting on ARPU. The 2023 LTIP has a 12.5% weighting on ARPU and a 12.5% weighting on RPM.

Restricted Share Plan

Awards under the RSP are deferred bonus share awards. These awards may not be transferred or otherwise disposed of by a participant for a period of three years from the date of grant subject to malus and clawback provisions. Participants beneficially own the restricted shares from the date of grant. Legal title is held by the RSP Trustees until the restricted shares are released into the participant's name. Additional shares representing reinvested dividends may be released following the vesting of share awards.

Restrictions on the shares end on the third anniversary of the grant, when the shares will be released into the participant's name.

Share plans dilution

Overall dilution from share plans for our share plans dilution limit is 4.3% as at 31 December 2023. This comprises 3.6% in respect of LTIP and 0.7% in respect of Sharesave and other all-employee plans. These figures consider all share plan awards made in the last 10 years, excluding awards which have lapsed and awards which have been or are proposed to be satisfied by shares purchased on the market by Reach's employees' share trust.

Implementation of Remuneration Policy for 2024

Base salary

The Group-wide salary review date is 1 April 2024. As at the date of this report, the salary of the CEO is £504,425 and the salary of the CFO is £360,000.

Pension and benefits

Jim Mullen and Darren Fisher each have a 7.5% of salary pension allowance for 2024.

Annual bonus and RSP

For 2024, the maximum annual bonus opportunity will be 125% of salary for the CEO and 100% of salary for the CFO.

The annual bonus plan for our executive directors in 2024 will be fully assessed on Group adjusted operating profit.

Before any 2024 annual bonus outcomes are confirmed, the Committee will conduct an overview assessment of performance in the year and consider progress against a wider range of factors.

Performance targets for the 2024 financial year are considered to be commercially sensitive and are not disclosed on a prospective basis. However, it is intended that performance against targets will continue to be disclosed in next year's Annual Remuneration Report.

Any bonus earned in excess of 50% of salary will be deferred in shares under the RSP for three years.

LTIP awards to be awarded in 2024

In 2024, LTIP awards will be made to each of the CEO and CFO at the levels allowed by the Policy (175% base salary for the CEO and 150% base salary for the CFO).

Remuneration Report continued

The three-year performance period for all metrics for the 2024 LTIP awards is the period from 1 January 2024 to 31 December 2026. The balance of metrics will be:

- Relative TSR (40%);
- Absolute TSR Growth (20%);
- Revenue per thousand page views (RPM) (25%);
- ESG – reduction in Scope 1 and Scope 2 emissions (15%).

The following paragraphs describe the targets for each metric.

TSR performance relative to constituents of FTSE SmallCap (ex. IT)	% of award that can be exercised
Upper quartile or above	40%
Between median and upper quartile	Straight-line vesting between 8% and 60%
Median	8% (being 20% weighting of this part)
Below median	Nil

Absolute growth in TSR (three-year CAGR)	% of award that can be exercised
20% or above	20%
Between 10% and 20%	Straight-line vesting between 4% and 20%
10%	4% (being 20% weighting of this part)
Below 10%	Nil

For both TSR conditions, measurement will be on the basis of three-month average return figures at the start and end of the performance period. In the three-month average base period to 31 December 2023, Reach's average share price was 75.4p.

The FTSE SmallCap (ex. IT) is used for relative TSR as Reach was a member of that index at the start of the performance period.

The RPM metrics relate to Reach's Customer Value Strategy. For RPM the range of targets has been set by the Committee for 2024's awards by reference to the three-year business plan, and the Committee considers the ranges set to require stretching growth over the period 2024–2026.

The Committee regards the RPM targets for the 2024 LTIP awards as commercially sensitive at the current time and, accordingly, will not be disclosing the target ranges on a prospective basis. The information will be disclosed when it is appropriate to do so, and no later than on the publication of the Directors' Remuneration Report for the year of vesting.

The environmental metrics will measure the absolute reduction in Scope 1 and Scope 2 emissions (tCO_2e) over the period 1 January 2024 to 31 December 2026.

% reduction from 2023 base line	% of award that can be exercised
19% or above	15%
Between 16% and 19%	Straight-line vesting between 3% and 15%
16%	3% (being 20% weighting of this part)
Below 16%	Nil

The targets for this metric are aligned to Reach's near-term science-based targets for Scope 1 and 2 emissions in 2030 which were approved by the Reach Sustainability Committee in December 2023 and the measurement will be subject to external verification.

If there are changes to the business that would result in significant changes in the emissions inventory, Reach plc's 2030 baseline and targets would be recalculated in line with best practice in a process overseen by the Sustainability Committee with external validation. The Remuneration Committee will continue to work closely with the Sustainability Committee to ensure the environmental metrics for LTIP continue to be an appropriate incentive as the business evolves.

Chairman and non-executive director fees

The fees for the Chairman and non-executive directors for 2024 will apply as described on page 119.

Olivia Streatfeild
Remuneration Committee Chair

5 March 2024

COMPLIANCE WITH THE 2018 UK CORPORATE GOVERNANCE CODE

The Board considers that, during 2023, the Company applied the principles and complied with all of the provisions set out in the 2018 UK Corporate Governance Code (the 2018 Code), for the period under review. Details on how Reach has applied the principles set out in the 2018 Code and how governance operates at Reach have been summarised throughout this Governance section and elsewhere in this Annual Report as set out below. The full 2018 Code is available on the Financial Reporting Council's (FRC) website at www.frc.org.uk.

1. Board leadership and Company purpose

A. Board's role	The Board is collectively responsible for promoting the long-term success of the Company for its shareholders and other stakeholders. It is also responsible for establishing the Company's purpose, values and strategy, and for promoting the desired culture. The Board also provides entrepreneurial leadership within a framework of prudent and effective controls, which enables risk to be assessed and managed. Matters and decisions that require Board approval are set out in a formal schedule of matters reserved for its decision, which was last reviewed and updated in February 2024. The full schedule of matters reserved is available at www.reachplc.com/investors/corporate-governance/accountability. A summary of the Board's activities during 2023 can be found on pages 79 to 84.
B. Purpose and culture	Since 2020, the Board has overseen the implementation and delivery of the Customer Value Strategy, designed to ensure the Group remains aligned to our purpose. The Board held meetings in April and September 2023 to consider the Group's strategy. More information can be found on page 80. Board members also made site visits, enabling them to meet with colleagues and gain first-hand insight into the culture of various areas of the business. The CEO and CFO also hosted virtual town hall events throughout the year, and the non-executive directors attended and participated in lunches with leaders and breakfasts with wider colleagues. More information can be found about these events on pages 82 and 83.

Compliance with the 2018 UK Corporate Governance Code continued

1. Board leadership and Company purpose continued

C. Resources and controls	The Board's agenda is set by the Chairman and deals with matters reserved for the Board, including those relating to the Group's strategic plan, risk appetite, systems of internal control and corporate governance policies. The Audit & Risk Committee helps the Board to oversee the risks to which the Group may be exposed and provides the Board with strategic advice in relation to current and potential risk exposures. More information on risk management can be found on pages 66 and 67.
D. Stakeholder engagement	The Board fully considered shareholders' and wider stakeholders' views when making strategic decisions in 2023. More information can be found in the section 172 statement on pages 85 to 87. The AGM provides a valuable opportunity for the Board to engage with shareholders and listen to their feedback. At the 2023 AGM, the Board's proposals received a high level of support and all resolutions were passed with over 96% of votes cast in favour. A General Meeting was held in 2023 to approve a capital reduction of the share premium account. This was passed with 99.98% votes cast in favour.
E. Workforce engagement	Olivia Streatfeild is the designated non-executive director responsible for workforce engagement. More information can be found about this work on page 82. The Group has a whistleblowing charter and provides a confidential, independent whistleblowing line that employees can use to report any concerns about the integrity of the business or breaches of the Group's policies. Colleagues are also encouraged to share their views through regular engagement surveys, and the results of these are reported to the Board.

2. Division of responsibilities

F. Role of the Chair	The Chairman is responsible for: • the leadership of the Board, including setting its agenda and chairing Board meetings; • promoting a culture of openness and debate to encourage constructive challenge; and • ensuring the Board receives accurate, clear and timely information to support sound decision-making.
G. Composition of the Board	The composition of the Board is set out in Our Board on pages 76 to 78. Excluding the Chairman, Nick Prettejohn, 66.67% of the Board are independent non-executive directors, and their independence is assessed annually. The Chairman was deemed independent on appointment in 2018 and continues to demonstrate objective judgement. There is a clear division of responsibilities between the Board and executive leadership. The responsibilities of the Chairman, CEO and Senior Independent Director are set out in full at www.reachplc.com/investors/corporate-governance/accountability. The Board has a Conflicts Policy in place. This provides a formal system for directors to declare conflicts, which those directors who have no formal interest in the matter then consider for authorisation.

Compliance with the 2018 UK Corporate Governance Code continued

2. Division of responsibilities continued

H. Role of the non-executive directors	The main responsibilities of the non-executive directors are to provide an external perspective in Board discussions, to be responsible for scrutinising executive management on behalf of shareholders, and to constructively challenge Board discussions and help develop proposals on strategy. The non-executive directors' letters of appointment set out the time commitment expected from them. The Board is satisfied that each director has sufficient time to devote to discharging their responsibilities as a director of the Company. The Board reviews and approves as necessary any additional external appointments the directors may look to obtain. In addition, the Senior Independent Director acts as a sounding board, provides support to the Chairman, acts as an intermediary for other directors when necessary, is available to shareholders to help address any concerns and reviews the Chairman's performance with other non-executive directors.
I. Role of the Company Secretary	The Company Secretary enables effective communication flows between the Board and its Committees, and between senior management and the non-executive directors. They also provide effective support to the Board during meetings and when setting agendas and ensure the Board operates in accordance with the Company's corporate governance framework. All directors have access to the advice and services of the Company Secretary, who also facilitates any other professional development that directors consider necessary to help them carry out their duties.

3. Composition, succession and evaluation

J. Appointments to the Board and succession planning	The Nomination Committee is responsible for reviewing Board composition and diversity, leading the process for new Board appointments and ensuring there are plans in place for Board and senior management succession planning and talent. Appointments are based on merit, against objective criteria, with the aim of bringing a range of skills, knowledge and experience to Reach. This involves a formal, rigorous and transparent process to source strong candidates from diverse backgrounds, promoting cognitive and personal strengths. More information can be found in the Nomination Committee Report on pages 88 to 93.
K. Skills, experience and knowledge of the Board	In making recommendations for appointments, the Nomination Committee considers the balance of skills, experience and knowledge needed to enhance the Board and support the Group in executing its strategy. Darren Fisher was appointed to the Board as CFO in February 2023. There were no other appointments made during the year. All directors are subject to shareholder election or re-election at the AGM, with the exception of those directors who are retiring at the conclusion of the meeting. The Chairman, on behalf of the Board, has confirmed each non-executive director continues to be an effective member of the Board and will stand for re-election at the 2024 AGM. None of the non-executive directors have currently served more than nine years on the Board.
L. Board evaluation	The last external Board evaluation, facilitated by Sam Allen Associates Limited, was undertaken during 2021. An internal evaluation was carried out in 2023. More information about the progress made against the recommendations from the 2022 evaluation, and actions to be undertaken in 2024 from the 2023 internal evaluation, can be found on page 90.

Compliance with the 2018 UK Corporate Governance Code continued

4. Audit, risk and internal control

M. Internal and external audit	The Audit & Risk Committee is responsible for monitoring the integrity of the financial statements, reviewing the Group's internal controls and risk management systems, and overseeing the auditor relationship and work undertaken by internal audit. More information about how the Audit & Risk Committee assesses the effectiveness and independence of the external auditors can be found on pages 97 and 98.
N. Fair, balanced and understandable	The Strategic Report (pages 1 to 73) sets out the performance of the Company, the business model, strategy and the risks and uncertainties relating to the Company's future prospects. When taken as a whole, the directors consider the Annual Report is fair, balanced and understandable and provides information necessary for shareholders to assess the Company's performance, business model and strategy. More information about the review and assessment of the Annual Report can be found on page 97.
O. Risk management and internal control framework	The Board sets the Company's risk appetite and annually reviews the effectiveness of the Company's risk management and internal control systems. A description of the principal risks facing the Company can be found on pages 68 to 72. Page 73 sets out how the directors have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate (the viability statement).

5. Remuneration

P. Remuneration policies and practices	The Company aims to reward employees fairly, so its remuneration policy is designed to promote the long-term success of the Company while aligning the interests of both the executive directors and shareholders. Shareholders approved the updated Remuneration Policy at the 2021 Annual General Meeting, and the Company is required to seek approval for the new Policy at the AGM to be held on 2 May 2024, from which date the Policy will apply. The proposed Remuneration Policy can be found on pages 107 to 115.
Q. Executive remuneration	The Remuneration Committee is responsible for setting the remuneration for executive directors. No director is involved in deciding their own remuneration arrangements or outcome.
R. Remuneration outcomes and independent judgement	Details of the composition and work of the Remuneration Committee can be found in the Remuneration Report on pages 116 to 126.

DIRECTORS' REPORT

The Directors' Report comprises the Governance Report (on pages 74 to 103), the Directors' Report (on pages 131 to 135) and the Shareholder information section (on pages 207 and 208). The following information is provided in other appropriate sections of the Annual Report and is incorporated by reference in this table.

Information	Reported in	Page number(s)
Likely future developments and performance of the Company	Strategic Report	29
Stakeholder engagement	Strategic Report	30 to 53
	Governance Report	74 to 103 and 127 to 130
Engaging with employees	Strategic Report	44
Employment of disabled persons	Strategic Report	43 and 44
Greenhouse gas emissions	Strategic Report	52 and 53
Task Force on Climate-related Financial Disclosures (TCFD) report	Strategic Report	54 to 64
Viability statement	Strategic Report	73
Compliance with the 2018 UK Corporate Governance Code	Governance Report	127 to 130
Directors	Our Board	76 to 78
	Directors' Remuneration Report	104 to 126
	Directors' Remuneration Report – directors' beneficial interests and shareholding requirements	123 and 124
Details of Long Term Incentive Plan	Directors' Remuneration Report	125
Dividend waiver	Directors' Report	134
Statement of Directors' responsibilities	Directors' Report	135
Going concern	Financial statements	149 and 150
Accounting policies, financial instruments and financial risk management	Financial statements	149 to 157 179 to 182 191 and 192

To comply with DTR 4.1.5R(2) and DTR 4.1.8R, the required content of the Management Report can be found in the Strategic Report or this Directors' Report, including the material incorporated by reference.

Directors' Report continued

Articles of Association

The Company's Articles of Association (the Articles) set out the internal regulations of the Company and cover such matters as the rights of shareholders, the appointment and removal of directors, and the conduct of the Board and general meetings.

The Articles can only be amended by at least a 75% vote in favour from those voting in person or by proxy at a general meeting of the shareholders.

A copy of the Articles is available to view on our website at www.reachplc.com/investors/corporate-governance.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on pages 76 to 78, together with details of each director's skills, experience and current external appointments. Details of directors' beneficial and any non-beneficial interests in the shares of the Company are shown on pages 123 and 124. Options granted to directors under the Sharesave, the Long Term Incentive Plan and the Restricted Share Plan are shown on page 124. More information regarding employee share option schemes is provided in note 32 to the consolidated financial statements on pages 178 to 179.

Appointment and replacement of directors

The Articles give the directors the power to appoint and replace directors. Under the terms of reference of the Nomination Committee, appointments must be recommended by the Nomination Committee for approval by the Board.

The Articles also require directors to retire and submit themselves for election to the first Annual General Meeting (AGM) following their appointment and to retire at the AGM held in the third calendar year after election or last re-election. However, to comply with the 2018 UK Corporate Governance Code, all the directors will submit themselves for election or re-election at each AGM.

Compensation for loss of office

There are no agreements in place between the Company and any director or employee for loss of office in the event of a takeover.

Directors' indemnity and insurance

The directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. This provision was in force during the financial year and when the Directors' Report was approved.

The Company maintains appropriate liability insurance for its directors and officers, which provides cover for any legal action brought against them.

Share capital

As at 31 December 2023, the Company's issued share capital comprised 322,085,269 ordinary shares with a nominal value of 10 pence each. The Company held 4,110,884 ordinary shares in Treasury. Therefore, the total number of voting rights in the Company was 317,974,385. All shares other than those held in Treasury are freely transferable and rank equally for voting and dividend rights. The Company is not aware of any agreements between holders of shares that result in any restrictions.

As at 31 December 2023, the Trinity Mirror Employees' Benefit Trust held 3,271,758 shares (2022: 3,503,358). The TIH Employee Benefit Trust was wound up on 31 August 2023, and the 94,740 shares held in this trust were transferred to the Trinity Mirror Employees' Benefit Trust. The Trustees of both Employee Benefit Trusts have elected to waive dividends on shares held under the trusts relating to dividends payable during the year.

Details of the authorised and issued share capital, share premium account, Treasury shares and Employee Benefit Trusts can be found in notes 29 to 32 in the notes to the consolidated financial statements.

As at the latest practicable date (27 February 2024), the Company held 4,110,579 shares in Treasury, representing 1.28% of the issued share capital of the Company. Treasury shares do not receive dividends and are not included when calculating the total voting rights in the Company. The Company, if deemed fit, can sell the shares for cash or transfer the shares for use in an employee share scheme.

During the year, the following transfers from Treasury were made:

Date	Transfer
3 April 2023 – 13 October 2023	903,526 shares were withdrawn from Treasury and transferred to Equiniti to satisfy Reach share plans

Directors' Report continued

Substantial shareholdings

The Company has been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules, of the following direct or indirect holdings of voting rights, including shares and other financial instruments, in the Company's shares:

Name	As at 31 December 2023 Number of voting rights	As at 31 December 2023 % of total voting rights	As at 27 February 2024 Number of voting rights	As at 27 February 2024 % of total voting rights
Aberforth Partners	**31,795,824**	**10.03%**	31,795,824	10.03%
Dimensional Fund Advisor[1]	**12,843,108**	**4.98%**	12,843,108	4.98%
FMR LLC	**16,057,004**	**5.05%**	16,057,004	5.05%
Lombard Odier Asset Management (Europe) Limited	**15,955,434**	**5.02%**	15,955,434	5.02%
M&G plc[2]	**44,209,812**	**14.03%**	44,209,812	14.03%
Premier Miton Group plc[3]	**15,597,514**	**5.00%**	15,597,514	5.00%
Schroders plc[4]	**14,488,704**	**4.63%**	14,488,704	4.63%
Slater Investments[2]	**15,789,961**	**5.02%**	15,789,961	5.02%
Wellcome Trust	**13,044,412**	**4.11%**	13,044,412	4.11%

1. Disclosure made in 2015 and prior to 2020 bonus issue and increases in the share capital pursuant to transactions that took place in 2015 and 2018
2. Disclosures made in 2022
3. Since the 2021 disclosure, Premier Miton Group plc has sold shares and as at 27 February 2024 holds 0.93% voting rights, making it no longer a substantial shareholder
4. Disclosures made in 2021

Purchase of own shares

At the Company's AGM on 3 May 2023, shareholders approved an authority for the Company to make market purchases of its own shares up to a maximum of 31,707,085 shares (being 10% of the issued share capital less Treasury shares at that time) at prices not less than the nominal value of each share (being 10 pence each) and not exceeding 105% of the average mid-market price for the preceding five business days. No use was made of this authority during the period. The Company intends to renew this authority at its 2024 AGM.

Allotment of shares

At the Company's AGM on 3 May 2023, shareholders approved an authority for the Company to allot ordinary shares up to a maximum nominal amount of £10,569,028 (being one-third of the Company's issued share capital less Treasury shares at that time). The Company intends to renew this authority at its 2024 AGM.

Change of control provisions

The directors are not aware of there being any significant agreements that contain any material change of control provisions to which the Company is a party other than in respect of the financing facilities that expire in November 2026. Under the terms of these facilities, and in the event of a change of control of the Company, the banks can withdraw funding; and all outstanding loans, accrued interest and other amounts due and owing become payable within 30 days of the change.

AGM

The AGM provides an opportunity for directors to engage with shareholders, answer their questions and meet them informally.
The next AGM is planned to take place on 2 May 2024 in London. More details of the arrangements will be posted on our website, www.reachplc.com, and will be contained within the Notice of Meeting.

The Notice of Meeting and proxy form for the 2024 AGM will be shared with shareholders at least 20 working days prior to the meeting date, as required by the FRC's Guidance on Board Effectiveness. A detailed explanation of each item of business to be considered at the 2024 AGM will be included in the Notice of Meeting, which will either be sent by post to the shareholders in advance of the 2024 AGM or will be available to download from our website, www.reachplc.com.

Shareholders who are unable to attend the 2024 AGM are encouraged to vote in advance of the meeting, either online at www.shareview.co.uk or by using the proxy form, which will be sent to all shareholders.

Dividends

The Board proposes a final dividend for 2023 of 4.46 pence per share (2022: 4.46 pence per share), which, subject to shareholder approval, will be payable on 31 May 2024 to shareholders on the register on 10 May 2024. The proposed final dividend together with the interim dividend of 2.88 pence per share (2022: 2.88 pence per share) results in a total dividend for 2023 of 7.34 pence per share (2022: 7.34 pence per share).

Directors' Report continued

Dividend waivers

There is a waiver in place in respect of all or any future right to dividend payments on shares held in the Trinity Mirror Employees' Benefit Trust (3,271,758 shares as at 31 December 2023) and shares held in Treasury (4,110,884 shares as at 31 December 2023).

Dividend Policy

The Board recognises the importance of growing dividends for shareholders while also investing to grow the business and meeting our funding commitments to the defined benefit pension schemes. The Board expects to continue to adopt a policy of paying dividends that are aligned to the free cash generation of the Group. Free cash generation for this purpose is the net cash flow generated by the Group before the repayment of debt, dividend payments, other capital returns to shareholders and additional contributions made to the defined benefit pension schemes.

The Board will also continue to consider, if appropriate, the return of capital to shareholders through a share buy-back if it has generated surplus cash and sees an opportunity to enhance earnings per share and therefore shareholder value. Prior to initiating a share buy-back programme, the Board will carefully consider the cash generation of the business and the Group's obligations to its defined benefit pension schemes.

The risks associated with delivering the Dividend Policy are:

- the availability of distributable reserves – in 2014, an impairment of the carrying value of investments held by the Company resulted in a negative balance on the profit and loss reserve, so the Company had no distributable reserves. This was addressed by undertaking a court-approved capital reduction to eliminate the negative balance in the profit and loss reserve and, since then, the distributable reserves have been rebuilt through dividends received from subsidiary companies from profits. The Company has subsequently performed another court-approved capital reduction in 2023, converting the total £605.4m within the share premium account into distributable reserves within the profit and loss reserve;
- a significant fall in profit and cash flow that materially reduces free cash flow – under these circumstances, the Group would review all investment requirements and pension obligations. In such circumstances, we would seek to hold dividends unless it would place increased pressure on the Group's ability to fund investment to deliver its strategy or if it was to create any financing issues; and
- the payment of dividends would potentially restrict the ability of the Group to meet payments due under the recovery plans agreed with the Group's defined benefit pension schemes. The Group agrees recovery plans with the Trustees of the Group's defined benefit pension schemes at each triennial valuation based on developments in the funding position between valuations and these may be also revised as a result of material corporate activity. As part of the 2019 triennial valuations of four of the Group's defined benefit pension schemes which remain not fully bought-in, the Group has committed to dividend sharing arrangements whereby it would pay to each scheme a pro-rated share of the excess in dividend payment increases greater than 5% in any year for so long as the schemes continue to receive contributions. Further, the Group has agreed that dividend payments or any other return of capital to shareholders in any year will not be in excess of the aggregate contributions due to the defined benefit pension schemes in the same year to address past deficits. These obligations may restrict future increases in dividends.

Political donations

At the Company's AGM held on 3 May 2023, the Company and its subsidiaries received authority from shareholders under the Companies Act 2006 to make donations to political parties of up to £75,000 in aggregate each year. The resolution passed, with 92.31% of participating shareholders voting in favour.

This resolution was proposed to ensure that neither the Company nor its subsidiaries inadvertently commits any breaches of the Companies Act 2006 through undertaking routine activities. No political donations were made during 2023 (2022: nil).

Strategic Report

The Company's Strategic Report is set out on pages 1 and 73. It sets out the Company's business model and strategy, principal risks and uncertainties facing the Group and how these are managed and mitigated.

Results

A review of the Company's consolidated results can be found on pages 22 to 29.

Modern slavery

In compliance with the Modern Slavery Act 2015, the Company's Modern Slavery Statement can be found on our website at www.reachplc.com/investors/corporate-governance/policies.

Disclosure table pursuant to Listing Rule 9.8.4R

In accordance with LR 9.8.4R, the table below sets out the location of the information required to be disclosed, where applicable.

Applicable sub-paragraph within LR 9.8.4R	Page number
(6) Waivers of future emoluments	Remuneration Report page 106
(12) Waivers of dividends	Directors' Report page 134
(13) Waivers of future dividends	Directors' Report page 134

Environmental management

Reach continues to comply with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. We are also reporting in compliance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, known as SECR (Streamlined Energy and Carbon Reporting). We have fully disclosed our Scope 1 and 2 emissions as well as all relevant Scope 3 emissions for the reporting period 1 January 2023 to 31 December 2023. We also comply with the Climate Change Agreements (Eligible Facilities) Regulations. Energy consumption and greenhouse gas emissions have been calculated in line with the UK Government's Regulations as published in Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting requirements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions. The records must enable the directors to disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

In addition, the directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and parent company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Our Board section on pages 76 to 78 of the Annual Report, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the parent company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the parent company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's and parent company's auditors are aware of that information.

The Directors' Report was approved on behalf of the Board on 5 March 2024.

Darren Fisher
Chief Financial Officer

5 March 2024

Independent auditors' report to the members of Reach plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Reach plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's profit and the group's cash flows for the 53 week period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Parent company balance sheets as at 31 December 2023; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated cash flow statement and the Consolidated and Parent company statements of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit & Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 6, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The group's core publishing operations are accounted for on one general ledger. We performed full scope audits over this and the parent company ledger. This involved work undertaken at locations where the group's main financial business processes are managed, which are the central accounting function in Liverpool, the group's London headquarters and print operations in Watford.
- Our audit scoping gave us coverage of 99% (2022: 99%) of revenue.

Key audit matters

- Carrying value of intangible assets (group) and investments in subsidiaries (parent)
- Provision for historical legal issues (group)
- Valuation of pension liabilities and pension assets (group)

Materiality

- Overall group materiality: £4.90m (2022: £5.70m) based on 5% of a three year average of profit before tax and before impairment charges and reversals, significant restructuring charges and costs associated with historical legal issues.
- Overall company materiality: £6.00m (2022: £7.90m) based on 1% of total assets.
- Performance materiality: £3.74m (2022: £4.27m) (group) and £4.50m (2022: £5.93m) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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.

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

The key audit matters below are consistent with last year.

Independent auditors' report to the members of Reach plc continued

Key audit matter	How our audit addressed the key audit matter
Carrying value of intangible assets (group) and investments in subsidiaries (parent) Refer to Note 3 of the consolidated financial statements for the directors' disclosure on the critical accounting judgements, Notes 15 and 16 of the consolidated financial statements and Note 4 of the parent company financial statements for the directors' disclosure of the key sources of estimation uncertainty, and pages 99 and 100 for the views of the Audit & Risk Committee. At 31 December 2023, the group held indefinite life intangibles (being the carrying value of acquired publishing rights and titles, after previous impairment charges) of £818.7m (2022: £818.7m) and goodwill of £35.9m (2022: £35.9m). The parent company held investments with a carrying value before impairment of £708.9m that has been impaired to £541.1m during the current financial year. A similar impairment was recognised in the previous year, with the carrying value of investments held impaired from £773.3m to £708.2m.	**Indefinite life consideration** In assessing whether the indefinite life judgement was appropriate, we examined management's evaluation of the life of the intangible assets, considering criteria in International Accounting Standard 38, "Intangible assets". We found that the group has established digital capabilities and earns significant amounts of digital revenue which together supported the principle of a potentially sustainable digital business without a finite life. In particular we found the group continues to develop its 'data driven' revenues, which have increased as a proportion of overall digital revenue, and has made operational and strategic progress in developing its customer value strategy; both of which supported management's position. **Impairment assessment** **Appropriateness of a 10 year modelling period** We satisfied ourselves that it was valid, in the context of a business in a long term transition from print based to digital, to model over a longer period than the group's budget and that 10 years was an appropriate period. **Key assumptions in the impairment model** We met with management to understand the basis of preparation of the FY24 budget, and challenged management to provide internal and market evidence for the key assumptions (which we then evaluated and tested to source data and to our own external sources as relevant), including: historical trend data for circulation revenues (considering both volumes and pricing), decline rates for print advertising, digital revenue growth rates, and cost reduction plans to mitigate inflationary factors. We paid specific attention to the group's cost reduction plans and its impact on the budget, and the group's digital revenue budget. In assessing the assumptions used, we also considered management's historical forecasting accuracy, including the degree to which variances noted could have been forecast in advance, and the degree to which changes in digital revenue growth assumptions would lead to an impairment of the group's intangible assets. We assessed the discount rates that management's experts calculated using our valuations experts. They benchmarked the discount rates used and found that the rates used were materially reasonable. When considering print circulation revenue decline assumptions, we challenged management's forecast of future changes to prices and whether the assumptions made were compatible with the forecast declines in circulation volumes. Taking into account the group's performance when compared to market analysis, we found the forecast decline in circulation revenue was reasonable. When considering digital revenue growth assumptions, we considered the degree to which these took account of the events which led to a reduction in average UK page views per month, with resulting reduction in digital revenue, and market analysis. The revenue decline in FY23 was lower than the reduction in the number of page views because a focus on 'data driven' revenues and those less dependent on page views led to yields increasing. These products allow Reach to secure a higher yield as a result of Reach's ability to direct advertising to specific users or content. Revenue from these products are now 43% of digital revenue and fell at a lower rate (4% decline) than digital revenue as a whole (15% decline). Considering management forecasts of future page views and market analysis, we found the forecast future growth for digital revenue was reasonable. We challenged management on the difference between the current market capitalisation and the outcome of the value in use model, after allowing for a reasonable control premium. We evaluated management's explanations as part of assessing the reasonableness of the assumptions used. For the parent company investment impairment consideration, we also considered management's approach to modelling past service pension contributions and compared this with the IAS 19 deficit and the funding commitments made with the Trustees of the pension schemes and evaluated the relative merits of alternative approaches and their impact on the resulting carrying value. The pension amounts are included in the model for the parent company investment impairment because the subsidiaries are required to fund these liabilities. We found that the group's impairment model supported the carrying value of the group's intangible assets and was based on reasonable assumptions. We note that the headroom in the impairment model has reduced compared to the prior year and that it is sensitive to changes in assumptions in the model, in particular, to the group's ability to grow its digital revenues to the scale forecast. We agree that the carrying value of the parent company's investments is impaired and consider the charge recognised to be reasonable. We also evaluated the group's disclosures and sensitivity analysis in notes 3, 15 and 16 to the group financial statements and note 4 of the parent company financial statements. We consider these to be appropriate.

Independent auditors' report to the members of Reach plc continued

Key audit matter	How our audit addressed the key audit matter
Provision for historical legal issues (group) Refer to Note 3 for the key sources of estimation uncertainty, Note 27 for further details on the provision recognised and page 101 for the views of the Audit & Risk Committee. The Group has a provision of £18.2m in respect of historical legal issues as at 31 December 2023 (2022: £43.0m). The provision relates to a number of claims arising from suspected phone hacking and unlawful information gathering in the past. During 2023, a release of £20.2m (2022: charge of £11.0m) to the income statement was recognised due to the Judgment handed down on 15 December 2023 in respect of claims of four test claimants. As a result of the Judgment, management has determined that any claims issued after 31 October 2020 are time-barred under the Limitation Act 1980, unless individual claimants can demonstrate specific exceptional circumstances. Therefore, this has significantly reduced the amounts that are expected to be settled with claimants. As at 31 December 2023, there are now two parts to the provision: known claims and common court costs. The basis for the known claims is the average of past settlements, depending on the stage that the claim has reached. Common costs and generic costs are court costs incurred which are based on information provided by a third party. As expected by management and their legal advisors, the claimants have made an appeal in the hearing held on 29 January 2024. Having read the skeleton argument, both management and their legal advisors consider the likelihood of success to be remote. On 9 February 2024, the Judge refused permission for the claimants to appeal so the claimants will now have to seek permission from the Court of Appeal. The claimants have 21 days from that date to submit an appeal, but the outcome will not be known until later. There was also a Judgment handed down on 9 February 2024 in relation to generic costs and common costs. In terms of interim payments of costs, the Judgment states the claimants are requesting that the Group pays the claimants' common costs for the trial of the generic issues. This provision for historical legal issues is recognised as a key source of estimation uncertainty.	The audit procedures we performed in respect of this matter included: • Evaluating developments during the year and up to the date of this report, by holding meetings with management, internal legal counsel, external legal counsel and those charged with governance. These meetings enabled us to understand the impact of the Judgment on 15 December 2023 on time limitation and damages and the Judgment on 9 February 2024 on generic costs and common costs. We corroborated our understanding gained through discussion with external legal counsel and with our internal legal expert throughout the audit process. We challenged management as to how these developments had been incorporated into the calculation of the provision. • Testing the calculation of the provision. This included, on a sample basis, agreeing previously settled claim values to supporting agreements and amounts paid by the Group. The averages of the settlement values were used by management as the basis for calculating the year-end provision. • Assessing the completeness of the provision through testing management's exercise to determine the likelihood of the appeal by claimants being successful. • Evaluating whether management's methods and assumptions for calculating the provision adequately allows for: the nature of current claims (excluding letters before action and issued claims which are now time-barred), the value that current claims are being settled at and current claim management strategies. There is subjectivity and continuing uncertainty involved in estimating this provision. However, based on the audit procedures performed we concluded the amount provided as at 31 December 2023 was reasonable. We also evaluated the related disclosures included in notes 3 and 27 to the group financial statements by reference to the audit procedures outlined above. We consider them to be appropriate. We concur with management's view that any further contingent liability is deemed remote.

Independent auditors' report to the members of Reach plc continued

Key audit matter	How our audit addressed the key audit matter
Valuation of pension liabilities and pension assets (group) Refer to Note 3 for the directors' disclosure on the critical accounting judgements and key sources of estimation uncertainty, Note 21 for details of the schemes and amounts recognised in respect of defined benefit pension schemes and page 101 for the views of the Audit & Risk Committee. Pensions obligations are significant in the context of the overall balance sheet of the group. The group has six defined benefit pension plans which comprise total pension liabilities of £1,835.6m (2022: £1,860.0m). The net pension deficit (pre deferred tax) on the consolidated balance sheet is £102.8m (2022: £149.7m). The valuation of the schemes' liabilities requires a significant level of judgement and the Audit & Risk Committee has therefore highlighted this key audit matter as a significant financial issue in their report. The following factors have led to us classifying pension liabilities as a key audit matter: • Determining the assumptions to be applied requires technical expertise. • Changes in a significant assumption can have a material impact on the overall defined benefit obligation and ultimately the net asset/liability which sits in the balance sheet. • Developing actuarial models and selecting appropriate assumptions to estimate the present value of the pension liabilities is complex. Specialist actuarial knowledge is required to understand this process and to critically assess the output. The total scheme assets across the six schemes totalled £1,733.0m (2022: £1,710.3m). Approximately 42% of the total assets are held in pooled investment vehicles ("PIVs"), of which approximately 30% are considered more complex. PIVs categorised as "more complex" require additional audit work to ensure that the year-end valuation is appropriate. The complex categorisation is linked to the underlying assets, pricing frequency, location of the fund as well as any trading restrictions. Where a significant proportion of the underlying assets of the funds being level 2 or 3 and as such there is no observable market price, the fund is not priced frequently (i.e. either daily or weekly) or there are restrictions over the purchase or sale of the units or underlying asset of the fund, there are therefore added complexities involved in determining an appropriate fair value at the year end. Where a combination of these factors exist, the fund is classified as more complex.	We reviewed the pension assumptions, including, but not limited to the key assumptions: discount rates, inflation and mortality. In doing this we utilised our expert actuarial team and considered and challenged the reasonableness of the actuarial assumptions against our internally developed benchmark ranges, finding them to be within a materially acceptable range. We verified that the valuation of the pension liabilities is reasonable based on the following: • Reviewing the methodology used to determine the liabilities. Our expert actuarial team has built up a detailed understanding of this methodology through meetings with the group's actuary and management. The group's discount rates were found to be, on average, towards the optimistic end of our range having been, on average, in the middle of the range at the previous year end. Inflation rates used were found to be reasonable. • Testing that the movement in the liabilities over the financial year is reasonable. Our expert actuarial team supported us in reviewing these movements. They concluded that the movements and resulting liability values were materially reasonable. • Examining the membership data which drives the year-end liability calculation was examined for all six schemes to confirm that the data was complete and accurate. No issues were noted with the testing performed. The liabilities have been updated to reflect the 2022 funding valuations for MGN, TRBS, MINPS and EN88,whereas WFPPS and ENSM schemes continue to be based off the 2019 funding valuation and adjusted for events since 2019. This rollforward was assessed by our expert actuarial team who concluded the approach followed complied with the requirements of IAS 19 and noted no material exceptions. We verified that the valuation of the more complex pooled investment vehicles (PIVs) is reasonable based on the following: • Independent investment manager confirmations were obtained for all material PIVs. The total value was agreed to the group's asset listing. • An assessment was performed on each PIV to determine whether it is straightforward or more complex in nature. More complex funds are subject to additional procedures and evidence obtained to corroborate the valuation. This included, where available, a review of the transactions surrounding the year end to establish the completeness and accuracy of the valuation, obtaining and reviewing the investment manager's latest internal controls report to assess any issues with the control environment or exceptions noted with controls relating to the valuation of assets (and obtaining bridging letters for any gap between the report and the year end). The latest fund financial statements were also obtained and reviewed in comparison with unaudited statements as at the same date, to understand any updates to valuations, once the fund audit is complete, indicating issues with the valuation process. All evidence received regarding the valuation of PIVs was reviewed to ensure it did not contradict the year end valuation and we considered if there were any indications of valuation uncertainty. No issues were identified in the testing performed.

Independent auditors' report to the members of Reach plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group operates from a number of locations in the UK. From a financial reporting perspective, the most significant are the group's London office and headquarters, its Liverpool shared service centre and the operational centre of its print activities in Watford. The group's core publishing operations are accounted for through the Liverpool shared service centre and in a single general ledger, that is then disaggregated for statutory reporting requirements. Our group audit scope focused on the core publishing operations and the parent company, which account for over 99% of the group's revenue. The materiality level applied in our audit of the two component entities was £4.36m. At the parent company level, we also tested the consolidation process, tax and pensions.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process they have adopted to assess the extent of the potential impact of climate change risk on the group's financial statements. In addition to these enquiries, we also read Reach's external reporting including its 2023 Carbon Disclosure Project public submission.

Management has assessed the key risks and opportunities for the group and has begun to quantify the financial impact of the most material climate-related risks within the Annual Report. They have noted that climate risks identified and their environmental sustainability related targets and commitments may impact future forecasts, such as those used when considering if assets are impaired.

Using our knowledge of the business, we evaluated management's risk assessment and their assessment of the impact of climate risks identified and their environmental sustainability related targets and commitments on the discounted cash flow model used by management to assess whether the group's publishing rights and titles and the parent company's investment are impaired.

We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section) within the Annual Report with the financial statements and our knowledge obtained from our audit.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the 53 week period ended 31 December 2023.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£4.90m (2022: £5.70m).	£6.00m (2022: £7.90m).
How we determined it	5% of a three year average of profit before tax and before impairment charges and reversals, significant restructuring charges and costs associated with historical legal issues	1% of total assets
Rationale for benchmark applied	Based on the benchmarks used in the annual report, profit before tax is the primary measure used by the shareholders in assessing the performance of the group and is a generally accepted auditing benchmark. This has been adjusted for significant restructuring charges, impairment charges and reversals and costs associated with historical legal issues, consistent with previous years. A number of external events during the period have led to volatility in the group's results and so we have used a three year average in determining materiality for the current period.	As the parent entity, Reach plc is essentially a holding company for the group and therefore the materiality benchmark has been determined to be based on total assets, which is a generally accepted auditing benchmark.

Independent auditors' report to the members of Reach plc continued

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The materiality allocated to both components was £4.36m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £3.74m (2022: £4.27m) for the group financial statements and £4.50m (2022: £5.93m) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit & Risk Committee that we would report to them misstatements identified during our audit above £249k (group audit) (2022: £285k) and £300k (company audit) (2022: £395k) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the going concern cash flow model, including agreeing amounts included to internal forecasts and assessing the reasonableness of these forecasts
- Evaluating the working capital movements and other cash items such as pension and tax cash outflows included in the cash flow model
- Reading the revolving credit facility agreement and agreeing key terms such as length of facility and covenants used in management's assessment to the agreement
- Evaluating the forecast available facility headroom and compliance with financial covenants during the going concern assessment period. This included considering the appropriateness of management's downside scenarios and the adequacy of headroom in this scenario.

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 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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Independent auditors' report to the members of Reach plc continued

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit & Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law, data privacy law and the Listing Rules of the UK Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management's estimates and the posting of inappropriate journal entries so as to manipulate revenue (particularly digital revenue) and expenditure or to conceal the misappropriation of cash. Audit procedures performed by the engagement team included:

- Discussions with management, internal audit and the group's legal advisors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Requesting legal confirmations from external lawyers and reviewing the nature of legal expenses.
- Challenging assumptions and judgements made by management in their significant accounting estimates, including impairment of intangible assets and investments and the provision for historical legal issues as explained in the key audit matters above.
- Identifying and testing journal entries to address the risk of inappropriate journal entries being posted, as referred to above.
- With regards to data privacy law, procedures in respect of historical legal issues set out in the key audit matter above.
- Assessing the classification of items as adjusting within the determination of adjusted profit.
- Assessing financial statement disclosures and agreeing these to underlying supporting documentation for compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Independent auditors' report to the members of Reach plc continued

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit & Risk Committee, we were appointed by the members on 7 June 2019 to audit the financial statements for the year ended 29 December 2019 and subsequent financial periods. The period of total uninterrupted engagement is 5 years, covering the years ended 29 December 2019 to 31 December 2023.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

5 March 2024

Consolidated income statement

for the 53 weeks ended 31 December 2023 (52 weeks ended 25 December 2022)

	notes	**Adjusted 2023 £m**	**Adjusted items 2023 £m**	**Statutory 2023 £m**	Adjusted 2022 £m	Adjusted items 2022 £m	Statutory 2022 £m
Revenue	5	**568.6**	**–**	**568.6**	601.4	–	601.4
Cost of sales		**(344.7)**	**–**	**(344.7)**	(375.7)	–	(375.7)
Gross profit		**223.9**	**–**	**223.9**	225.7	–	225.7
Distribution costs		**(36.9)**	**–**	**(36.9)**	(38.1)	–	(38.1)
Administrative expenses	8	**(93.4)**	**(48.9)**	**(142.3)**	(84.3)	(33.4)	(117.7)
Share of results of associates	20	**2.9**	**(1.5)**	**1.4**	2.8	(1.4)	1.4
Operating profit	6	**96.5**	**(50.4)**	**46.1**	106.1	(34.8)	71.3
Interest income	9	**1.0**	**–**	**1.0**	0.1	–	0.1
Finance costs	10	**(4.5)**	**–**	**(4.5)**	(2.9)	–	(2.9)
Pension finance charge	21	**–**	**(5.9)**	**(5.9)**	–	(2.3)	(2.3)
Profit before tax		**93.0**	**(56.3)**	**36.7**	103.3	(37.1)	66.2
Tax charge	11	**(24.6)**	**9.4**	**(15.2)**	(18.8)	4.9	(13.9)
Profit for the period attributable to equity holders of the parent		**68.4**	**(46.9)**	**21.5**	84.5	(32.2)	52.3

Earnings per share	notes	**2023 Pence**	**2023 Pence**	2022 Pence	2022 Pence
Earnings per share – basic	13	**21.8**	**6.8**	27.1	16.8
Earnings per share – diluted	13	**21.6**	**6.8**	26.7	16.5

The above results were derived from continuing operations. Set out in note 35 is the reconciliation between the statutory and adjusted results.

Consolidated statement of comprehensive income

for the 53 weeks ended 31 December 2023 (52 weeks ended 25 December 2022)

	notes	2023 £m	2022 £m
Profit for the period		**21.5**	52.3
Items that will not be reclassified to profit and loss:			
Actuarial loss on defined benefit pension schemes	21	**(0.5)**	(35.0)
Tax on actuarial loss on defined benefit pension schemes	11	**0.1**	7.4
Share of items recognised by associates after tax	20	**0.4**	(1.7)
Other comprehensive loss for the period		**–**	(29.3)
Total comprehensive income for the period		**21.5**	23.0

Consolidated statement of changes in equity

for the 53 weeks ended 31 December 2023 (52 weeks ended 25 December 2022)

	Share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	(Accumulated loss)/retained earnings and other reserves £m	Total £m
At 27 December 2021	32.2	605.4	17.4	4.4	(20.6)	638.8
Profit for the period	–	–	–	–	52.3	52.3
Other comprehensive loss for the period	–	–	–	–	(29.3)	(29.3)
Total comprehensive income for the period	–	–	–	–	23.0	23.0
Purchase of own shares (note 29)	–	–	–	–	(1.0)	(1.0)
Credit to equity for equity-settled share-based payments	–	–	–	–	1.8	1.8
Deferred tax charge for equity-settled share-based payments (note 28)	–	–	–	–	(2.2)	(2.2)
Dividends paid	–	–	–	–	(22.9)	(22.9)
At 25 December 2022	32.2	605.4	17.4	4.4	(21.9)	637.5
Profit for the period	**–**	**–**	**–**	**–**	**21.5**	**21.5**
Other comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**21.5**	**21.5**
Credit to equity for equity-settled share-based payments	**–**	**–**	**–**	**–**	**1.3**	**1.3**
Dividends paid (note 12)	**–**	**–**	**–**	**–**	**(23.1)**	**(23.1)**
Capital reduction (note 31)	**–**	**(605.4)**	**–**	**–**	**605.4**	**–**
At 31 December 2023	**32.2**	**–**	**17.4**	**4.4**	**583.2**	**637.2**

Consolidated cash flow statement

for the 53 weeks ended 31 December 2023 (52 weeks ended 25 December 2022)

	notes	**2023 £m**	2022 £m
Cash flows from operating activities			
Cash generated from operations	14	**76.4**	80.1
Pension deficit funding payments	21	**(60.0)**	(55.1)
Income tax paid		**(0.5)**	(5.0)
Net cash inflow from operating activities		**15.9**	20.0
Investing activities			
Interest received	9	**0.6**	0.1
Dividends received from associated undertakings	20	**1.9**	2.5
Proceeds on disposal of property, plant and equipment		**0.9**	0.4
Purchases of property, plant and equipment		**(3.5)**	(3.0)
Expenditure on capitalised internally generated development	16	**(12.8)**	(10.7)
Interest received on leases	19	**0.4**	–
Finance lease receipts	19	**0.2**	–
Deferred consideration payment	24	**(7.0)**	(17.1)
Net cash used in investing activities		**(19.3)**	(27.8)
Financing activities			
Interest and charges paid on borrowings		**(3.1)**	(1.9)
Dividends paid	12	**(23.1)**	(22.9)
Interest paid on leases	19	**(1.2)**	(1.1)
Repayment of obligation under leases	19	**(4.7)**	(5.6)
Purchase of own shares	29	**–**	(1.0)
Drawdown of borrowings	24	**15.0**	15.0
Net cash used in financing activities		**(17.1)**	(17.5)
Net decrease in cash and cash equivalents		**(20.5)**	(25.3)
Cash and cash equivalents at the beginning of the period	24	**40.4**	65.7
Cash and cash equivalents at the end of the period	24	**19.9**	40.4

Consolidated balance sheet

at 31 December 2023 (at 25 December 2022)

	notes	**2023 £m**	2022 £m
Non-current assets			
Goodwill	15	**35.9**	35.9
Other intangible assets	16	**840.8**	832.9
Property, plant and equipment	17	**113.6**	140.1
Right-of-use assets	18	**13.0**	10.9
Finance lease receivable	19	**–**	10.4
Investment in associates	20	**14.5**	14.6
Retirement benefit assets	21	**66.0**	51.2
		1,083.8	1,096.0
Current assets			
Inventories	22	**11.4**	12.9
Trade and other receivables	23	**85.1**	95.2
Current tax receivable	11	**8.1**	13.9
Finance lease receivable	19	**–**	0.6
Cash and cash equivalents	24	**19.9**	40.4
		124.5	163.0
Assets classified as held for sale	25	**11.0**	–
		135.5	163.0
Total assets		**1,219.3**	1,259.0
Non-current liabilities			
Trade and other payables	26	**(1.1)**	(4.5)
Lease liabilities	19	**(28.5)**	(26.8)
Retirement benefit obligations	21	**(168.8)**	(202.1)
Provisions	27	**(26.6)**	(36.6)
Deferred tax liabilities	28	**(200.1)**	(191.6)
		(425.1)	(461.6)
Current liabilities			
Trade and other payables	26	**(96.2)**	(106.7)
Deferred consideration	24	**–**	(7.0)
Borrowings	24	**(30.0)**	(15.0)
Lease liabilities	19	**(4.7)**	(4.9)
Provisions	27	**(26.1)**	(26.3)
		(157.0)	(159.9)
Total liabilities		**(582.1)**	(621.5)
Net assets		**637.2**	637.5

	notes	**2023 £m**	2022 £m
Equity			
Share capital	29,30	**32.2**	32.2
Share premium account	29,31	**–**	605.4
Merger reserve	29	**17.4**	17.4
Capital redemption reserve	29	**4.4**	4.4
Retained earnings/(accumulated loss) and other reserves	29	**583.2**	(21.9)
Total equity attributable to equity holders of the parent		**637.2**	637.5

These consolidated financial statements on pages 145 to 187 were approved by the Board of directors and authorised for issue on 5 March 2024.

They were signed on its behalf by:

Jim Mullen
Chief Executive Officer

Darren Fisher
Chief Financial Officer

Notes to the consolidated financial statements

for the 53 weeks ended 31 December 2023 (52 weeks ended 25 December 2022)

1 General information

Reach plc is a public company limited by shares and listed on the London Stock Exchange. The Company is incorporated and domiciled in England and Wales. The Company's registered number is 82548. The address of the registered office is One Canada Square, Canary Wharf, London E14 5AP. The principal activities of the Group are discussed in the Strategic Report on pages 1 to 73.

These consolidated financial statements were approved for issue by the Board of directors on 5 March 2024. The Annual Report for the 53 weeks ended 31 December 2023 will be available on the Company's website at www.reachplc.com and at the Company's registered office at One Canada Square, Canary Wharf, London E14 5AP before the end of March 2024 and will be sent to shareholders who have elected to receive a hard copy with the documents for the Annual General Meeting to be held on 2 May 2024.

The Company presents the results on a statutory and adjusted basis and revenue trends on a statutory and like-for-like basis as described in note 3.

The presentational currency of the Group is Sterling.

For administrative convenience, the consolidated financial statements are made up to a suitable date near the end of the calendar year. These consolidated financial statements have been prepared for the 53 weeks ended 31 December 2023 and the comparative period has been prepared for the 52 weeks ended 25 December 2022.

2 Adoption of new and revised standards

The following new standards and interpretations are effective for the 53 weeks ended 31 December 2023, but have not had a material impact on the Group:

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

The following standards and interpretations, which have not been applied and when adopted are not expected to have a material impact on the Group, were in issue and will be effective for the period ended 31 December 2024, unless stated below:

- IFRS 17 Insurance Contracts;
- Definition of Accounting Estimates – amendments to IAS 8;
- International Tax Reform – Pillar Two Model Rules – amendments to IAS 12;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12;
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current; and
- Amendments to IAS 1 – Non-current Liabilities with Covenants.

3 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented. The Group also opts to present cash flows relating to the use of its revolving credit facility net where the loans drawn down through use of the facility are repaid within three months of the initial draw down.

International Financial Reporting Standards (IFRS)

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The Group has adopted standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee of the IASB applicable to companies reporting under UK-adopted International Accounting Standards.

The parent company financial statements of Reach plc for the 53 weeks ended 31 December 2023, prepared in accordance with applicable law and UK Accounting Practice, including FRS 101 'Reduced Disclosure Framework', are presented on pages 188 to 204.

Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in the preparation of the Group's annual consolidated financial statements and the Company's parent company financial statements.

In accordance with LR 9.8.6(3) of the Listing Rules, and in determining whether the financial statements can be prepared on a going concern basis, the directors considered all factors likely to affect its future development, performance and its financial position, including cash flows, liquidity position and borrowing facilities and the risks and uncertainties relating to its business activities.

The key factors considered by the directors were as follows:

- The performance of the business in 2023 and the progress being made in the implementation of the Group's Customer Value Strategy and the implications of the current economic environment including inflationary pressures. The Group undertakes regular forecasts and projections of trading, identifying areas of focus for management to improve the delivery of the Customer Value Strategy and mitigate the impact of any deterioration in the economic outlook;
- The impact of the competitive environment within which the Group's businesses operate;

3 Accounting policies continued

Going concern continued

- The impact on our business of key suppliers (in particular newsprint) being unable to meet their obligations to the Group;
- The impact on our business of key customers being unable to meet their obligations for services provided by the Group;
- The deficit funding contributions to the defined benefit pension schemes and payments in respect of historical legal issues; and
- The available cash reserves and committed finance facilities available to the Group. The Group has an expiry date for its £120.0m facility of 19 November 2026. The Group has drawn down £30.0m on the facility at the reporting date.

Having considered all the factors impacting the Group's businesses, including downside sensitivities (relating to trading and cash flow), the directors are satisfied that the Company and the Group will be able to operate within the terms and conditions of the Group's financing facilities for the foreseeable future.

The directors have reasonable expectations that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, which comprises the period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Group's annual consolidated financial statements and the Company's parent company financial statements.

Basis of accounting

These consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. The consolidated financial statements have been prepared under the historical cost convention, except for the following:

- assets held for sale – measured at the lower of carrying amount and fair value less costs to sell;
- defined benefit pension schemes – plan assets measured at fair value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Reach plc and all entities controlled by it for the 53 weeks ended 31 December 2023. Control is achieved where the Company has the power to govern the financial and operating policies of the investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

On the acquisition of a business, including an interest in an associated undertaking or a joint venture, fair values are attributed to the Group's share of the identifiable assets and liabilities of the business existing at the date of acquisition and reflecting the conditions as at that date. Where necessary, adjustments are made to the financial statements of businesses acquired to bring their accounting policies in line with those used in the preparation of the consolidated financial statements. Results of businesses are included in the consolidated income statement from the effective date of acquisition and in respect of disposals up to the effective date of relinquishing control.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Negative goodwill arising on an acquisition is recognised directly in the consolidated income statement upon acquisition. On disposal of a subsidiary or associate, the remaining amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill is reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible decline in the carrying value. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro-rated on the basis of the carrying amount of each asset in the unit, but subject to not reducing any asset below its recoverable amount. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The Group has one cash-generating unit relating to Publishing. All goodwill at the reporting date relates to Publishing.

3 Accounting policies continued

Other intangible assets

Other intangible assets include acquired publishing rights and titles. On acquisition, the fair value of the acquired publishing rights and titles is calculated based on forecast discounted cash flows. On disposal, the carrying amount of the related other intangible asset is de-recognised and the gain or loss arising from de-recognition, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is recognised in the consolidated income statement.

Publishing rights and titles are initially recognised as an asset at fair value with an indefinite economic life. They are not subject to amortisation. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units. Where the asset does not generate cash flows that are independent from other assets, value-in-use estimates are made based on the cash flows of the cash-generating unit to which the asset belongs. The publishing rights and titles are reviewed for impairment either at each reporting date or more frequently when there is an indication that the recoverable amount is less than the carrying amount. Recoverable amount is the higher of fair value less costs to sell and value-in-use.

In assessing value-in-use the estimated future cash flows of the cash-generating unit relating to the asset are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which estimates of future cash flows have not been adjusted. Use of a post-tax discount rate to discount the future post-tax cash flows is materially equivalent to using a pre-tax discount rate to discount the future pre-tax cash flows.

The impairment conclusion remains the same on a pre- or post-tax basis. If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, the carrying value of the cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised in the consolidated income statement in the period in which it occurs and may be reversed in subsequent periods.

The Group has one cash-generating unit relating to Publishing.

The Group capitalises internally generated assets relating to software and website development costs.

Costs incurred are only capitalised if the criteria specified in IAS 38 are met. Development costs have only been capitalised when the project is technically feasible, the intention is to complete the asset and use or sell it, the asset will generate future economic benefit and the development costs can be reliably measured. The development costs are costs directly attributable to the design and testing of software and website development. Expenditure which does not meet the criteria above is recognised in the period in which it is incurred. These assets are amortised using the straight-line method over their estimated useful lives (3-5 years). Amortisation is recognised in the consolidated income statement within cost of sales and administrative expenses.

Investment in associates

Associates are all entities over which the Group has significant influence but not control and are accounted for by the equity method of accounting, initially recognised at cost. The Group's share of associates' post-acquisition profits or losses after tax is recognised in the consolidated income statement and its share of other comprehensive income is recognised in the consolidated statement of comprehensive income.

Revenue recognition

Revenue is recognised in line with IFRS 15 and in accordance with the 5 Step model framework. Revenue primarily comprises sales of goods and services excluding sales taxes. Revenue is measured based on the consideration received, net of returns, applicable discounts and value added tax to which the Group expects to be entitled.

The sources of revenue for the Group are circulation, print advertising (including digital classified which is predominantly upsold from print), printing (including third-party printing contracts), print other (contract publishing, syndication and events) and digital (display and transactional revenue streams). Revenue is recognised when the performance obligations identified in the contract are fulfilled, with revenue being measured as the transaction price allocated in respect of that performance obligation.

Payment is received in line with the satisfaction of performance obligations. Where this is not the case, accrued or deferred revenue is recognised. The majority of customers are on a credit term of 25 to 60 days.

The Group recognises revenue when it transfers control of a product or service to a customer. The following accounting policies are applied to the principal revenue generating activities in which the Group is engaged:

Notes to the consolidated financial statements continued

3 Accounting policies continued

Other intangible assets continued

Circulation revenue

The Group sells newspapers and magazines through wholesalers on a sale and return basis. Revenue is recognised when the performance obligation has been fulfilled, being when the publication has been delivered to the wholesaler. Revenue is measured at cover price less the contractual wholesaler and retailer margins.

Print advertising revenue

Print advertising revenue includes digital classified revenue which is predominantly upsold from print advertising. Revenue comprises third-party clients and agency contracts. The performance obligation is fulfilled, and revenue is recognised, on publication of the advert. If an advertising campaign is over a period of time, revenue is recognised on a straight-line basis over the period of the campaign reflecting the pattern in which the performance obligation is fulfilled. Revenue is measured at the transaction price in the contract. Rebates are recognised based on the level of third-party spend over the contract period. Rebates are only recognised where the third party has a clear entitlement to the receipt of the rebate and a reliable estimate can be made.

Printing revenue

Printing revenue mainly comprises third-party printing contracts. Printing revenue is recognised at a point when the service is provided and the performance obligation is fulfilled. Revenue is measured at the transaction price in the contract.

Print other revenue

Print other revenue includes contract publishing, syndication and events. Within print other revenue, the performance obligation is fulfilled, and revenue is recognised, on publication of the product or holding of the event, or when the goods have been purchased by a reader or at a point when the service is provided and the performance obligation is fulfilled. Revenue is measured at the transaction price in the contract.

Digital revenue

For digital display advertising revenue, the performance obligation is fulfilled, and revenue is recognised, on publication of the advert. If an advertising campaign is over a period of time, revenue is recognised over the period of the online campaign on a straight-line basis or pages served basis reflecting the pattern in which the performance obligation is fulfilled. For digital transaction revenue, the performance obligation is fulfilled, and revenue is recognised, when the service is provided. Revenue is measured at the transaction price in the contract.

Leases

The Group as a lessee

Leases are recognised on the balance sheet as a right-of-use asset and corresponding liability at the date at which a leased asset is made available for use by the Group, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are tested for impairment if there are any indicators that the carrying amount may not be recoverable. An impairment loss is recognised in the consolidated income statement in the period in which it occurs and may be reversed in subsequent periods.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's weighted average incremental borrowing rate and subsequently held at amortised cost in accordance with IFRS 9. Finance costs are charged to the income statement over the lease term, at a constant periodic rate of interest. Right-of-use assets are depreciated over the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost.

The Group as a lessor

When the Group acts as a lessor, it determines whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment as to whether the lease transfers substantially all of the risks and rewards of ownership of the underlying asset to the lessee. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. Under IFRS 16, the Group is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment in the lease.

Foreign currency

Transactions denominated in foreign currencies are translated at the rates of exchange prevailing on the date of the transactions. At each reporting date, items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Exchange differences arising on settlement and on retranslation are included in the consolidated income statement for the period.

Notes to the consolidated financial statements continued

3 Accounting policies continued

Retirement benefits

The Group operates a number of defined benefit pension schemes, all of which have been set up under trusts that hold their financial assets independently from those of the Group and are controlled by Trustees. The amount recognised in the balance sheet in respect of defined benefit pension schemes is the present value of the defined benefit obligation at the reporting date less the fair value of scheme assets. The resultant liability or asset of each scheme is included in non-current liabilities or non-current assets as appropriate.

Any surplus recognised is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions. Where surpluses are not recognised, a liability is recognised being the value of future committed deficit contribution. The defined benefit obligation is calculated at each reporting date by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds approximating to the terms of the related pension liability.

The Group operates defined contribution pension schemes which are set up under Trusts that hold the financial assets independently from those of the Group and are controlled by Trustees. Payments to defined contribution pension schemes are charged as an expense as they fall due.

Tax

The tax expense represents the sum of the corporation tax currently payable and deferred tax.

The corporation tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated income statement except when it relates to items charged or credited in the consolidated statement of comprehensive income or items charged or credited directly to equity, in which case the deferred tax is also dealt with in the consolidated statement of comprehensive income and equity respectively.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated balance sheet at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and all directly attributable costs of bringing the asset to its location and condition necessary to operate as intended.

Depreciation is charged so as to write-off the cost, other than freehold land and assets under construction which are not depreciated, using the straight-line method over the estimated useful lives of buildings (15–67 years) and plant and equipment (3–25 years). Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation commences when the assets are ready for their intended use.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

Assets classified as held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets held for sale are not depreciated and are stated at the lower of carrying amount and fair value less costs to sell.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first in first out method.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Notes to the consolidated financial statements continued

3 Accounting policies continued

Trade receivables

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

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

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

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet the following criteria are generally not recoverable:

- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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

(a) Significant financial difficulty of the debtor;

(b) A breach of contract, such as a default or past due event; and

(c) It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Write-off policy

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

Measurement and recognition of expected credit losses

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term bank deposits with an original maturity of one week or less.

Borrowings

Sterling interest bearing loans and bank overdrafts are recorded at the proceeds received, net of direct issue costs. Foreign currency interest bearing loans are recorded at the exchange rate at the reporting date. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the consolidated income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

Trade payables

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

Notes to the consolidated financial statements continued

3 Accounting policies continued

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated balance sheet are net of allowances for doubtful receivables, estimated based on prior experience and assessment of the current economic environment.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. Provisions are made for legal and other costs in respect of historical litigation and other matters in progress and for estimated damages where it is judged probable that damages will be payable.

Share-based payments

The Group issues equity-settled benefits to certain employees. Information relating to these benefits is set out in note 32. These equity-settled share-based payments are measured at fair value at the date of grant taking advice from third-party experts. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions, with a corresponding increase in equity.

Fair value is measured by use of a stochastic (Monte-Carlo binomial) model. The expected life used in the model has been adjusted, based on the directors' best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Where the Group's own shares are purchased, the consideration paid including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are cancelled, the nominal value of shares cancelled is shown in the capital redemption reserve. Where such shares are subsequently reissued or disposed of, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders.

Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the consolidated financial statements in the period in which the dividends are approved.

Alternative performance measures

The Company presents the results on a statutory and adjusted basis and revenue trends on a statutory and like-for-like basis. The Company believes that the adjusted basis and like-for-like trends will provide investors with useful supplemental information about the financial performance of the Group, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key performance indicators used by management in operating the Group and making decisions. Although management believes the adjusted basis is important in evaluating the Group, it is not intended to be considered in isolation or as a substitute for, or as superior to, financial information on a statutory basis. The alternative performance measures are not recognised measures under IFRS and do not have standardised meanings prescribed by IFRS and may be different to those used by other companies, limiting the usefulness for comparison purposes. Note 35 sets out the reconciliation between the statutory and adjusted results. An adjusted cash flow is presented in note 36 which reconciles the adjusted operating profit to the net change in cash and cash equivalents. Set out in note 37 is the reconciliation between the statutory and adjusted cash flow. Note 38 shows the reconciliation between the statutory and like-for-like revenue.

Adjusting items

Adjusting items relate to costs or income that derive from events or transactions that fall within the normal activities of the Group, but are excluded from the Group's adjusted profit measures, individually or, if of a similar type in aggregate, due to their size and/or nature in order to better reflect management's view of the performance of the Group. The adjusted profit measures are not recognised profit measures under IFRS and may not be directly comparable with adjusted profit measures used by other companies. All operating adjusting items are recognised within administrative expenses. Details of adjusting items are set out in note 35 with additional information in notes 8 and 21.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Notes to the consolidated financial statements continued

3 Accounting policies continued

Key sources of estimation uncertainty continued

Historical Legal Issues (note 27)

The historical legal issues provision relates to the cost associated with dealing with and resolving civil claims in relation to historical phone hacking and unlawful information gathering. Previously there have been three parts to the provision: known claims, potential future claims and common court costs. The key uncertainties in relation to this matter relate to how each claim progresses, the amount of any settlement and the associated legal costs. Our assumptions have been based on historical trends, our experience and the expected evolution of claims and costs.

In December 2023, a judgment was handed down in respect of test claims and as a result all claims issued after 31 October 2020 are now likely to be dismissed other than where individuals can demonstrate specific exceptional circumstances. This has significantly reduced the amounts that are expected to be paid out and has resulted in a change to the provision estimate and a net decrease of £20.2m (2022: £11.0m increase) in the year. At the period end, a provision of £18.2m remains outstanding and this represents the current best estimate of the amount required to resolve this historical matter. The majority of the provision is expected to be utilised within the next two years.

Our view on the range of outcomes at the reporting date for the provision, applying more and less favourable outcomes to all aspects of the provision is £12m to £22m (2022: £32m to £56m). Despite making a best estimate, the timing of utilisation and ongoing legal matters related to provided for claims could mean that the final outcome is outside of the range of outcomes.

Taxation (note 11)

There is uncertainty as to the tax deductibility of expenditure relating to historical legal issues in the current year and additional tax liabilities that may fall due in relation to earlier years. At the reporting date, the maximum amount of the additional unprovided tax exposure relating to this uncertain tax item is £4.4m (2022: £8.1m). There is uncertainty as to the final outcome and timing of this item, with a possible range of outcomes for the potential tax exposure being nil to £27.8m (2022: nil to £27.2m).

Retirement benefits (note 21)

Actuarial assumptions adopted and external factors can significantly impact the surplus or deficit of defined benefit pension schemes. Valuations for funding and accounting purposes are based on assumptions about future economic and demographic variables. These result in risk of a volatile valuation deficit and the risk that the ultimate cost of paying benefits is higher than the current assessed liability value. Advice is sourced from independent and qualified actuaries in selecting suitable assumptions at each reporting date.

Impairment review (note 16)

There is uncertainty in the value-in-use calculation. The most significant area of uncertainty relates to expected future cash flows for the cash-generating unit. Determining whether the carrying values of assets in a cash-generating unit are impaired requires an estimation of the value-in-use of the cash-generating unit to which these have been allocated.

Impairment review (note 16 continued)

The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Projections are based on both internal and external market information and reflect past experience. The discount rate reflects the weighted average cost of capital of the Group.

Restructuring and property provisions (note 27)

Provisions are measured at the best estimate of the expenditure required to settle the obligation based on the assessment of the related facts and circumstances at each reporting date. There is uncertainty in relation to the size and length of property-related provisions.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, described above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Indefinite life assumption in respect of publishing rights and titles (note 16)

There is judgement required in continuing to adopt an indefinite life assumption in respect of publishing rights and titles. The directors consider publishing rights and titles (with a carrying amount of £818.7m) have indefinite economic lives due to the longevity of the brands and the ability to evolve them in an ever-changing media landscape. The brands are central to the delivery of the Customer Value Strategy which is delivering digital revenue growth. At each reporting date management review the suitability of this assumption.

Identification of cash-generating units (note 16)

There is judgement required in determining the cash-generating unit relating to our Publishing brands. At each reporting date management review the interdependency of revenues across our portfolio of Publishing brands to determine the appropriate cash-generating unit. The Group operates its Publishing brands such that a majority of the revenues are interdependent and revenue would be materially lower if brands operated in isolation. As such, management do not consider that an impairment review at an individual brand level is appropriate or practical. As the Group continues to centralise revenue generating functions and has moved to a matrix operating structure over the past few years, all of the individual brands in Publishing have increased revenue interdependency and are assessed for impairment as a single Publishing cash-generating unit.

Historical Legal Issues (note 27)

Following the judgment handed down on 15 December 2023, all claims issued after 31 October 2020 are now likely to be considered time barred and subsequently dismissed, other than where individuals can demonstrate there were exceptional circumstances why they could not have been aware of their putative claims. This has significantly reduced the amounts that are expected to be paid out and has resulted in a change to the provision estimate and a net decrease of £20.2m.

Notes to the consolidated financial statements continued

3 Accounting policies continued

Critical judgements in applying the Group's accounting policies continued

Historical Legal Issues (note 27) continued

Subsequently, the test claimants' application for permission to appeal was refused by the trial judge on 9 February 2024, with claimants having a further short period to apply for permission to appeal to the Court of Appeal. The prospects of permission being granted and a successful appeal ensuing are deemed remote and as such no contingent liability has been disclosed in the accounts.

4 Segments

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

5 Revenue

	2023 £m	2022 £m
Print	**438.8**	448.6
Circulation	**312.5**	307.7
Advertising	**76.6**	86.9
Printing	**20.2**	23.1
Other	**29.5**	30.9
Digital	**127.4**	149.8
Other	**2.4**	3.0
Total revenue	**568.6**	601.4

The Group's operations are located primarily in the UK. The Group's revenue by location of customers is set out below:

	2023 £m	2022 £m
UK	**542.4**	574.1
Europe	**25.5**	27.1
Rest of World	**0.7**	0.2
Total revenue	**568.6**	601.4

The Group has two customers (representing over 80% of the circulation revenue) where revenues represent more than 10% of total revenue.

6 Operating profit

	2023 £m	2022 £m
Operating profit for the period is arrived at after (charging)/crediting:		
Staff costs (note 7)	**(223.0)**	(234.7)
Cost of inventories recognised as cost of sales	**(67.9)**	(84.2)
Amortisation of other intangible assets (note 16)	**(4.9)**	(2.1)
Depreciation of property, plant and equipment (note 17)	**(13.9)**	(15.2)
Depreciation of right-of-use assets (note 18)	**(2.8)**	(2.9)
Trade receivables impairment (note 23)	**(0.2)**	(0.5)
Net foreign exchange (loss)/gain	**(0.7)**	0.7
Operating adjusted items (note 8)		
– excluding associates	**(48.9)**	(33.4)
– share of associates	**(1.5)**	(1.4)
Auditors' remuneration:		
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	**(0.8)**	(0.8)
Fees payable to the Company's auditors for the other services to the Group:		
– the audit of the Company's subsidiaries	**(0.5)**	(0.5)
Total audit fees	**(1.3)**	(1.3)
Non-audit fees payable to the Company's auditors for:		
– audit-related assurance services	**(0.1)**	(0.1)
Total non-audit fees	**(0.1)**	(0.1)
Total fees	**(1.4)**	(1.4)

There are also £1k of fees for other non-audit services during the year (2022: £1k).

A description of the work of the Audit & Risk Committee is set out in the Audit & Risk Committee Report on pages 96 to 103 and includes an explanation of how the objectivity and independence of the auditors are safeguarded when non-audit services are provided by the auditors.

Notes to the consolidated financial statements continued

7 Staff costs

The average monthly number of persons, including executive directors, employed by the Group in the period was:

	2023 Number	2022 Number
Production and editorial	**2,994**	3,369
Sales and distribution	**761**	916
Administration	**348**	373
Total	**4,103**	4,658

The majority of employees are primarily employed in the UK. The above excludes casual employees working for the Group during the period due to the impracticality of determining an average.

Staff costs, including directors' emoluments, incurred during the period were:

	2023 £m	2022 £m
Wages and salaries	**(183.1)**	(192.5)
Social security costs	**(21.3)**	(22.6)
Share-based payments charge in the period (note 32)	**(1.3)**	(1.5)
Pension costs relating to defined contribution pension schemes (note 21)	**(17.3)**	(18.1)
Total	**(223.0)**	(234.7)

Wages and salaries include bonuses payable in the period. Restructuring costs and the National Insurance costs relating to share awards which are included in operating adjusted items (note 8) are excluded from staff costs.

Disclosure of individual directors' remuneration, share awards, long-term incentive schemes, pension contributions and pension entitlements required by the Companies Act 2006 and those elements specified for audit by the Financial Conduct Authority are shown in the tables in the Remuneration Report on pages 104 to 126 and form part of these consolidated financial statements.

8 Operating adjusted items

	2023 £m	2022 £m
Provision for historical legal issues (note 27)	**20.2**	(11.0)
Restructuring charges in respect of cost reduction measures (note 27)	**(26.9)**	(15.5)
(Impairment of sublease)/sublet of closed print site (notes 18, 19 and 27)	**(19.4)**	16.6
Other property-related costs (note 35)	**(8.0)**	(4.6)
Pension administrative expenses and past service costs (note 21)	**(5.5)**	(14.8)
Other items (note 35)	**(9.3)**	(4.1)
Operating adjusted items included in administrative expenses	**(48.9)**	(33.4)
Operating adjusted items included in share of results of associates (note 20)	**(1.5)**	(1.4)
Total operating adjusted items	**(50.4)**	(34.8)

Operating adjusted items relate to costs or income that derive from events or transactions that fall within the normal activities of the Group, but are excluded from the Group's adjusted profit measures, individually or, if of a similar type in aggregate, due to their size and/or nature in order to better reflect management's view of the performance of the Group. The adjusted profit measures are not recognised profit measures under IFRS and may not be directly comparable with adjusted profit measures used by other companies. Set out in note 35 is the reconciliation between the statutory and adjusted results which includes descriptions of the items included in adjusted items.

The Group has recorded a £20.2m decrease (2022: £11.0m increase) in the provision for historical legal issues relating to the cost associated with dealing with and resolving civil claims in relation to historical phone hacking and unlawful information gathering (note 27). This material reduction is driven by the judgment handed down during December 2023 in respect of test claims. As a result of the ruling, all claims issued after 31 October 2020 are now likely to be dismissed other than where individuals can demonstrate specific exceptional circumstances, and therefore this has significantly reduced the amounts that are expected to be paid out.

Restructuring charges of £26.9m (2022: £15.5m) principally relate to cost management actions taken in the period.

Notes to the consolidated financial statements continued

8 Operating adjusted items continued

Following the sublet of the vacant print site during 2022 which resulted in the reversal of an impairment in right-of-use assets of £11.0m and previously onerous costs of the vacant site of £5.6m, the sub-lessee entered into administration during 2023. As a result, the corresponding £10.8m finance lease receivable has been impaired along with the subsequent recognition of onerous costs of £8.6m of the vacant site during the period.

Other property-related costs comprise the impairment of vacant freehold property costs (£4.3m), vacant freehold property-related costs (£1.4m) and onerous lease and related costs (£2.6m) less the profit on sale of assets (£0.3m). In 2022, other property-related costs related to the impairment of vacant freehold property (£4.2m) and plant and equipment (£0.8m) less the profit on sale of impaired assets (£0.4m).

Pension costs of £5.5m (2022: £14.8m) comprise pension administrative expenses (2022: £4.2m). 2022 also included £10.6m of past service costs relating to a Barber Window equalisation adjustment.

Other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.3m), adviser costs in relation to the triennial funding valuations (£2.5m), internal pension administrative expenses (£0.6m), corporate simplification costs (£0.5m), and other restructuring-related project costs (£0.7m) less a reduction in National Insurance costs relating to share awards (£0.3m). In 2022, other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.2m), adviser costs in relation to the triennial funding valuations (£1.6m), less a reduction in National Insurance costs relating to share awards (£2.7m).

9 Interest income

	2023 £m	2022 £m
Interest income on bank deposits	**0.6**	0.1
Interest on finance lease receivable	**0.4**	–
Interest income	**1.0**	0.1

10 Finance costs

	2023 £m	2022 £m
Interest and charges on borrowings	**(3.3)**	(1.8)
Interest on lease liabilities	**(1.2)**	(1.1)
Finance costs	**(4.5)**	(2.9)

11 Tax charge

	2023 £m	2022 £m
Corporation tax charge for the period	**(5.5)**	(4.5)
Prior period adjustment	**(1.1)**	(0.7)
Current tax charge	**(6.6)**	(5.2)
Deferred tax charge for the period	**(8.1)**	(9.0)
Prior period adjustment	**(1.0)**	0.3
Deferred tax rate change	**0.5**	–
Deferred tax charge	**(8.6)**	(8.7)
Tax charge	**(15.2)**	(13.9)

Notes to the consolidated financial statements continued

11 Tax charge continued

Reconciliation of tax charge	2023 £m	2022 £m
Profit before tax	**36.7**	66.2
Standard rate of corporation tax of 23.5% (2022: 19.0%)	**(8.6)**	(12.6)
Variance in overseas tax rates	**0.9**	–
Impact of change in tax rates	**0.5**	–
Tax effect of permanent items that are not included in determining taxable profit	**(5.8)**	(1.2)
Deferred tax not recognised	**(0.4)**	–
Prior period adjustment	**(2.1)**	(0.4)
Tax effect of share of results of associates	**0.3**	0.3
Tax charge	**(15.2)**	(13.9)

The standard rate of corporation tax for the period is 23.5% (2022: 19.0%). The tax effect of items that are not deductible in determining taxable profit includes certain costs where there is uncertainty as to their deductibility. The current tax receivable of £8.1m (2022: £13.9m) is net of the uncertain tax provision of £23.4m (2022: £19.1m). At the reporting date, the maximum amount of the additional unprovided tax exposure relating to an uncertain tax item is £4.4m (2022: £8.1m). There is uncertainty as to the final outcome and timing of this item, with a possible range of outcomes for the potential tax exposure being nil to £27.8m (2022: nil to £27.2m).

The tax on actuarial losses (2022: losses) on defined benefit pension schemes taken to the consolidated statement of comprehensive income is a deferred tax credit of £0.1m (2022: credit of £7.4m).

The amount taken to the consolidated income statement as a result of pension contributions was £11.4m (2022: £7.1m).

12 Dividends

	2023 Pence per share	2022 Pence per share
Amounts recognised as distributions to equity holders in the period		
Dividends paid per share – prior year final dividend	**4.46**	4.46
Dividends paid per share – interim dividend	**2.88**	2.88
Total dividends paid per share	**7.34**	7.34
Dividend proposed per share but not paid nor included in the accounting records	**4.46**	4.46

The Board proposes a final dividend for 2023 of 4.46 pence per share. An interim dividend for 2023 of 2.88 pence per share was paid on 22 September 2023 bringing the total dividend in respect of 2023 to 7.34 pence per share. The 2023 final dividend payment is expected to amount to £14.0m.

On 3 May 2023, the final dividend proposed for 2022 of 4.46 pence per share was approved by shareholders at the Annual General Meeting and was paid on 2 June 2023.

Total dividends paid in 2023 were £23.1m (2022 final dividend payment of £14.0m and 2023 interim dividend payment of £9.1m).

13 Earnings per share

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

	2023 Thousand	2022 Thousand
Weighted average number of ordinary shares for basic earnings per share	**314,206**	312,153
Effect of potential dilutive ordinary shares in respect of share awards	**2,893**	4,828
Weighted average number of ordinary shares for diluted earnings per share	**317,099**	316,981

Notes to the consolidated financial statements continued

13 Earnings per share continued

The weighted average number of potentially dilutive ordinary shares not currently dilutive was 6,328,039 (2022: 5,406,814).

Statutory earnings per share	2023 Pence	2022 Pence
Earnings per share – basic	**6.8**	16.8
Earnings per share – diluted	**6.8**	16.5

Adjusted earnings per share	2023 Pence	2022 Pence
Earnings per share – basic	**21.8**	27.1
Earnings per share – diluted	**21.6**	26.7

Set out in note 35 is the reconciliation between the statutory and adjusted results.

14 Cash flows from operating activities

	2023 £m	2022 £m
Operating profit	**46.1**	71.3
Depreciation of property, plant and equipment	**13.9**	15.2
Depreciation of right-of-use assets	**2.8**	2.9
Amortisation of other intangible assets	**4.9**	2.1
Impairment of property, plant and equipment	**4.7**	5.0
Reversal of impairment of right-of-use assets	**–**	(11.0)
Impairment of finance lease receivable	**10.8**	–
Impairment of right-of-use assets	**1.3**	–
Profit on disposal of property, plant and equipment	**(0.3)**	(0.4)
Share of results of associates	**(1.4)**	(1.4)
Share-based payments charge	**1.3**	1.5
Pension administrative expenses and past service costs	**5.5**	14.8
Operating cash flows before movements in working capital	**89.6**	100.0
Decrease/(increase) in inventories	**1.5**	(7.4)
Decrease in receivables	**9.5**	7.2
Decrease in payables	**(24.2)**	(19.7)
Cash flows from operating activities	**76.4**	80.1

15 Goodwill

	Total £m
Cost	
At 27 December 2021	189.9
At 25 December 2022	189.9
At 31 December 2023	**189.9**
Accumulated impairment	
At 27 December 2021	(154.0)
At 25 December 2022	(154.0)
At 31 December 2023	**(154.0)**
Carrying amount	
At 25 December 2022	35.9
At 31 December 2023	**35.9**

All goodwill at the reporting date relates to Publishing. Note 16 sets out the results of the impairment review at the reporting date relating to Publishing.

Notes to the consolidated financial statements continued

16 Other intangible assets

	Publishing rights and titles £m	Internally generated assets £m	Total £m
Cost			
At 27 December 2021	2,100.3	6.0	2,106.3
Additions	–	10.7	10.7
At 25 December 2022	2,100.3	16.7	2,117.0
Additions	**–**	**12.8**	**12.8**
At 31 December 2023	**2,100.3**	**29.5**	**2,129.8**
Accumulated amortisation			
At 27 December 2021	(1,281.6)	(0.4)	(1,282.0)
Charge for the period	–	(2.1)	(2.1)
At 25 December 2022	(1,281.6)	(2.5)	(1,284.1)
Charge for the period	**–**	**(4.9)**	**(4.9)**
At 31 December 2023	**(1,281.6)**	**(7.4)**	**(1,289.0)**
Carrying amount			
At 25 December 2022	818.7	14.2	832.9
At 31 December 2023	**818.7**	**22.1**	**840.8**

During the year, the Group capitalised internally generated assets relating to software and website development costs of £12.8m (2022: £10.7m). These assets are amortised using the straight-line method over their estimated useful lives (3-5 years).

Publishing rights and titles are not amortised. There is judgement required in continuing to adopt an indefinite life assumption in respect of publishing rights and titles. The directors consider publishing rights and titles (with a carrying amount of £818.7m) have indefinite economic lives due to the longevity of the brands and the ability to evolve them in an ever-changing media landscape. The brands are central to the delivery of the Customer Value Strategy which is delivering digital revenue growth. This, combined with our inbuilt and relentless focus on maximising efficiency, gives confidence that the delivery of sustainable growth in revenue, profit and cash flow is achievable in the future.

There is judgement required in determining the cash-generating units. At each reporting date management review the interdependency of revenues across our Publishing brands to determine the appropriate cash-generating unit. The Group operates its Publishing brands such that a majority of the revenues are interdependent and revenue would be materially lower if brands operated in isolation. As such, management do not consider that an impairment review at an individual brand level is appropriate or practical. As the Group continues to centralise revenue generating functions and has moved to a matrix operating structure over the past few years, all of the individual brands in Publishing have increased revenue interdependency and are assessed for impairment as a single Publishing cash-generating unit.

The Group tests the carrying value of assets at the cash-generating unit level for impairment annually or more frequently if there are indicators that assets might be impaired. The review is undertaken by assessing whether the carrying value of assets is supported by their value-in-use which is calculated as the net present value of future cash flows derived from those assets, using cash flow projections. If an impairment charge is required this is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit but subject to not reducing any asset below its recoverable amount.

Notes to the consolidated financial statements continued

16 Other intangible assets continued

The impairment review in respect of the Publishing cash-generating unit concluded that no impairment charge was required.

For the impairment review, cash flows have been prepared using the approved Budget for 2024 and projections for a further nine years as this is the period over which the transformation to digital can be assessed. The projections for 2025 to 2033 are internal projections based on continued decline in print revenues and growth in digital revenues and the associated change in the cost base as a result of the changing revenue mix, together with ongoing efficiency initiatives. These projections are used to develop the key assumption of EBITDA growth over the 10 year period. The long-term growth rates beyond the 10-year period have been assessed at 0.9% (2022: 1.0%) based on the Board's view of the market position and in light of current market expectations including the exposure to future digital growth opportunities. We continue to believe that there are significant longer-term benefits of our scale national and local digital audiences and there are opportunities to grow revenue and profit in the longer term.

The discount rate reflects the weighted average cost of capital of the Group. The current post-tax and equivalent pre-tax discount rate used is 10.2% (2022: 10.8%) and 13.6% (2022: 13.9%) respectively.

In respect of the values assigned by management to each of the above assumptions used to develop the key assumption of EBITDA growth, revenue is based on past performance and management's expectations of market development in respect of volumes and prices are based on current industry trends and long-term inflation forecasts. Sales margins are based on past performance and management's expectations for the future. Other operating costs are based on management's forecasts considering the current structure of the business, adjusting for inflationary increases and the transition of the cost base arising from the shift from print to digital. The long-term growth rate used to extrapolate cash flows beyond the budget period is based on future anticipated growth opportunities, including consideration of industry forecasts. The discount rate reflects specific risks relating to the industry in which the Group operates.

The impairment review is highly sensitive to reasonably possible changes in key assumptions used in the value-in-use calculations and there is uncertainty relating to the current challenging macroeconomic environment. The headroom in the impairment review is £53m (2022: £183m). EBITDA in the 10-year projections is forecast to grow at a CAGR of 0.2% (2022: 1.6%). Changes in one or more assumptions used to develop the EBITDA growth assumption such as print revenue declining at a faster rate than projected, digital revenue growth being significantly lower than projected or the associated change in the cost base being different than projected, could lead to a reasonably possible change in EBITDA growth. This would lead to an impairment if these resulted in the EBITDA in the 10-year projections declining at a CAGR of 0.6% (2022: decline 0.9%). Alternatively, an increase in the discount rate by 0.6 percentage points (2022: 2.4 percentage points) would lead to the removal of the headroom.

17 Property, plant and equipment

	Freehold land and buildings £m	Plant and equipment £m	Asset under construction £m	Total £m
Cost				
At 27 December 2021	204.6	360.5	2.2	567.3
Additions	–	1.7	1.3	3.0
Disposals	–	(24.0)	–	(24.0)
Reclassification	–	3.0	(3.0)	–
At 25 December 2022	204.6	341.2	0.5	546.3
Additions	**–**	**1.6**	**2.1**	**3.7**
Disposals	**(2.3)**	**(0.7)**	**–**	**(3.0)**
Reclassification	**–**	**1.1**	**(1.1)**	**–**
Transfer to assets classified as held for sale	**(46.7)**	**–**	**–**	**(46.7)**
At 31 December 2023	**155.6**	**343.2**	**1.5**	**500.3**
Accumulated depreciation and impairment				
At 27 December 2021	(99.3)	(310.7)	–	(410.0)
Charge for the period	(2.6)	(12.6)	–	(15.2)
Eliminated on disposal	–	24.0	–	24.0
Impairment	(4.2)	(0.8)	–	(5.0)
At 25 December 2022	(106.1)	(300.1)	–	(406.2)
Charge for the period	**(2.6)**	**(11.3)**	**–**	**(13.9)**
Eliminated on disposal	**1.7**	**0.7**	**–**	**2.4**
Impairment	**(4.3)**	**(0.4)**	**–**	**(4.7)**
Transfer to assets classified as held for sale	**35.7**	**–**	**–**	**35.7**
At 31 December 2023	**(75.6)**	**(311.1)**	**–**	**(386.7)**
Carrying amount				
At 25 December 2022	98.5	41.1	0.5	140.1
At 31 December 2023	**80.0**	**32.1**	**1.5**	**113.6**

Impairment of vacant freehold property of £4.3m (2022: £4.2m) (note 8) was as a result of the carrying value of certain Group properties being in excess of their market value at the reporting date. Plant and equipment was impaired by £0.4m (2022: £0.8m) in the period due to site closures and is included within onerous lease and related costs of £2.6m (note 8).

Notes to the consolidated financial statements continued

17 Property, plant and equipment continued

In 2022, £24.0m of disposals in cost and accumulated depreciation relate to the scrapping of plant and equipment as a result of the sublet of the vacant print site, which was fully impaired in 2020.

18 Right-of-use assets

	Properties £m	Vehicles £m	Total £m
Cost			
At 27 December 2021	43.1	3.4	46.5
Additions	1.1	–	1.1
Derecognition at start of sublease classified as finance lease	(14.6)	–	(14.6)
Derecognition at end of lease term	(2.2)	(0.2)	(2.4)
At 25 December 2022	27.4	3.2	30.6
Additions	**4.1**	**2.0**	**6.1**
Other movements	**0.1**	**–**	**0.1**
Derecognition at end of lease term	**(3.5)**	**(1.6)**	**(5.1)**
At 31 December 2023	**28.1**	**3.6**	**31.7**
Accumulated depreciation and impairment			
At 27 December 2021	(31.8)	(2.0)	(33.8)
Charge for the period	(2.2)	(0.7)	(2.9)
Reversal of impairment	11.0	–	11.0
Derecognition at start of sublease classified as finance lease	3.6	–	3.6
Derecognition at end of lease term	2.2	0.2	2.4
At 25 December 2022	(17.2)	(2.5)	(19.7)
Charge for the period	**(2.1)**	**(0.7)**	**(2.8)**
Impairment	**(1.3)**	**–**	**(1.3)**
Derecognition at end of lease term	**3.5**	**1.6**	**5.1**
At 31 December 2023	**(17.1)**	**(1.6)**	**(18.7)**
Carrying amount			
At 25 December 2022	10.2	0.7	10.9
At 31 December 2023	**11.0**	**2.0**	**13.0**

Other movements include the impact of changes in lease term.

In 2022, the sublet of the vacant print site which was closed in 2020 resulted in the reversal of an impairment in right-of-use assets of £11.0m (note 8). The sublet was classified as a finance lease and the net investment in the lease of £11.0m was recognised as a finance lease receivable in the consolidated balance sheet at 25 December 2022.

Amounts recognised in the consolidated income statement

The consolidated income statement includes the following amounts relating to leases:

	2023 £m	2022 £m
Depreciation of right-of-use assets	**(2.8)**	(2.9)
Impairment of right-of-use assets	**(1.3)**	–
Impairment of finance lease receivable	**(10.8)**	–
Reversal of impairment of right-of-use assets	**–**	11.0
Expenses relating to short-term leases	**(0.1)**	(0.1)
Interest on lease liabilities (included in finance cost)	**(1.2)**	(1.1)
Interest on finance lease receivable (included in interest income)	**0.4**	–
Total (charged)/credited to the consolidated income statement	**(15.8)**	6.9

Amounts recognised in the consolidated cash flow statement

The total cash outflow for leases in 2023 was £5.9m (2022: £6.7m). The total cash received in relation to the finance lease receivable in 2023 was £0.6m (2022: nil).

19 Leases

Finance lease receivable

	Properties £m	Total £m
At 27 December 2021	–	–
Recognition of receivable at commencement of sublease	11.0	11.0
At 25 December 2022	11.0	11.0
Interest income	**0.4**	**0.4**
Lease receipts	**(0.6)**	**(0.6)**
Impairment	**(10.8)**	**(10.8)**
At 31 December 2023	**–**	**–**

Notes to the consolidated financial statements continued

19 Leases continued

Finance lease receivable continued

Following the sublet of the vacant print site during 2022 under a finance lease which resulted in the recognition of a finance lease receivable of £11.0m at the commencement of the sublease, the sub-lessee has subsequently entered into administration during 2023. As a result, the corresponding £10.8m finance lease receivable has been impaired down to nil.

The finance lease receivable (net investment in the lease) included in the consolidated balance sheet is nil (2022: £11.0m).

The finance lease receivable has been analysed between current and non-current as follows:

	2023 £m	2022 £m
Current	–	0.6
Non-current	–	10.4
	–	11.0

The following table sets out the maturity analysis of finance lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2023 £m	2022 £m
Less than one year	–	1.2
One to two years	–	1.2
Two to three years	–	1.2
Three to four years	–	1.2
Four to five years	–	1.2
Greater than five years	–	9.1
Total cash flows	–	15.1
Unearned finance income	–	(4.1)
Net investment in the lease	–	11.0

Lease liabilities

Lease liabilities represent rental obligations for office properties and motor vehicles.

	Properties £m	Vehicles £m	Total £m
At 27 December 2021	(34.7)	(1.5)	(36.2)
Additions	(1.1)	–	(1.1)
Interest costs	(1.1)	–	(1.1)
Payments	6.0	0.7	6.7
At 25 December 2022	(30.9)	(0.8)	(31.7)
Additions	**(4.1)**	**(2.0)**	**(6.1)**
Interest costs	**(1.1)**	**(0.1)**	**(1.2)**
Payments	**5.2**	**0.7**	**5.9**
Other movements	**(0.1)**	**–**	**(0.1)**
At 31 December 2023	**(31.0)**	**(2.2)**	**(33.2)**

Other movements include the impact of changes in lease term.

The lease liabilities have been analysed between current and non-current as follows:

	2023 £m	2022 £m
Current	**(4.7)**	(4.9)
Non-current	**(28.5)**	(26.8)
	(33.2)	(31.7)

The Group does not face significant liquidity risk in relation to its lease liabilities.

Notes to the consolidated financial statements continued

20 Investment in associates

Details of the Group's associates at 31 December 2023 are set out on page 204.

The carrying value of investments in associates is set out below:

	PA Media 2023 £m	PA Media 2022 £m
Opening balance	**14.6**	17.4
Dividends received	**(1.9)**	(2.5)
Share of results:	**1.4**	1.4
Results before adjusted items	**2.9**	2.8
Adjusted items	**(1.5)**	(1.4)
Share of other comprehensive loss	**0.4**	(1.7)
Closing balance	**14.5**	14.6

The share of total comprehensive income from associates recognised in 2023 is £1.8m (2022: loss of £0.3m).

Information on principal associate:

Company	Country of incorporation	Class of shares	Shareholding	Accounting year end
PA Media Group Limited	UK	ordinary	25.41%	31 December

The table below provides summarised financial information for PA Media Group Limited which is material to the Group. The information disclosed reflects the amounts presented in the financial statements and management accounts of the associate as amended to reflect adjustments made when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	2023 £m	2022 £m
PA Media Group Limited		
Non-current assets	**52.7**	49.7
Current assets	**48.0**	49.1
Total assets	**100.7**	98.8
Current liabilities	**(43.8)**	(41.5)
Total liabilities	**(43.8)**	(41.5)
Net assets	**56.9**	57.3
Group's share of net assets	**14.5**	14.6
Revenue	**111.4**	105.4
Profit for the period	**5.7**	5.4
Group's share of profit for the period	**1.4**	1.4

The financial statements of PA Media Group Limited are made up to 31 December each year. For the purposes of applying the equity method of accounting, the audited financial statements of PA Media Group Limited for the year ended 31 December 2022 together with the management accounts up to the end of December 2023 have been used with appropriate year-end adjustments made. Included in the share of operating adjusted items of associates is after tax restructuring charges of £0.2m (2022: £0.1m) and after tax amortisation charges of £1.3m (2022: £1.3m). The share of other comprehensive income of £0.4m (2022: loss of £1.7m) relates primarily to pensions.

Notes to the consolidated financial statements continued

21 Retirement benefit schemes

Defined contribution pension schemes

The Group operates defined contribution pension schemes for qualifying employees, where the assets of the schemes are held separately from those of the Group in funds under the control of Trustees.

The current service cost charged to the consolidated income statement for the year of £17.3m (2022: £18.1m) represents contributions paid by the Group at rates specified in the scheme rules. All amounts that were due have been paid over to the schemes at all reporting dates.

Defined benefit pension schemes

Background

The defined benefit pension schemes operated by the Group are all closed to future accrual. The Group has six defined benefit pension schemes:

- the MGN Pension Scheme (the 'MGN Scheme'), the Trinity Retirement Benefit Scheme (the 'Trinity Scheme'), the Midland Independent Newspapers Pension Scheme (the 'MIN Scheme'), the Express Newspapers 1988 Pension Fund (the 'EN88 Scheme'), the Express Newspapers Senior Management Pension Fund (the 'ENSM Scheme') and the West Ferry Printers Pension Scheme (the 'WF Scheme').

Characteristics

The defined benefit pension schemes provide pensions to members, which are based on their final pensionable salary, normally from age 65 (although some schemes have some pensions normally payable from an earlier age) plus surviving spouses or dependants' benefits following a member's death. Benefits increase both before and after retirement either in line with statutory minimum requirements or in accordance with the scheme rules if greater. Such increases are either at fixed rates or in line with retail or consumer prices but subject to upper and lower limits. All of the schemes are independent of the Group with assets held independently of the Group. They are governed by Trustees who administer benefits in accordance with the scheme rules and appropriate UK legislation. The schemes each have a professional or experienced independent Trustee as their Chairman with generally half of the remaining Trustees nominated by the members and half by the Group.

Maturity profile and cash flow

Across all of the schemes, the uninsured liabilities related 65% to current pensioners and their spouses or dependants and 35% to deferred pensioners. The average term from the period end to payment of the remaining uninsured benefits is expected to be around 12 years. Uninsured pension payments in 2023, excluding lump sums and transfer value payments, were £75m and these are projected to rise to an annual peak in 2033 of £101m and reduce thereafter.

Funding arrangements

The funding of the Group's schemes is subject to UK pension legislation as well as the guidance and codes of practice issued by the Pensions Regulator. Funding targets are agreed between each Trustee board and the Group and are reviewed and revised usually every three years. The funding targets must include a margin for prudence above the expected cost of paying the benefits and so are different to the liability value for IAS 19 purposes. The funding deficits revealed by these triennial valuations are removed over time in accordance with an agreed recovery plan and schedule of contributions for each scheme. The latest completed valuation date for five of the Group's schemes was as at 31 December 2019, and the 31 December 2022 valuations are progressing for four of the schemes and are expected to be concluded satisfactorily by the 31 March 2024 due date. The ENSM scheme is expected to commence winding up before the statutory deadline of 31 March 2024.

The funding valuation of the MGN Scheme at 31 December 2019 and at 31 December 2022 were agreed on 9 October 2023. The funding valuation of the MGN scheme: at 31 December 2022 showed a deficit of £219.0m. The Group paid contributions of £46.0m to the MGN Scheme in 2023 and the agreed schedule of contributions includes payments of £46.0m pa from 2024 until January 2028.

The funding valuation of the Trinity Scheme at 31 December 2019 was agreed on 21 December 2022. This showed a deficit of £57.2m. The Group paid contributions of £5.2m to this scheme in 2023 and agreed an unchanged schedule of contributions of payments of £5.2m pa from 2024 to 2027.

The funding valuation of the MIN Scheme at 31 December 2019 was agreed on 3 February 2023. This showed a deficit of £73.8m. The Group paid contributions of £6.9m to this scheme in 2023 and the agreed schedule of contributions features payments of £6.9m pa in 2024 and 2025, £7.8m pa in 2026 and 2027 and £8.6m pa in 2028 and 2029.

The funding valuations of the EN88 Scheme and ENSM Scheme at 31 December 2019 were agreed on 10 December 2021. For the EN88 Scheme this showed a deficit of £25.1m. In September 2023 the EN88 Scheme agreed with the Group to divert the deficit contributions payable to the Scheme into a separate bank account held by the Group for the period from September 2023 to March 2024, or earlier if the 2022 valuation is agreed and completed. On completion of the 2022 valuation a new schedule of contributions will be agreed. If the 2022 valuation is not completed by the statutory deadline on 31 March 2024 the full balance held in the bank account and any accrued interest will be payable to the Scheme. During 2023, the Group paid contributions of £1.9m to the EN88 Scheme and £0.9m into the bank account. The agreed schedule of contributions includes payments of £2.1m to the Scheme and £0.7m into the bank account for 2024, £2.8m pa to the Scheme from 2025 to 2026 and £0.8m in 2027. During 2022, the Trustees of the ENSM Scheme purchased a bulk annuity at no cost to the Group and the scheme now has all pension liabilities covered by annuity policies and no further funding is expected.

Group contributions in respect of the defined benefit pension schemes in the year were £60.0m (2022: £55.1m).

Notes to the consolidated financial statements continued

21 Retirement benefit schemes continued

At the reporting date, the funding deficits in all schemes are expected to be removed before or around 2029 by a combination of the contributions and asset returns. Contributions (which include funding for pension administrative expenses) are payable monthly. Contributions per the current schedule of contributions are £60.9m pa (including £0.7m for the EN88 scheme to a separate bank account) in 2024, £60.9m in 2025, £61.8m in 2026, £59.8m in 2027, £12.5m in 2028 and £8.6m in 2029.

The future deficit funding commitments are linked to the three-yearly actuarial valuations. Although the funding commitments do not generally impact the IAS 19 position, IFRIC 14 guides companies to consider for IAS 19 disclosures whether any surplus can be recognised as a balance sheet asset and whether any future funding commitments in excess of the IAS 19 liability should be provisioned for. Based on its interpretation of the rules for each of the defined benefit pension schemes, the Group considers that it has an unconditional right to any potential surplus on the ultimate wind-up after all benefits to members have been paid in respect of all of the schemes except the WF Scheme. Under IFRIC 14 it is therefore appropriate to recognise any IAS 19 surpluses which may emerge in future and not to recognise any potential additional liabilities in respect of future funding commitments of all of the schemes except for the WF Scheme. For the WF Scheme at the reporting date, the assets are surplus to the IAS 19 benefit liabilities and the impact of IFRIC 14 removes this surplus. As no further contributions are expected to the WF Scheme, the Group no longer recognises a deficit of its future deficit contribution commitment to the scheme.

The calculation of Guaranteed Minimum Pension ('GMP') is set out in legislation and members of pension schemes that were contracted out of the State Earnings-Related Pension Scheme ('SERPS') between 6 April 1978 and 5 April 1997 will have built up an entitlement to a GMP. GMPs were intended to broadly replicate the SERPS pension benefits but due to their design they give rise to inequalities between men and women, in particular, the GMP for a male comes into payment at age 65 whereas for a female it comes into payment at the age of 60 and GMPs typically receive different levels of increase to non GMP benefits. On 26 October 2018, the High Court handed down its judgement in the Lloyds Trustees vs Lloyds Bank plc and Others case relating to the equalisation of member benefits for the gender effects of GMP equalisation. This judgement creates a precedent for other UK defined benefit schemes with GMPs. The judgement confirmed that GMP equalisation was required for the period 17 May 1990 to 5 April 1997 and provided some clarification on legally acceptable methods for achieving equalisation. An allowance for GMP equalisation was first included within liabilities at 30 December 2018 and was recognised as a charge for past service costs in the income statement. In 2020 further clarification was issued relating to GMP equalisation in respect of transfers out of schemes and a further allowance for GMP equalisation was included within liabilities at 27 December 2020 and was recognised as a charge for past service costs in the income statement. The estimate is subject to change as we undertake more detailed member calculations, as guidance is issued and/or as a result of future legal judgements.

Past service costs of £10.6m in 2022 related to a Barber Window equalisation adjustment identified by the Trustees of the MGN Scheme during the prior year. The impact relates to the equalisation of retirement ages to 65, which was previously implemented from 17 May 1990, rather than the date of the Deed of Amendment of the Rules which was 4 April 1991.

Risks

Valuations for funding and accounting purposes are based on assumptions about future economic and demographic variables. This results in the risk of a volatile valuation deficit and the risk that the ultimate cost of paying benefits is higher than the current assessed liability value.

The main sources of risk are:

- investment risk: a reduction in asset returns (or assumed future asset returns);
- inflation risk: an increase in benefit increases (or assumed future increases); and
- longevity risk: an increase in average life spans (or assumed life expectancy).

These risks are managed by:

- investing in insured annuity policies: the income from these policies exactly matches the benefit payments for the members covered, removing all of the above risks. At the reporting date the insured annuity policies covered 15% of total liabilities;
- investing a proportion of assets in other classes such as government and corporate bonds and in liability driven investments: changes in the values of the assets aim to broadly match changes in the values of the uninsured liabilities, reducing the investment risk, however some risk remains as the durations of the bonds are typically shorter than those of the liabilities and so the values may still move differently. At the reporting date non-equity assets amounted to 98% of assets excluding the insured annuity policies;
- investing a proportion of assets in equities: with the aim of achieving outperformance and so reducing the deficits over the long term. At the reporting date this amounted to 2% of assets excluding the insured annuity policies; and
- the gradual sale of equities over time to purchase additional annuity policies or liability matching investments: to further reduce risk as the schemes, which are closed to future accrual, mature.

Pension scheme accounting deficits are snapshots at moments in time and are not used by either the Group or Trustees to frame funding policy. The Group and Trustees seek to be aligned in focusing on the long-term sustainability of the funding policy which aims to balance the interests of the Group's shareholders and members of the schemes. The Group and Trustees also seek to be aligned in reducing pensions risk over the long term and at a pace which is affordable to the Group.

Notes to the consolidated financial statements continued

21 Retirement benefit schemes continued

The EN88 Scheme, the ENSM Scheme, the Trinity Scheme and the WF Scheme have an accounting surplus at the reporting date, before allowing for the IFRIC 14 asset ceiling. Across the MGN Scheme and the MIN Scheme, the invested assets are expected to be sufficient to pay the uninsured benefits due up to 2043, based on the reporting date assumptions. The remaining uninsured benefit payments, payable from 2044, are due to be funded by a combination of asset outperformance and the deficit contributions currently scheduled to be paid up to 2027 for the MGN Scheme and 2029 for the MIN Scheme. For the MGN Scheme and MIN Scheme, actuarial projections at the year-end reporting date show removal of the accounting deficit by the end of 2026 for the MGN Scheme and 2029 for the MIN Scheme due to scheduled contributions and asset returns at the current target rate. From this point, the assets are projected to be sufficient to fully fund the liabilities on the accounting basis. The Group is not exposed to any unusual, entity specific or scheme specific risks. Other than the impact of the Barber Window equalisation adjustment in the prior period, there were no plan amendments, settlements or curtailments in 2023 or 2022 which resulted in a pension cost.

In June 2023, the UK High Court (Virgin Media v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment is subject to appeal. The Trustees and Group are monitoring developments and will consider if there are any implications for the pension schemes, if the ruling is upheld.

Results

For the purposes of the Group's consolidated financial statements, valuations have been performed in accordance with the requirements of IAS 19 with scheme liabilities calculated using a consistent projected unit valuation method and compared to the estimated value of the scheme assets at 31 December 2023.

Based on actuarial advice, the assumptions used in calculating the scheme liabilities are:

	2023	2022
Financial assumptions (nominal % pa)		
Discount rate	**4.62**	4.90
Retail price inflation rate	**3.08**	3.29
Consumer price inflation rate	**1.0% pa lower than RPI to 2030 and equal to RPI thereafter**	1.0% pa lower than RPI to 2030 and equal to RPI thereafter
Rate of pension increases in deferment	**2.71**	2.90
Rate of pension increases in payment	**3.34**	3.38
Mortality assumptions – future life expectancies from age 65 (years)		
Male currently aged 65	**21.4**	21.6
Female currently aged 65	**23.7**	24.0
Male currently aged 55	**21.0**	21.3
Female currently aged 55	**24.2**	24.5

The defined benefit pension liabilities are valued using actuarial assumptions about future benefit increases and scheme member demographics, and the resulting projected benefits are discounted to the reporting date at appropriate corporate bond yields. For 2022 and 2023, the financial assumptions have been derived as a yield curve with different rates per year, with the figures in the table above representing a weighted average of these rates across all of the schemes. This is considered to be a more robust and accurate approach to setting assumptions as it allows for each scheme's individual circumstances, rather than considering the schemes in aggregate as has been done in the past.

The discount rate should be chosen to be equal to the yield available on 'high quality' corporate bonds of appropriate term and currency. For 2022 and 2023, the discount rate has been set as the full corporate bond yield curve.

Notes to the consolidated financial statements continued

21 Retirement benefit schemes continued

Results continued

The inflation assumptions are based on market expectations over the period of the liabilities. For 2022 and 2023, the inflation assumptions have been set using the full inflation curve. The RPI assumption is set based on the break-even RPI inflation curve with a margin deducted. This margin, called an inflation risk premium, reflects the fact that the RPI market implied inflation curve can be affected by market distortions and as a result it is thought to overstate the underlying market expectations for future RPI inflation. Allowing for the extent of RPI linkage on the schemes' benefits pre and post 2030, the average inflation risk premium has been set at 0.2% per annum to 2030 and 0.4% per annum thereafter. The CPI assumption is set based on a margin deducted from the RPI assumption, due to lack of market data on CPI expectations. Following the UK Statistics Authority's announcement of the intention to align RPI with CPIH from 2030 the assumed gap between RPI and CPI inflation is 1.0% per annum up to 2030 and 0.0% per annum beyond 2030, consistent with 2022.

The estimated impacts on the IAS 19 liabilities and on the IAS 19 deficit at the reporting date, due to a reasonably possible change in key assumptions over the next year, are set out in the table below:

	Effect on liabilities £m	Effect on deficit £m
Discount rate +/- 1.0% pa	-185/+225	-165/+200
Retail price inflation rate +/- 0.5% pa	+24/-24	+15/-15
Consumer price inflation rate +/- 0.5% pa	+24/-22	+23/-20
Life expectancy at age 65 +/- 1 year	+80/-85	+70/-70

The RPI sensitivity impacts the rate of increases in deferment for some of the pensions in the EN88 Scheme and some of the pensions in payment for all schemes except the MGN Scheme. The CPI sensitivity impacts the rate of increases in deferment for some of the pensions in most schemes and the rate of increases in payment for some of the pensions in payment for all schemes.

The effect on the deficit is usually lower than the effect on the liabilities due to the matching impact on the value of the insurance contracts held in respect of some of the liabilities. Each assumption variation represents a reasonably possible change in the assumption over the next year but might not represent the actual effect because assumption changes are unlikely to happen in isolation.

The estimated impact of the assumption variations makes no allowance for changes in the values of invested assets that would arise if market conditions were to change in order to give rise to the assumption variation. If allowance were made, the estimated impact would likely be lower as the values of invested assets would normally change in the same directions as the liability values.

The amounts included in the consolidated income statement, consolidated statement of comprehensive income and consolidated balance sheet arising from the Group's obligations in respect of its defined benefit pension schemes are as follows:

Consolidated income statement	**2023 £m**	2022 £m
Pension administrative expenses	**(5.5)**	(4.2)
Past service costs	**–**	(10.6)
Pension finance charge	**(5.9)**	(2.3)
Defined benefit cost recognised in income statement	**(11.4)**	(17.1)

Consolidated statement of comprehensive income	**2023 £m**	2022 £m
Actuarial gain/(loss) due to liability experience	**14.1**	(60.1)
Actuarial (loss)/gain due to liability assumption changes	**(6.9)**	940.4
Total liability actuarial gain	**7.2**	880.3
Returns on scheme assets less than discount rate	**(8.7)**	(915.9)
Impact of IFRIC 14	**1.0**	0.6
Total loss recognised in statement of comprehensive income	**(0.5)**	(35.0)

Notes to the consolidated financial statements continued

21 Retirement benefit schemes continued

Results continued

Consolidated balance sheet	2023 £m	2022 £m
Present value of uninsured scheme liabilities	(1,557.7)	(1,571.5)
Present value of insured scheme liabilities	(277.9)	(288.5)
Total present value of scheme liabilities	(1,835.6)	(1,860.0)
Invested and cash assets at fair value	1,455.1	1,421.8
Value of liability matching insurance contracts	277.9	288.5
Total fair value of scheme assets	1,733.0	1,710.3
Funded deficit	(102.6)	(149.7)
Impact of IFRIC 14	(0.2)	(1.2)
Net scheme deficit	**(102.8)**	(150.9)
Non-current assets – retirement benefit assets	66.0	51.2
Non-current liabilities – retirement benefit obligations	(168.8)	(202.1)
Net scheme deficit	**(102.8)**	(150.9)
Net scheme deficit included in consolidated balance sheet	(102.8)	(150.9)
Deferred tax included in consolidated balance sheet	25.7	37.0
Net scheme deficit after deferred tax	**(77.1)**	(113.9)

Movement in net scheme deficit	2023 £m	2022 £m
Opening net scheme deficit	(150.9)	(153.9)
Contributions	60.0	55.1
Consolidated income statement	(11.4)	(17.1)
Consolidated statement of comprehensive income	(0.5)	(35.0)
Closing net scheme deficit	**(102.8)**	(150.9)

Changes in the present value of scheme liabilities	2023 £m	2022 £m
Opening present value of scheme liabilities	(1,860.0)	(2,788.4)
Past service costs	–	(10.6)
Interest cost	(88.5)	(49.9)
Actuarial gain/(loss) – experience	14.1	(60.1)
Actuarial gain – change to demographic assumptions	35.7	6.7
Actuarial (loss)/gain – change to financial assumptions	(42.6)	933.7
Benefits paid	105.7	108.6
Closing present value of scheme liabilities	**(1,835.6)**	(1,860.0)

Impact of IFRIC 14	2023 £m	2022 £m
Opening impact of IFRIC 14	(1.2)	(1.8)
Decrease in impact of IFRIC 14	1.0	0.6
Closing impact of IFRIC 14	**(0.2)**	(1.2)

Changes in the fair value of scheme assets	2023 £m	2022 £m
Opening fair value of scheme assets	1,710.3	2,636.3
Interest income	82.6	47.6
Actual return on assets less than discount rate	(8.7)	(915.9)
Contributions by employer	60.0	55.1
Benefits paid	(105.7)	(108.6)
Administrative expenses	(5.5)	(4.2)
Closing fair value of scheme assets	**1,733.0**	1,710.3

Notes to the consolidated financial statements continued

21 Retirement benefit schemes continued

Fair value of scheme assets	2023 £m	2022 £m
UK equities	**2.2**	27.5
Other overseas equities	**32.5**	76.9
Property	**28.3**	33.2
Corporate bonds	**279.0**	315.9
Fixed interest gilts	**1.1**	6.7
Liability driven investment	**1,029.2**	816.5
Cash and other	**82.8**	145.1
Invested and cash assets at fair value	**1,455.1**	1,421.8
Value of insurance contracts	**277.9**	288.5
Fair value of scheme assets	**1,733.0**	1,710.3

The assets of the schemes are primarily held in pooled investment vehicles which are unquoted. The pooled investment vehicles hold both quoted and unquoted investments. Scheme assets include neither direct investments in the Company's ordinary shares nor any property assets occupied nor other assets used by the Group.

22 Inventories

	2023 £m	2022 £m
Raw materials and consumables	**11.4**	12.9

23 Trade and other receivables

Trade and other receivables	2023 £m	2022 £m
Gross trade receivables	**58.8**	56.6
Expected credit loss	**(1.0)**	(1.4)
Net trade receivables	**57.8**	55.2
Prepayments	**9.6**	12.7
Accrued income	**13.2**	20.9
Other receivables	**4.5**	6.4
	85.1	95.2

Net trade receivables

Trade receivables net of expected credit loss at the reporting date amounted to £57.8m (2022: £55.2m). The average credit period taken on sales is 38 days (2022: 34 days). No interest is charged on the receivables.

Before accepting any new customers, the Group, where appropriate, uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed during the period where appropriate. There are two (2022: two) customers who individually represent more than 10% of net trade receivables. Included in the net trade receivables balance are debtors with a carrying amount of £3.6m (2022: £4.6m) which are past their due date at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 92 days (2022: 89 days).

Ageing of past due receivables	2023 £m	2022 £m
60–90 days	**1.8**	2.9
90–120 days	**1.3**	0.7
120 days+	**0.5**	1.0
	3.6	4.6

Movement in allowance for doubtful debts	2023 £m	2022 £m
Opening balance	**1.4**	1.1
Impairment losses recognised	**0.2**	0.5
Utilisation of provision	**(0.6)**	(0.2)
Closing balance	**1.0**	1.4

Ageing of impaired receivables	2023 £m	2022 £m
120+ days	**1.0**	1.4
	1.0	1.4

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

Notes to the consolidated financial statements continued

24 Net cash/(debt)

The net cash/(debt) for the Group is as follows:

	26 December 2022 £m	Cash flow £m	Loan drawdown £m	IFRS 16 lease liabilities movement: Interest £m	New leases £m	Other movements £m	31 December 2023 £m
Liabilities from financing activities							
Borrowings	(15.0)	–	(15.0)	–	–	–	(30.0)
Lease liabilities	(31.7)	5.9	–	(1.2)	(6.1)	(0.1)	(33.2)
	(46.7)	**5.9**	**(15.0)**	**(1.2)**	**(6.1)**	**(0.1)**	**(63.2)**
Current assets							
Cash and cash equivalents	40.4	(35.5)	15.0	–	–	–	19.9
Net cash less lease liabilities	**(6.3)**						**(43.3)**
Net cash/(debt)	**25.4**	**(35.5)**	**–**	**–**	**–**	**–**	**(10.1)**

	27 December 2021 £m	Cash flow £m	Loan drawdown £m	IFRS 16 lease liabilities movement: Interest £m	New leases £m	25 December 2022 £m
Liabilities from financing activities						
Borrowings	–	–	(15.0)	–	–	(15.0)
Lease liabilities	(36.2)	6.7	–	(1.1)	(1.1)	(31.7)
	(36.2)	6.7	(15.0)	(1.1)	(1.1)	(46.7)
Current assets						
Cash and cash equivalents	65.7	(40.3)	15.0	–	–	40.4
Net cash less lease liabilities	29.5					(6.3)
Net cash	65.7	(40.3)	–	–	–	25.4

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of one week or less. The carrying amount of these assets approximates their fair value. The cash and cash equivalents disclosed above and in the statement of cash flows include £0.9m of restricted cash relating to potential pension contributions to the EN88 Scheme if the funding is deemed required (note 21). This is not available for general use within the Group.

The Group has a revolving credit facility of £120.0m which expires on 19 November 2026. The Group had drawings of £30.0m, at the reporting date. The facility is subject to two covenants: Interest Cover and Net Debt to EBITDA, both of which were met at the reporting date.

Acquisition deferred consideration

In 2022, deferred consideration (which is shown separately on the face of the consolidated balance sheet) was in respect of the acquisition of Express & Star. Payment of the first instalment of £18.9m was made on 28 February 2020. The second instalment of £16.0m was made on 28 February 2021 and the third instalment of £17.1m was made on 28 February 2022. The remaining amount of £7.0m was paid on 28 February 2023. There were no conditions attached to the payment of the deferred consideration and the transaction was structured such that no interest accrued on these payments. However, under the sale and purchase agreement the Group has the right to offset agreed claims arising from a breach of warranties and indemnities and can also offset any shortfalls on the contracted advertising from the Health Lottery. The deferred consideration was not discounted as we did not believe that the impact of such discounting was material. At the reporting date, there was no deferred consideration balance remaining.

25 Assets classified as held for sale

At 31 December 2023, three properties were recognised as assets classified as held for sale with a total carrying value of £11.0m. As part of measuring the properties at the lower of their carrying amount and fair value less costs to sell, a £2.7m impairment loss has been recognised within impairment of vacant freehold property costs (note 8). The fair value was determined by the sale price or the value of offers received on the property. One of these properties has been sold since the year end and the remaining two properties are expected to complete within the next 12 months.

26 Trade and other payables

Trade and other payables	**2023 £m**	2022 £m
Trade payables	**(19.5)**	(26.9)
Social security and other taxes	**(6.4)**	(6.4)
Accruals	**(36.7)**	(39.2)
Deferred income	**(10.4)**	(11.6)
Other payables	**(24.3)**	(27.1)
	(97.3)	(111.2)

Notes to the consolidated financial statements continued

26 Trade and other payables continued

The trade and other payables have been analysed between current and non-current as follows:

	2023 £m	2022 £m
Current	**(96.2)**	(106.7)
Non-current	**(1.1)**	(4.5)
	(97.3)	(111.2)

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 28 days (2022: 37 days). For most suppliers no interest is charged on the trade payables for the first 60 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The carrying amount of trade payables approximates to their fair value.

27 Provisions

	Share-based payments £m	Property £m	Restructuring £m	Historical legal issues £m	Other £m	Total £m
At 26 December 2022	(0.9)	(9.4)	(6.6)	(43.0)	(3.0)	(62.9)
Charged to income statement	**(0.1)**	**(10.3)**	**(27.0)**	**(5.9)**	**(0.8)**	**(44.1)**
Released to income statement	**0.3**	**0.2**	**0.1**	**26.1**	**0.1**	**26.8**
Utilisation of provision	**0.2**	**2.4**	**18.8**	**4.6**	**1.5**	**27.5**
Reclassification	**–**	**(2.0)**	**2.0**	**–**	**–**	**–**
At 31 December 2023	**(0.5)**	**(19.1)**	**(12.7)**	**(18.2)**	**(2.2)**	**(52.7)**

The provisions have been analysed between current and non-current as follows:

	2023 £m	2022 £m
Current	**(26.1)**	(26.3)
Non-current	**(26.6)**	(36.6)
	(52.7)	(62.9)

The share-based payments provision relates to National Insurance obligations attached to the future crystallisation of awards. This provision will be utilised over the next three years.

The property provision relates to property-related onerous contracts and onerous committed costs related to vacant properties. The provision will be utilised over the remaining term of the leases or expected period of vacancy.

The restructuring provision relates to restructuring charges incurred in the delivery of cost reduction measures. The net charge of £26.9m principally relates to cost management actions taken in the period (note 8). The severance costs provision is expected to be utilised within the next year. A provision of £2.0m for closure costs relating to a print plant has been reclassified to property to better reflect the nature of the provision.

The historical legal issues provision relates to the cost associated with dealing with and resolving civil claims in relation to historical phone hacking and unlawful information gathering. Previously there have been three parts to the provision: known claims, potential future claims and common court costs. The key uncertainties in relation to this matter relate to how each claim progresses, the amount of any settlement and the associated legal costs. Our assumptions have been based on historical trends, our experience and the expected evolution of claims and costs. The known and common costs part of the provision is calculated using the most likely outcome method, with the expected value method being used previously for the potential claims provision.

In December 2023, a judgment was handed down in respect of test claims and as a result all claims issued after 31 October 2020 are now likely to be dismissed other than where individuals can demonstrate specific exceptional circumstances. This has significantly reduced the amounts that are expected to be paid out and has resulted in a change to the provision estimate and a net decrease of £20.2m (2022: £11.0m increase) in the year. At the period end, a provision of £18.2m remains outstanding and this represents the current best estimate of the amount required to resolve this historical matter. The majority of the provision is expected to be utilised within the next two years (2022: three years).

Our view on the range of outcomes at the reporting date for the provision, applying more and less favourable outcomes to all aspects of the provision is £12m to £22m (2022: £32m to £56m). Despite making a best estimate, the timing of utilisation and ongoing legal matters related to provided for claims could mean that the final outcome is outside of the range of outcomes. Successful appeal is considered remote.

The other provision balance of £2.2m at the period end relates to libel and other matters and is expected to be utilised over the next two years.

Notes to the consolidated financial statements continued

28 Deferred tax assets and liabilities

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon:

	Accelerated tax depreciation £m	Tax losses £m	Other short-term timing £m	Intangibles £m	Retirement benefit obligations £m	Share-based payments £m	Total £m
At 27 December 2021	(22.8)	–	(1.3)	(204.7)	36.7	4.0	(188.1)
Credit/(charge) to consolidated income statement	0.9	–	(1.6)	–	(7.1)	(0.9)	(8.7)
Credit to other comprehensive income statement	–	–	–	–	7.4	–	7.4
Charge to statement of changes in equity	–	–	–	–	–	(2.2)	(2.2)
At 25 December 2022	(21.9)	–	(2.9)	(204.7)	37.0	0.9	(191.6)
Credit/(charge) to consolidated income statement	**1.3**	**3.1**	**(1.2)**	**–**	**(11.4)**	**(0.4)**	**(8.6)**
Credit to other comprehensive income statement	**–**	**–**	**–**	**–**	**0.1**	**–**	**0.1**
At 31 December 2023	**(20.6)**	**3.1**	**(4.1)**	**(204.7)**	**25.7**	**0.5**	**(200.1)**

All deferred tax relates to the UK and therefore the Group has a legally enforceable right to offset the deferred tax assets and deferred tax liabilities. The Group has unrecognised capital losses of £38.3m (2022: £37.5m) at the reporting date.

Certain deferred tax assets will unwind within 12 months of the year end. The following sets out the expected unwind profile:

	Accelerated tax depreciation £m	Tax losses £m	Other short-term timing £m	Intangibles £m	Retirement benefit obligations £m	Share-based payments £m	Total £m
Within one year	**(1.3)**	**3.1**	**(0.9)**	**–**	**11.2**	**(0.2)**	**11.9**
More than one year	**(19.3)**	**–**	**(3.2)**	**(204.7)**	**14.5**	**0.7**	**(212.0)**
At 31 December 2023	**(20.6)**	**3.1**	**(4.1)**	**(204.7)**	**25.7**	**0.5**	**(200.1)**

Notes to the consolidated financial statements continued

29 Share capital and reserves

	Share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	(Accumulated loss)/retained earnings and other reserves £m	Total £m
At 27 December 2021	32.2	605.4	17.4	4.4	(20.6)	638.8
Total comprehensive income for the period	–	–	–	–	23.0	23.0
Purchase of own shares	–	–	–	–	(1.0)	(1.0)
Credit to equity for equity-settled share-based payments	–	–	–	–	1.8	1.8
Deferred tax charge for equity-settled share-based payments	–	–	–	–	(2.2)	(2.2)
Dividends paid	–	–	–	–	(22.9)	(22.9)
At 25 December 2022	32.2	605.4	17.4	4.4	(21.9)	637.5
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**21.5**	**21.5**
Credit to equity for equity-settled share-based payments	**–**	**–**	**–**	**–**	**1.3**	**1.3**
Dividends paid	**–**	**–**	**–**	**–**	**(23.1)**	**(23.1)**
Capital reduction	**–**	**(605.4)**	**–**	**–**	**605.4**	**–**
At 31 December 2023	**32.2**	**–**	**17.4**	**4.4**	**583.2**	**637.2**

Notes to the consolidated financial statements continued

29 Share capital and reserves continued

The share capital comprises 322,085,269 (2022: 322,085,269) allotted, called up and fully paid ordinary shares of 10p each.

The share premium account reflects the premium on issued ordinary shares. The merger reserve comprises the premium on the shares allotted in relation to the acquisition of Express & Star. The capital redemption reserve represents the nominal value of the shares purchased and subsequently cancelled under share buy-back programmes.

The Company holds 4,110,884 shares as Treasury shares (2022: 5,014,410 shares). In 2023, 903,526 shares were withdrawn from Treasury to satisfy the vesting of awards granted in 2020 under the Reach Long Term Incentive Plan and buy-out awards granted in 2023.

Cumulative goodwill written off to accumulated loss and other reserves in respect of continuing businesses acquired prior to 1998 is £25.9m (2022: £25.9m). On transition to IFRS, the revalued amounts of freehold properties were deemed to be the cost of the asset and the revaluation reserve has been transferred to accumulated loss and other reserves.

Shares purchased by the Trinity Mirror Employees' Benefit Trust are included in retained earnings and other reserves at £3.8m (2022: £3.9m). In 2022 the Trust purchased 521,310 shares for a cash consideration of £1.0m. The Trust received a payment of £1.0m from the Company to purchase these shares. During the year, 1,229,928 were released relating to grants made in prior years (2022: 2,621,142).

30 Share capital

	2023 Number	**2023 £m**	2022 Number	2022 £m
Allotted, called up and fully paid ordinary shares of 10 pence each				
Opening balance and closing balance	**322,085,269**	**32.2**	322,085,269	32.2

The Company has one class of share capital, being ordinary shares with a nominal value of 10 pence each. The Company's ordinary shares give the shareholders equal rights to vote, receive dividends and to the repayment of capital. There are no restrictions on these shares in relation to the distribution of dividends and the repayment of capital.

The lowest closing price of the shares during the year was 66.05 pence on 13 December 2023 (2022: 67.1 pence on 29 September 2022) and the highest closing price was 110.8 pence on 9 January 2023 (2022: 282.5 pence on 31 December 2021). The closing share price as at the reporting date was 74.9 pence (2022: 94.9 pence).

Trinity Mirror Employees' Benefit Trust

The Trinity Mirror Employees' Benefit Trust ('the Trust') is established in Jersey and is administered by the Trustee Estera Trust (Jersey) Limited. The Trust holds shares of the Company for subsequent transfer to employees under the terms of the Group's share plans.

At the reporting date, the Trust held 3,271,758 shares (2022: 3,503,358 shares) with a carrying value of £3,846,792 (2022: £3,854,995) and a market value of £2,450,547 (2022: £3,324,687). In addition, the Trust holds cash to purchase future shares of £5,707 (2022: £6,256). The costs associated with the Trust are included in the consolidated income statement as they accrue. Shares held by the Trust have been excluded from the weighted average number of shares used in the calculation of earnings per share.

Notes to the consolidated financial statements continued

30 Share capital continued

TIH Employee Benefit Trust

An Employee Benefit Trust administered by the Trustee Zedra Trust Company (Guernsey) Limited held shares of the Company for subsequent transfer to employees under a Restricted Share Plan. The TIH Employee Benefit Trust was wound up on 31 August 2023, and the 94,740 shares held in this trust were transferred to the Trinity Mirror Employees' Benefit Trust. As a result, at the reporting date, nil shares (2022: 94,740 shares) were held with a carrying value of nil (2022: £445,523) and a market value of nil (2022: £89,908), none of which (2022: none) had options granted over them under the Restricted Share Plan.

31 Share premium account

	2023 £m	2022 £m
Opening balance	605.4	605.4
Capital reduction	(605.4)	–
Closing balance	**–**	605.4

On 18 December 2023, a capital reduction of £605.4m became effective. The balance on the share premium account of £605.4m was cancelled, creating distributable reserves of the same amount within retained earnings.

32 Share-based payments

The charge related to share-based payments during the period was £1.3m (2022: £1.5m).

Long Term Incentive Plan

Under these schemes, the Remuneration Committee can recommend the grant of awards of shares to an eligible employee. Full details of how the schemes operate are explained in the Remuneration Report on pages 104 to 126. The vesting period is three years and is subject to continued employment of the participant. The Performance Shares granted in 2022 vest if targets measuring the Company's share price, net cash flow and ARPU are met. The Performance Shares granted in 2023 vest if targets measuring the Company's share price, ARPU and RPM are met.

	2023 Performance Shares	2022 Performance Shares
Awards outstanding at start of period	**8,111,869**	8,897,087
Granted during the period	4,709,530	1,923,861
Dividend accrued granted during the period	1,775	714
Lapsed during the period	(2,699,235)	(177,841)
Exercised during the period	(1,076,253)	(2,531,952)
Awards outstanding at end of period	**9,047,686**	8,111,869

During the year, awards relating to 1,623,678 shares were granted to executive directors on a discretionary basis under the Long Term Incentive Plan (2022: 667,448). The exercise price of each award is £1 for each block of awards granted. The awards vest after three years, subject to the continued employment of the participant and satisfaction of certain performance conditions, and are required to be held for a further two years.

During the year, awards relating to 3,085,852 shares were granted to senior managers on a discretionary basis under the Long Term Incentive Plan (2022: 1,256,413). The exercise price of each award is £1 for each block of awards granted. The awards vest after three years, subject to the continued employment of the participant and satisfaction of certain performance conditions.

The average exercise period of awards outstanding at the reporting date is 12 months (2022: 12 months). The share price at the date of grant for the Performance Shares was 75.8 pence for 4,591,398 shares and 82.95 pence for 118,132 shares (2022: 168.6 pence for 1,805,312 shares and 70.2 pence for 118,549 shares). The weighted average share price at the date of lapse for awards lapsed during the period was 75.8 pence (2022: 127.9 pence). The weighted average share price at the date of exercise for awards exercised during the period was 75.6 pence (2022: 119.0 pence).

The estimated fair values at the date of grant of the shares awarded are as follows:

	Awarded in 2023 £	Awarded in 2022 £	Awarded in 2021 £	Awarded in 2020 £	Awarded in 2019 £
Performance Shares	2,455,648	1,919,693	2,881,556	2,420,546	1,695,375

During the period, awards relating to 394,666 shares were granted to an executive director under the Long Term Incentive Plan representing a buy-out of awards that were forfeited on joining the Group. The awards vest in line with the original vesting dates of the forfeited awards, subject to the continued employment up to the relevant vesting dates. 95,760 of these shares had a vesting date in 2023.

Save As You Earn Plan

In 2021, awards relating to 1,500,736 shares were granted to employees on a discretionary basis under the Save As You Earn Plan. The exercise price of each award is 246.0 pence. The awards vest after three years, subject to the continued employment of the participant. The estimated fair value of the options was £1,753,760.

Notes to the consolidated financial statements continued

32 Share-based payments continued

The fair values for the Performance Shares and Save As You Earn Plan were calculated using a stochastic (Monte-Carlo binomial) model at the date of grant. The inputs to the model for awards from 2020 were as follows:

	Performance Shares 2023 12 October 2023	**Performance Shares 2023 13 April 2023**	Performance Shares 2022 12 October 2022	Performance Shares 2022 11 April 2022	Save As You Earn Plan 2021 14 July 2021	Performance Shares 2021 11 May 2021	Performance Shares 2020 3 April 2020	Performance Shares 2020 27 March 2020
Expected volatility (%)	**62.2**	**63.5**	65.4	58.9	50.8	54.0	43.8	43.4
Expected life (years)	**2.5**	**3.0**	2.5	3.0	3.4	3.0	3.0	3.0
Risk-free (%)	**4.5**	**3.5**	4.1	1.7	0.2	0.1	0.1	0.1

Expected volatility has been determined by calculating the historical volatility of the Company's share price over the three-year period prior to the grant date. The exercise price used in the model is nil as the exercise price of the granted awards is £1 for each block of awards granted.

Restricted Share Plan

During the year, no awards relating to shares were granted to executive directors under the Restricted Share Plan (2022: 121,575 shares). The award vests after three years.

33 Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through an optimal balance of bank debt and equity. The capital structure of the Group consists of:

- bank debt and facilities (note 24);
- cash and cash equivalents (note 24); and
- equity attributable to equity holders of the parent comprising share capital and reserves (note 29).

The Group's Dividend Policy is set out on page 134 of the Directors' Report.

The Group monitors its capital allocation and there are no changes from the previous year.

The Board reviews the capital structure, including the level of gearing and interest cover, as required. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

The Group has a revolving credit facility of £120.0m which expires on 19 November 2026. The Group had drawings of £30.0m at the reporting date. The facility is subject to two covenants: interest cover and net debt to EBITDA, both of which were met at the reporting date. The revolving credit facility is held by the parent company.

The net debt to EBITDA and interest cover at the reporting date were as follows:

	2023 £m	2022 £m
Net debt	**(10.1)**	–
Adjusted EBITDA (note 36)	**118.1**	126.3
Net debt to EBITDA	**0.1**	n/a
Adjusted operating profit	**96.5**	106.1
Interest and charges on borrowings	**(3.3)**	(1.8)
Interest cover	**29.2**	58.9

Net debt is defined as long-term and short-term borrowings (excluding leases under IFRS 16) less cash and cash equivalents. EBITDA and operating profit are before operating adjusted items. Total interest expense is interest on borrowings (excluding interest on leases under IFRS 16).

Externally imposed capital requirement

The Group is subject to externally imposed capital requirements which are financial covenants under the revolving credit facility, all of which were met at the reporting date. The financial covenants are tested on a half-yearly basis.

33 Financial instruments continued

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 3.

Categories of financial instruments

The Group recognises the following financial instruments on its balance sheet which are held at amortised cost.

	notes	2023 £m	2022 £m
Financial assets			
Net trade receivables	23	**57.8**	55.2
Accrued income	23	**13.2**	20.9
Other receivables	23	**4.5**	6.4
Finance lease receivable	19	**–**	11.0
Cash and cash equivalents	24	**19.9**	40.4
		95.4	133.9
Financial liabilities			
Trade payables	26	**(19.5)**	(26.9)
Accruals	26	**(36.7)**	(39.2)
Other payables	26	**(24.3)**	(27.1)
Deferred consideration	24	**–**	(7.0)
Borrowings	24	**(30.0)**	(15.0)
Lease liabilities	19	**(33.2)**	(31.7)
		(143.7)	(146.9)

Financial risk management objectives

The Group's Treasury function provides services to the business, co-ordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the Group through regular meetings with the Chief Financial Officer and by analysing exposures by degree and magnitude of risk. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments where appropriate to hedge these exposures. The use of financial derivatives is governed by policies approved by the Board, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group did not enter into any derivative financial instruments in 2023 (2022: none).

The Group's Treasury function provides regular updates to the Board covering compliance with covenants and other Treasury-related matters.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts where appropriate.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2023 £m	2022 £m	2023 £m	2022 £m
Euro	**–**	–	**1.4**	1.1
US$	**–**	–	**0.3**	0.2

33 Financial instruments continued

Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro and US$.

The Euro exposure arises on sales of newspapers in Europe and from costs relating to our office in Dublin. The Euro and US$ sales represent less than 1% (2022: less than 1%) of Group revenue. Euro and US$ balances are kept on deposit and used to fund Euro and US$ costs. When Euros or US$s on deposit build to a target balance they are converted into Sterling. The Group does not hedge the Euro and US$ income or deposits because the risk of foreign exchange movements is not deemed to be significant.

The Group's sensitivity to a 10% increase and decrease in the Sterling rate against the Euro and US$ impacts profit by £0.2m (2022: £0.1m) and equity by nil (2022: nil). A 10% movement in exchange rates based on the level of foreign currency denominated monetary assets and liabilities represents the assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts only to cover specific foreign currency payments such as significant capital expenditure. During the current and prior period no contracts were entered into.

Interest rate risk management

The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by considering the appropriate mix between fixed and floating rate borrowings and if appropriate, by the use of interest rate swaps contracts and forward interest rate contracts. During the current and prior period no contracts were entered into.

Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through interest rate cycles.

The Group's exposures to interest rates on the financial assets and liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared using the Group's monthly cash forecasting model. A 1% increase in interest rates has been used and represents the assessment of a reasonably possible change.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit for the period would decrease/increase by £0.5m (2022: £0.3m). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Other price risks

The Group has no significant listed equity investments and is not directly exposed to equity price risk. The Group has indirect exposure through its defined benefit pension schemes.

Credit risk management

Credit risk refers to the risk that a counterparty with the Group will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, with the exception of exceptional circumstances, such as the financial crisis in the past, and the Group only transacts with financial institutions that are rated the equivalent to investment grade and above. This information is supplied by independent rating agencies where available and, if not, the Group uses other publicly available financial information and its own trading records to rate its major customers. As a result the credit risk is deemed to be low. The Group's exposure and credit ratings of its counterparties are reviewed by the Chief Financial Officer and where material the Board at appropriate times and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers spread across diverse sectors. Ongoing credit evaluation is performed on the financial condition of trade receivables. Other than two customers representing more than 10% of net trade debtors, the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Notes to the consolidated financial statements continued

33 Financial instruments continued

Credit risk management continued

The Group defines counterparties as having similar characteristics if they are connected entities. Concentration of credit risk with a single counterparty is limited by reference to the long-term credit ratings assigned for that counterparty by Standard and Poor's. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group's cash and cash equivalents of £19.9m (2022: £40.4m) is held with counterparties with a minimum Standard and Poor's credit rating of A. The Group monitors the exposure and credit rating of its counterparties on a regular basis.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Liquidity risk management

Liquidity risk results from having insufficient financial resources to meet day-to-day fluctuations in working capital and cash flow. Ultimate responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities, which include deferred consideration payments as set out in note 24.

Liquidity risk

At the reporting date the Group has a £30.0m (2022: £15.0m) Sterling variable interest rate bank drawing and has access to financial facilities of which the total unused amount is £90.0m (2022: £105.0m). The Group has a £120.0m non-amortising revolving credit facility which expires on 19 November 2026.

The Group expects to meet its obligations from cash held on deposit, operating cash flows and its committed financing facilities.

The table below shows the maturity analysis of the undiscounted remaining contractual cash flows of the Group's financial liabilities:

2023 non-derivative financial liabilities	**Less than one year £m**	**Between one and five years £m**	**Greater than five years £m**	**Total £m**
Trade payables	**(19.5)**	**–**	**–**	**(19.5)**
Accruals	**(36.7)**	**–**	**–**	**(36.7)**
Other payables	**(24.3)**	**–**	**–**	**(24.3)**
Borrowings	**(30.0)**	**–**	**–**	**(30.0)**
Lease liabilities	**(5.7)**	**(20.9)**	**(12.1)**	**(38.7)**
Total cash flows	**(116.2)**	**(20.9)**	**(12.1)**	**(149.2)**

2022 non-derivative financial liabilities	Less than one year £m	Between one and five years £m	Greater than five years £m	Total £m
Trade payables	(26.9)	–	–	(26.9)
Accruals	(39.2)	–	–	(39.2)
Other payables	(27.1)	–	–	(27.1)
Deferred consideration	(7.0)	–	–	(7.0)
Borrowings	(15.0)	–	–	(15.0)
Lease liabilities	(5.6)	(19.0)	(11.3)	(35.9)
Total cash flows	(120.8)	(19.0)	(11.3)	(151.1)

Notes to the consolidated financial statements continued

34 Related party transactions

The parent and controlling party of the Group is Reach plc. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Transactions with the retirement benefit schemes and employee benefit trusts are disclosed in notes 21 and 30 respectively. Details of other related party transactions are disclosed below.

Trading transactions

Sales of goods and services to related parties would be made at the Group's usual list prices less average volume discounts. Purchases would be made at market prices discounted to reflect volume purchase and the relationship between the parties. Any outstanding amounts will be settled by cash payment.

PA Media Group Limited

The Group earned revenue of nil (2022: nil) and the Group incurred charges for services received of £4.4m (2022: £4.9m) which is recognised in cost of sales. The amount outstanding at the reporting date amounted to nil (2022: nil) owed to PA Media Group Limited.

Brand Events TM Limited

The Group earned no revenue (2022: nil) and the Group incurred no charges for services received (2022: nil).

Compensation of key management personnel

Key management are the executive directors and non-executive directors.

The remuneration of the executive directors is determined by the Remuneration Committee having regard to competitive market position and performance of individuals. The remuneration of the non-executive directors is determined by the Company Chairman and the executive directors. The pension provision for the executive directors is a cash sum to use for pension purposes. Neither of the executive directors participate in any of the Group's defined contribution or defined benefit pension schemes. Further information regarding the remuneration of the executive directors and non-executive directors is provided in the Remuneration Report on pages 104 to 126.

35 Reconciliation of statutory to adjusted results

53 weeks ended 31 December 2023	Statutory results £m	Operating adjusted items (a) £m	Pension finance charge (b) £m	Adjusted results £m
Revenue	**568.6**	**–**	**–**	**568.6**
Operating profit	**46.1**	**50.4**	**–**	**96.5**
Profit before tax	**36.7**	**50.4**	**5.9**	**93.0**
Profit after tax	**21.5**	**42.4**	**4.5**	**68.4**
Basic earnings per share (p)	**6.8**	**13.6**	**1.4**	**21.8**

52 weeks ended 25 December 2022	Statutory results £m	Operating adjusted items (a) £m	Pension finance charge (b) £m	Adjusted results £m
Revenue	601.4	–	–	601.4
Operating profit	71.3	34.8	–	106.1
Profit before tax	66.2	34.8	2.3	103.3
Profit after tax	52.3	30.3	1.9	84.5
Basic earnings per share (p)	16.8	9.7	0.6	27.1

(a) Operating adjusted items relate to the items charged or credited to operating profit as set out in note 8.

(b) Pension finance charge relates to the defined benefit pension schemes as set out in note 21.

Set out in note 3 is the rationale for the alternative performance measures adopted by the Group. The reconciliations in this note highlight the impact on the respective components of the income statement.

Items are adjusted on the basis that they distort the underlying performance of the business where they relate to material items that can recur (including impairment, restructuring, tax rate changes) or relate to historical liabilities (including historical legal and contractual issues, defined benefit pension schemes which are all closed to future accrual). Other items may be included in adjusted items if they are not expected to recur in future years, such as property rationalisation and items such as transaction and restructuring costs incurred on acquisitions or the profit or loss on the sale of subsidiaries, associates or freehold buildings.

Notes to the consolidated financial statements continued

35 Reconciliation of statutory to adjusted results continued

Impairments to non-current assets arise following impairment reviews or where a decision is made to close or retire printing assets. These non-cash items are included in adjusted items on the basis that they are material and vary considerably each year, distorting the underlying performance of the business.

The opening deferred tax position is recalculated in the period in which a change in the standard rate of corporation tax has been enacted or substantively enacted by parliament. The impacts of the change in rates are included in adjusted items on the basis that when they occur they are material, distorting the underlying performance of the business.

Provision for historical legal issues relates to the cost associated with dealing with and resolving civil claims for historical phone hacking and unlawful information gathering. This is included in adjusted items as the amounts are material, it relates to historical matters and movements in the provision can vary year to year.

The Group's defined benefit pension schemes are all closed to new members and to future accrual and are therefore not related to the current business. The pension administration expenses and the pension finance charge are included in adjusted items as the amounts are significant and they relate to the historical pension commitment.

Included in adjusted items in 2023 are the impairment of finance lease receivable of £10.8m and recognition of onerous costs of £8.6m of a vacant print site where the sub-lessee entered into administration during 2023. Other adjusted items comprise impairment of vacant freehold property (£4.3m), vacant freehold property-related costs (£1.4m), onerous lease and related costs (£2.6m), the Group's legal fees in respect of historical legal issues (£5.3m), adviser costs in relation to the triennial funding valuations (£2.5m), internal pension administrative expenses (£0.6m), corporate simplification costs (£0.5m), and other restructuring-related project costs (£0.7m) less a reduction in National Insurance costs relating to share awards (£0.3m) and the profit on sale of impaired assets (£0.3m). These are included in adjusted items as they relate to historical liabilities or are one-off items not expected to recur.

Included in adjusted items in 2022 are the reversal of an impairment in right-of-use assets of £11.0m and previously onerous costs of £5.6m due to the sublet of a vacant print site which was closed in 2020. Other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.2m), adviser costs in relation to the triennial funding valuations (£1.6m), impairment of vacant freehold property (£4.2m) and plant and equipment (£0.8m) less a reduction in National Insurance costs relating to share awards (£2.7m) and the profit on sale of impaired assets (£0.4m). These are included in adjusted items as they relate to historical liabilities or are one-off items not expected to recur.

36 Adjusted cash flow

	2023 £m	2022 £m
Adjusted operating profit	**96.5**	106.1
Depreciation and amortisation	**21.6**	20.2
Adjusted EBITDA	**118.1**	126.3
Working capital movements	**(3.9)**	(12.3)
Net capital expenditure	**(15.4)**	(13.3)
Net interest paid on leases	**(0.8)**	(1.1)
Finance lease receipts	**0.2**	–
Repayment of obligation under leases	**(4.7)**	(5.6)
Other	**1.3**	0.9
Associates	**(2.9)**	(2.8)
Adjusted operating cash flow	**91.9**	92.1
Net interest and charges paid on borrowings	**(2.5)**	(1.8)
Income tax paid	**(0.5)**	(5.0)
Restructuring payments	**(18.8)**	(13.8)
Historical legal issues payments	**(4.6)**	(9.0)
Dividends paid	**(23.1)**	(22.9)
Purchase of own shares	**–**	(1.0)
Pension funding payments	**(60.0)**	(55.1)
Dividends received from associated undertakings	**1.9**	2.5
Legal fee payments in respect of historical legal issues	**(5.3)**	(5.2)
Adviser cost payments in relation to triennial funding valuations	**(2.5)**	(1.6)
Other adjusted items payments	**(5.0)**	(2.4)
Adjusted net cash flow	**(28.5)**	(23.2)
Bank facility drawdown	**15.0**	15.0
Acquisition-related cash flows	**(7.0)**	(17.1)
Net decrease in cash and cash equivalents	**(20.5)**	(25.3)

Adjusted operating cash flow has been aligned to the definition of adjusted operating profit. The change is largely driven by the exclusion of the cash flow impact of restructuring payments and other items classified as adjusted items in the income statement. This has resulted in an increase in adjusted operating cash flow in 2022 from £64.8m to £92.1m.

Notes to the consolidated financial statements continued

37 Reconciliation of statutory to adjusted cash flow

53 weeks ended 31 December 2023	Statutory 2023 £m	(a) £m	(b) £m	Adjusted 2023 £m	
Cash flows from operating activities					
Cash generated from operations	76.4	(20.7)	36.2	91.9	Adjusted operating cash flow
Pension deficit funding payments	(60.0)	–	–	(60.0)	Pension funding payments
	–	–	(18.8)	(18.8)	Restructuring payments
	–	–	(4.6)	(4.6)	Historical legal issues payments
	–	–	(5.3)	(5.3)	Legal fee payments in respect of historical legal issues
	–	–	(2.5)	(2.5)	Adviser cost payments in relation to triennial funding valuations
	–	–	(5.0)	(5.0)	Other adjusted items payments
Income tax paid	(0.5)	–	–	(0.5)	Income tax paid
Net cash inflow from operating activities	15.9				
Investing activities					
Interest received	0.6	–	–	0.6	Net interest and charges paid on bank borrowings
Dividends received from associated undertakings	1.9	–	–	1.9	Dividends received from associated undertakings
Proceeds on disposal of property, plant and equipment	0.9	(0.9)	–	–	Net capital expenditure
Purchases of property, plant and equipment	(3.5)	3.5	–	–	Net capital expenditure
Expenditure on capitalised internally generated development	(12.8)	12.8	–	–	Net capital expenditure
Interest received on leases	0.4	(0.4)	–	–	Net interest paid on leases
Finance lease receipts	0.2	(0.2)	–	–	Finance lease receipts
Deferred consideration payment	(7.0)	–	–	(7.0)	Acquisition-related cash flow
Net cash used in investing activities	(19.3)				
Financing activities					
Interest and charges paid on borrowings	(3.1)	–	–	(3.1)	Net interest and charges paid on bank borrowings
Dividends paid	(23.1)	–	–	(23.1)	Dividends paid
Interest paid on leases	(1.2)	1.2	–	–	Net interest paid on leases
Repayment of obligations under leases	(4.7)	4.7	–	–	Repayment of obligation under leases
Drawdown of borrowings	15.0	–	–	15.0	
Net cash used in financing activities	(17.1)				
Net decrease in cash and cash equivalents	(20.5)	–	–	(20.5)	

(a) Items included in the statutory cash flow on separate lines which for the adjusted cash flow are included in adjusted operating cash flow.

(b) Payments in respect of adjusted items are shown separately in the adjusted cash flow.

Notes to the consolidated financial statements continued

37 Reconciliation of statutory to adjusted cash flow continued

52 weeks ended 25 December 2022	Statutory 2022 £m	(a) £m	(b) £m	Adjusted 2022 £m	
Cash flows from operating activities					
Cash generated from operations	80.1	(20.0)	32.0	92.1	Adjusted operating cash flow
Pension deficit funding payments	(55.1)	–	–	(55.1)	Pension funding payments
	–	–	(13.8)	(13.8)	Restructuring payments
	–	–	(9.0)	(9.0)	Historical legal issues payments
	–	–	(5.2)	(5.2)	Legal fee payments in respect of historical legal issues
	–	–	(1.6)	(1.6)	Adviser cost payments in relation to triennial funding valuations
	–	–	(2.4)	(2.4)	Other adjusted items payments
Income tax paid	(5.0)	–	–	(5.0)	Income tax paid
Net cash inflow from operating activities	20.0				
Investing activities					
Interest received	0.1	–	–	0.1	Net interest and charges paid on bank borrowings
Dividends received from associated undertakings	2.5	–	–	2.5	Dividends received from associated undertakings
Proceeds on disposal of property, plant and equipment	0.4	(0.4)	–	–	Net capital expenditure
Purchases of property, plant and equipment	(3.0)	3.0	–	–	Net capital expenditure
Expenditure on capitalised internally generated development	(10.7)	10.7	–	–	Net capital expenditure
Deferred consideration payment	(17.1)	–	–	(17.1)	Acquisition-related cash flow
Net cash used in investing activities	(27.8)				
Financing activities					
Interest and charges paid on borrowings	(1.9)	–	–	(1.9)	Net interest and charges paid on bank borrowings
Dividends paid	(22.9)	–	–	(22.9)	Dividends paid
Interest paid on leases	(1.1)	1.1	–	–	Net interest paid on leases
Repayment of obligations under leases	(5.6)	5.6	–	–	Repayment of obligation under leases
Purchase of own shares	(1.0)	–	–	(1.0)	Purchase of own shares
Drawdown of borrowings	15.0	–	–	15.0	Bank facility drawdown
Net cash used in financing activities	(17.5)				
Net decrease in cash and cash equivalents	(25.3)	–	–	(25.3)	

(a) Items included in the statutory cash flow on separate lines which for the adjusted cash flow are included in adjusted operating cash flow.

(b) Payments in respect of adjusted items are shown separately in the adjusted cash flow.

Notes to the consolidated financial statements continued

38 Reconciliation of statutory to like-for-like revenue

2023 v 2022	Statutory 2023 £m	(a) £m	Like-for-like 2023 £m	Statutory and like-for-like 2022 £m
Print	**438.8**	**(5.9)**	**432.9**	448.6
Circulation	**312.5**	**(4.7)**	**307.8**	307.7
Advertising	**76.6**	**(1.0)**	**75.6**	86.9
Printing	**20.2**	**(0.2)**	**20.0**	23.1
Other	**29.5**	**–**	**29.5**	30.9
Digital	**127.4**	**(0.3)**	**127.1**	149.8
Other	**2.4**	**–**	**2.4**	3.0
Total revenue	**568.6**	**(6.2)**	**562.4**	601.4

(a) Exclusion of week 53

39 Subsidiary undertakings

A list of the subsidiary undertakings, all of which have been consolidated, is on pages 197 to 204.

40 Subsidiaries exempt from audit

No UK subsidiaries have taken advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ending 31 December 2023.

No dormant subsidiaries have taken the exemption from preparing individual financial statements by virtue of Section 394A of the Companies Act 2006.

No dormant subsidiaries have taken the exemption from filing with the registrar individual financial statements by virtue of Section 448A of the Companies Act 2006.

Parent company balance sheet

at 31 December 2023 (at 25 December 2022) Company registration number 82548

	notes	2023 £m	2022 £m
Non-current assets			
Investments	4	**541.1**	708.2
Right-of-use assets	5	**4.4**	5.4
Deferred tax assets	6	**0.1**	0.2
		545.6	713.8
Current assets			
Debtors – amounts falling due within one year	7	**39.2**	55.6
Cash at bank and in hand		**15.3**	20.6
		54.5	76.2
Creditors: amounts falling due within one year			
Lease liabilities	8	**(2.3)**	(2.2)
Borrowings	9	**(30.0)**	(15.0)
Other creditors	10	**(0.7)**	(8.2)
		(33.0)	(25.4)
Net current assets		**21.5**	50.8
Total assets less current liabilities		**567.1**	764.6
Creditors: amounts falling due after more than one year			
Lease liabilities	8	**(8.5)**	(10.8)
		(8.5)	(10.8)
Net assets		**558.6**	753.8

	notes	2023 £m	2022 £m
Equity capital and reserves			
Called up share capital	11	**32.2**	32.2
Share premium account	12	**–**	605.4
Merger reserve	13	**–**	–
Capital redemption reserve	13	**4.4**	4.4
Retained earnings	13	**522.0**	111.8
Total shareholders' funds		**558.6**	753.8

The Company reported a loss for the period of £173.4m (2022: loss of £68.8m). As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own income statement for the period.

These parent company financial statements on pages 188 to 204 were approved by the Board of directors and authorised for issue on 5 March 2024.

They were signed on its behalf by:

Jim Mullen
Chief Executive Officer

Darren Fisher
Chief Financial Officer

Parent company statement of changes in equity

for the 53 weeks ended 31 December 2023 (52 weeks ended 25 December 2022)

	Called up share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	Retained earnings £m	Total £m
At 27 December 2021	32.2	605.4	25.3	4.4	177.4	844.7
Loss for the period	–	–	(25.3)	–	(43.5)	(68.8)
Purchase of shares	–	–	–	–	(1.0)	(1.0)
Credit to equity for equity-settled share-based payments	–	–	–	–	1.8	1.8
Dividends paid	–	–	–	–	(22.9)	(22.9)
At 25 December 2022	32.2	605.4	–	4.4	111.8	753.8
Loss for the period	**–**	**–**	**–**	**–**	**(173.4)**	**(173.4)**
Credit to equity for equity-settled share-based payments	**–**	**–**	**–**	**–**	**1.3**	**1.3**
Dividends paid	**–**	**–**	**–**	**–**	**(23.1)**	**(23.1)**
Capital reduction	**–**	**(605.4)**	**–**	**–**	**605.4**	**–**
At 31 December 2023	**32.2**	**–**	**–**	**4.4**	**522.0**	**558.6**

Notes to the parent company financial statements

1 Basis of preparation

The financial statements of Reach plc have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The preparation of financial statements in conformity with FRS 101 requires the use of certain key accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

These parent company financial statements have been prepared on a going concern basis as set out in note 3 in the notes to the consolidated financial statements.

The presentational and functional currency of the Company is Sterling.

For administrative convenience, the parent company financial statements are made up to a suitable date near the end of the calendar year. These parent company financial statements have been prepared for the 53 weeks ended 31 December 2023 and the comparative period has been prepared for the 52 weeks ended 25 December 2022.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, related party transactions, and share-based payments. Where required, equivalent disclosures are given in the consolidated financial statements.

Reach plc is the parent company of Reach (the Group) and its principal activity is to act as the ultimate holding company of the Group.

Loss for the financial period

The Company reported a loss for the period of £173.4m (2022: loss of £68.8m). At the reporting date an impairment review was undertaken which indicated that an impairment charge of £167.8m (2022: £65.1m) in the investments held by the Company was required (note 4). The audit fees relating to the Company are disclosed in note 6 in the notes to the consolidated financial statements and are borne by another Group company. Fees payable to PricewaterhouseCoopers LLP for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

Impact of amendments to accounting standards

The accounting policies used in the preparation of the parent company financial statements have been consistently applied to all the periods presented.

Notes to the parent company financial statements continued

1 Basis of preparation continued

Impact of amendments to accounting standards continued

The following new standards and interpretations are effective for the 53 weeks ended 31 December 2023, but have not had a material impact on the Company:

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

No standards and interpretations have been early adopted.

The Company has applied the exemption available under FRS 101 in relation to paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued and is not yet effective).

2 Significant accounting policies

The principal accounting policies adopted in preparation of these parent company financial statements are set out below:

Fixed asset investments

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

Foreign currency

Transactions denominated in foreign currencies are translated at the rates of exchange prevailing on the date of the transactions. At each reporting date, items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Exchange differences arising on settlement and on retranslation are included in the income statement for the period.

Tax

The tax expense represents the sum of the corporation tax currently payable and deferred tax.

The corporation tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited in the statement of comprehensive income or items charged or credited directly to equity, in which case the deferred tax is also dealt with in the statement of comprehensive income and equity respectively.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Financial instruments

Financial assets and financial liabilities are recognised in the parent company balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are measured at amortised cost. The principal financial asset is intercompany receivables which are unsecured and repayable on demand. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

2 Significant accounting policies continued

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term bank deposits with an original maturity of one week or less.

Share-based payments

The Company issues equity-settled benefits to certain employees. These equity-settled share-based payments are measured at fair value at the date of grant taking advice from third-party experts. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and be adjusted for the effect of non-market-based vesting conditions.

Fair value is measured by use of a stochastic (Monte-Carlo binomial) model. The expected life used in the model has been adjusted, based on the directors' best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Where the Company's own shares are purchased, the consideration paid including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are cancelled, the nominal value of shares cancelled is shown in the capital redemption reserve. Where such shares are subsequently reissued or disposed of, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Leases

Leases are recognised on the balance sheet as a right-of-use asset and corresponding liability at the date at which a leased asset is made available for use by the Company, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's weighted average incremental borrowing rate and subsequently held at amortised cost in accordance with IFRS 9. Finance costs are charged to the income statement over the lease term, at a constant periodic rate of interest. Right-of-use assets are depreciated over the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost. The Company does not act as a lessor.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of investments (note 4)

There is uncertainty in the value-in-use calculation. The most significant area of uncertainty relates to expected future cash flows (including future pension contributions) of the cash-generating unit relating to the investment. The value-in-use calculation requires the Company to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate present value. Projections are based on both internal and external market information and reflect past experience. The discount rate reflects the cost of equity.

3 Staff costs

The average monthly number of persons, including directors, employed by and charged to the Company in the period was:

	2023 Number	2022 Number
Administration	**9**	9

The costs of a number of employees (not directors) who have contracts of employment with the Company are charged to other Group companies and their staff costs are disclosed in those companies' statutory financial statements.

Notes to the parent company financial statements continued

3 Staff costs continued

All employees are employed in the UK.

	2023 £m	2022 £m
Staff costs, including directors' emoluments, incurred during the period were:		
Wages and salaries	**1.6**	1.5
Social security costs	**0.4**	0.4
Share-based payments charge	**0.6**	1.5
Pension costs relating to defined contribution pension schemes	**0.1**	0.1
	2.7	3.5

Disclosure of individual directors' remuneration, share options, long-term incentive schemes, pension contributions and pension entitlements required by the Companies Act 2006 and those elements specified for audit by the Financial Conduct Authority are shown in the tables in the Remuneration Report on pages 104 to 126 and form part of these parent company financial statements. Further details of share-based payments are contained in note 32 in the notes to the consolidated financial statements.

4 Investments

	Shares in subsidiary undertakings £m
Cost	
At 27 December 2021	1,526.5
At 25 December 2022	1,526.5
Additions	0.7
At 31 December 2023	**1,527.2**
Provision for impairment	
At 27 December 2021	(753.2)
Impairment in the period	(65.1)
At 25 December 2022	(818.3)
Impairment in the period	**(167.8)**
At 31 December 2023	**(986.1)**
Net book value	
At 25 December 2022	708.2
At 31 December 2023	**541.1**

At the period end reporting date an impairment review was undertaken which indicated that an impairment charge of £167.8m in the investments held by the Company was required (2022: £65.1m). The impairment review was performed using the same projections used in the impairment review performed in relation to the Group's goodwill and other intangible assets which is disclosed in note 16 in the notes to the consolidated financial statements. In respect of investments the current post-tax and equivalent pre-tax discount rate used is 11.8% (2022: 11.7%) and 15.2% (2022: 15.3%) respectively and the long-term growth rate beyond the 10-year period is 0.9% (2022: 1.0%).

Notes to the parent company financial statements continued

4 Investments continued

The impairment review in respect of the investments held by the Company is highly sensitive to reasonably possible changes in key assumptions used in the value-in-use calculations. EBITDA in the 10-year projections is forecast to grow at a CAGR of 0.2% (2022 1.6%). Changes in one or more assumptions used to develop the EBITDA growth assumption such as print revenue declining at a faster rate than projected, digital revenue growth being significantly lower than projected or the associated change in the cost base being different than projected, could lead to a reasonably possible change in EBITDA growth. These changes would lead to a further impairment in the investments held by the Company. A decrease of 1% in EBITDA each year in the 10-year projections would result in an increase in the impairment charge by £8.2m (CAGR: 0.1%). Alternatively, an increase in the discount rate by 0.1% would lead to an increase in the impairment charge of £6.2m.

Details of the Company's subsidiary undertakings at 31 December 2023 are set out on pages 197 to 204.

5 Right-of-use assets

	Properties £m
Cost	
At 27 December 2021	16.1
At 25 December 2022	16.1
At 31 December 2023	**16.1**
Accumulated depreciation and impairment	
At 27 December 2021	(9.7)
Charge for the period	(1.0)
At 25 December 2022	(10.7)
Charge for the period	**(1.0)**
At 31 December 2023	**(11.7)**
Carrying amount	
At 25 December 2022	5.4
At 31 December 2023	**4.4**

6 Deferred tax assets

	Other short-term timing £m
At 27 December 2021	0.8
Charge to income statement	(0.6)
At 25 December 2022	0.2
Charge to income statement	**(0.1)**
At 31 December 2023	**0.1**

7 Debtors: amounts falling due within one year

	2023 £m	2022 £m
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	**38.4**	54.5
Other debtors	**0.8**	1.1
	39.2	55.6

The amounts owed by subsidiary undertakings are unsecured, interest free and repayable on demand.

Notes to the parent company financial statements continued

8 Lease liabilities

	Total £m
At 27 December 2021	(14.5)
Interest costs	(0.5)
Payments	2.0
At 25 December 2022	(13.0)
Interest costs	**(0.4)**
Payments	**2.6**
At 31 December 2023	**(10.8)**

Of the lease liability, £2.3m (2022: £2.2m) is included in creditors: amounts falling due within one year and £8.5m (2022: £10.8m) is included in creditors: amounts falling due after more than one year.

Total undiscounted future payments amounting to £11.5m are payable £2.6m for 2024 and £2.6m per year for 2025 to 2027 with a total of £1.1m payable in 2028.

9 Borrowings

The details of the Company's borrowings are disclosed in note 24 in the notes to the consolidated financial statements.

10 Other creditors

	2023 £m	2022 £m
Amounts falling due within one year:		
Share-based payments	**(0.5)**	(0.9)
Accruals	**(0.2)**	(0.3)
Deferred consideration	**–**	(7.0)
	(0.7)	(8.2)

The share-based payments provision relates to National Insurance obligations attached to the future crystallisation of awards.

Details of the deferred consideration are set out in note 24 in the notes to the consolidated financial statements.

11 Called up share capital

The details of the Company's called up share capital and dividends are disclosed in notes 29 and 30 respectively in the notes to the consolidated financial statements.

12 Share premium account

The details of the Company's share premium account are disclosed in note 31 in the notes to the consolidated financial statements.

13 Other reserves

	Merger reserve £m	Capital redemption reserve £m	Retained earnings £m
At 27 December 2021	25.3	4.4	177.4
Loss for the period	(25.3)	–	(43.5)
Purchase of shares	–	–	(1.0)
Share-based payments credit	–	–	1.8
Dividends paid	–	–	(22.9)
At 25 December 2022	–	4.4	111.8
Loss for the period	**–**	**–**	**(173.4)**
Share-based payments credit	**–**	**–**	**1.3**
Dividends paid	**–**	**–**	**(23.1)**
Capital reduction	**–**	**–**	**605.4**
At 31 December 2023	**–**	**4.4**	**522.0**

Notes to the parent company financial statements continued

13 Other reserves continued

The merger reserve comprises the premium on the shares allotted in relation to acquisitions and was reduced to nil in the prior year as a result of the impairment charge in the period, with remainder of £39.8m reducing retained earnings. The capital redemption reserve represents the nominal value of the shares purchased and subsequently cancelled as part of share buy-back programmes. The retained earnings reserves are all distributable.

The reserves, which are distributable to the Company's equity shareholders, are determined with reference to the Companies Act 2006. Further guidance is given in the Institute of Chartered Accountants in England and Wales technical release 02/17BL in relation to what profits can be treated as distributable. At 31 December 2023, all the Company's retained earnings are distributable, however, the available amount may be different at the point any future distributions are made.

14 Related party transactions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions. Transactions with the retirement benefit schemes and employee benefit trusts are disclosed in notes 21 and 30 respectively in the notes to the consolidated financial statements. Details of other related party transactions are disclosed below.

Trading transactions

The Company did not trade with the Group's associated undertakings.

Compensation of key management personnel

Key management are the executive directors and non-executive directors. The remuneration of the executive directors is determined by the Remuneration Committee having regard to competitive market position and performance of individuals. The remuneration of the non-executive directors is determined by the Company Chairman and the executive directors. The pension provision for the executive directors is a cash sum to use for pension purposes. Neither of the executive directors participate in any of the Group's defined contribution or defined benefit pension schemes. Further information regarding the remuneration of the executive directors and non-executive directors is provided in the Remuneration Report on pages 104 to 126.

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Notes to the parent company financial statements continued

15 Subsidiary and associated undertakings

As at 31 December 2023

The following subsidiary undertakings are 100% owned other than where specified (all share classes), and are incorporated in England and Wales, with a registered office at One Canada Square, Canary Wharf, London, E14 5AP.

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
08000 Recruit Limited (3829341)	£0.01 ordinary	–	100
Ad-Mag (North East) Limited (3083880)	£1.00 ordinary	–	100
Advertiser North London Group (Holdings) Limited (1693151)	£1.00 ordinary	–	100
Advertiser North London Limited (1036821)	£1.00 ordinary	–	100
AMRA Limited (2191577)	£1.00 ordinary	–	100
Arrow Interactive Limited (3521226)	£1.00 ordinary	–	100
Beaverbrook Newspapers Limited (00971744)	£1.00 ordinary	–	100
Birmingham Live Limited (3020729)	£1.00 ordinary	–	100
Birmingham Post & Mail (Exhibitions) Limited (517223)	£1.00 ordinary	–	100
Blackfriars Leasing Ltd. (01692745)	£1.00 ordinary	–	100
Blackmore Vale Publishing Company Limited (2151903)	£1.00 ordinary	100	–
BPM Media (Midlands) Limited (1034883)	£1.00 ordinary	–	100
Broughton Printers Limited (01091137)	£1.00 ordinary-A £1.00 ordinary-B	– –	100 100
Burginhall 677 Limited (02789921)	£1.00 ordinary	–	100
Buy Sell Limited (2032657)	£1.00 ordinary	100	–
Camberry Limited (1661112)	£1.00 ordinary	–	100
Channel One Liverpool Limited (3219679)[1]	£1.00 ordinary	–	100
Chargestake Limited (3518494)	£1.00 ordinary	–	100
Charles Elphick Limited (529125)	£1.00 ordinary	–	100
City Television Network Limited (3376809)	£1.00 ordinary	–	100
Community Magazines Limited (2026564)	£1.00 ordinary	–	100
Conrad & Partners Limited (2415617)	£1.00 ordinary	–	100
Daily Express Limited (00529175)	£1.00 ordinary	–	100
Daily Post Investments Limited (1360376)	£1.00 ordinary	100	–
Daily Post Overseas Limited (1354793)	£1.00 ordinary	–	100
Daily Star Limited (00980542)	£1.00 ordinary	–	100
Denitz Investments Limited (3775012)	£1.00 ordinary	–	100
	£0.01 ordinary-A	–	100
	£0.01 ordinary-C	–	100
	£0.00001 ordinary-D	–	100
	£0.001 ordinary-E	–	100
Echo Press (1983) Limited (1679832)	£1.00 ordinary	–	100
Enterprise Magazines Limited (1502649)	£1.00 ordinary	–	100
Examiner News & Information Services Limited (624466)	£1.00 ordinary	–	100
Export Magazine Distributors Limited (02711709)	£1.00 ordinary	–	100
Express Newspapers (00141748)	£0.25 ordinary £0.01 deferred	– –	100 100

1. Company entered into voluntary liquidation on 29 January 2024

Notes to the parent company financial statements continued

15 Subsidiary and associated undertakings continued

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Express Newspapers Pension Trustees Limited (02222373)	£1.00 ordinary	–	100
Express Newspapers Properties Limited (00967305)	£1.00 ordinary	–	100
Financial Jobs Online Limited (3846941)[1]	£1.00 ordinary	–	100
Fish4 Limited (03105246)	£1.00 ordinary-A £1.00 ordinary-B	– –	100 100
Fish4 Trading Limited (04280832)	£1.00 ordinary	–	100
Fish4Cars Limited (03955815)	£1.00 ordinary	–	100
Fish4Homes Limited (03943230)	£0.10 ordinary (paid)	–	100
	£0.10 ordinary (unpaid)	–	100
	£0.10 ordinary non-voting	–	39.4
Fish4Jobs Limited (03961754)	£1.00 ordinary	–	100
Gazette Media Company Limited (216451)	£1.00 ordinary	–	100
Gimmejobs Limited (4053381)	£1.00 ordinary	–	100
Gisajob Limited (2734099)	£1.00 ordinary	–	100
High Street Direct Limited (3656084)	£1.00 ordinary	–	100
Hot Exchange Limited (3939705)	£1.00 ordinary	–	100
Hotrecruit Limited (4166527)	£1.00 ordinary-A	–	100
Huddersfield Examiner Limited (972525)	£1.00 ordinary	–	100
Huddersfield Newspapers Limited (2254191)	£1.00 ordinary	100	–
I.T. Trade Publishing Limited (3091844)	£1.00 ordinary	100	–
Informer Publications Limited (2563349)	£1.00 ordinary	–	100
Isle of Wight Newspapers Limited (2234798)	£1.00 ordinary	–	100
Job Search Limited (3164594)	£1.00 ordinary	–	100
Jobsfinancial Limited (3845499)	£1.00 ordinary	–	100
Jobsin Limited (3871542)	£1.00 ordinary	–	100
Joseph Woodhead & Sons Limited (84100)	£1.00 ordinary	–	100
Just London Jobs Limited (2348940)	£1.00 ordinary	–	100
Kennyhill Limited (2761493)	£1.00 ordinary	–	100
Kent Regional Newspapers Limited (1381259)	£1.00 ordinary	–	100
Legionstyle Limited (1936042)	£1.00 ordinary	–	100
Live TV Limited (2965940)	£1.00 ordinary	–	100
Liverpool Web Offset Limited (797447)	£1.00 ordinary	100	–
Liverpool Weekly Newspaper Group Limited (714750)	£1.00 ordinary	100	–
Llandudno Advertiser Limited (332137)	£1.00 ordinary	–	100
Local World Holdings Limited (07550888)[1]	£0.0001 ordinary-A	–	100
	£0.0001 ordinary-B	–	100
	£0.0001 ordinary-C	–	100
	£0.0001 ordinary-D	–	100

1. Company entered into voluntary liquidation on 29 January 2024

Notes to the parent company financial statements continued

15 Subsidiary and associated undertakings continued

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Local World Limited (08290481)	£1.00 ordinary	–	100
London and Westminster Newspapers Limited (1208670)	£1.00 ordinary	–	100
London Newspaper Group Limited (2126851)	£1.00 ordinary	–	100
Mainjoy Limited (1970628)	£1.00 ordinary	–	100
Markstead Limited (3025792)	£1.00 ordinary	–	100
Media Wales Limited (46946)	£1.00 ordinary	–	100
Medpress Limited (559427)	£1.00 ordinary	100	–
Meilin Limited (2166364)	£1.00 ordinary	–	100
MEN Media Limited (3890740)	£1.00 ordinary	–	100
Mercury Distribution Services Limited (885364)	£1.00 ordinary	–	100
Merseymart Limited (319598)	£1.00 ordinary	–	100
MG Estates Limited (3555219)	£1.00 ordinary	–	100
MG Guarantee Co Limited (6256959)	–	100	–
MGL2 Limited (6234510)	£1.00 ordinary	–	100
MGN (86) Limited (421836)	£1.00 ordinary	–	100
MGN (AW) Limited (2946962)	£1.00 ordinary	–	100
MGN (Canada Square) Limited (02892419)	£1.00 ordinary	–	100
MGN Limited (2571173)	£1.00 ordinary	–	100
MGN Pension Trustees Limited (2658322)	£1.00 'A' Ordinary	–	100
Micromart (UK) Limited (2122028)	£1.00 ordinary	100	–
Middlesex County Press Limited (2068255)	£1.00 ordinary	–	100

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Midland Independent Magazines Limited (1206379)	£1.00 ordinary	–	100
Midland Independent Newspaper & Media Sales Limited (2281540)	£1.00 ordinary	100	–
Midland Independent Weekly Newspapers Limited (385159)	£1.00 ordinary	–	100
Midland Newspapers Limited (1663033)	£1.00 ordinary	–	100
Midland Newspapers Pension Trustees Limited (2228647)	£1.00 ordinary	100	–
Midland Newspapers Printers Limited (2552554)	£1.00 ordinary	–	100
Midland United Newspapers Limited (2212019)	£1.00 ordinary	–	100
Midland Weekly Media (Birmingham) Limited (105934)	£1.00 ordinary	100	–
Midland Weekly Media (Wolverhampton) Limited (1119011)	£1.00 ordinary	100	–
Midland Weekly Media Limited (3103975)	£1.00 ordinary	–	100
Mirror Colour Print (London) Limited (1678318)[1]	£1.00 ordinary	–	100
Mirror Colour Print (North) Limited (537916)[1]	£1.00 ordinary	–	100
Mirror Colour Print Services (London) Limited (1969510)[1]	£1.00 ordinary	–	100
Mirror Colour Print Services Limited (935731)[1]	£1.00 ordinary	–	100
Mirror Financial Services Limited (3804460)	£1.00 ordinary	–	100
Mirror Group Music Limited (3087502)	£1.00 ordinary	–	100
Mirror Group Newspapers Limited (2542560)	£1.00 ordinary	–	100
Mirror Group Newspapers North (1986) Limited (1348163)	£1.00 ordinary	–	100

1. Company entered into voluntary liquidation on 29 January 2024

Notes to the parent company financial statements continued

15 Subsidiary and associated undertakings continued

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Mirror Projects Limited (2822578)	£1.00 ordinary	–	100
MirrorAd Limited (3573736)	£1.00 ordinary	–	100
Mirrorair Limited (1376321)	£1.00 ordinary	–	100
Mirrorgroup Limited (7680699)	£1.00 ordinary	–	100
MirrorNews Limited (3573742)	£1.00 ordinary	–	100
MirrorTel Limited (2820338)	£1.00 ordinary	–	100
NCJ Media Limited (204478)	£1.00 ordinary	–	100
Net Recruit UK Limited (4153006)	£1.00 ordinary	–	100
North Eastern Evening Gazette Limited (3441979)	£1.00 ordinary	–	100
North Wales Independent Press Limited (1958646)	£1.00 ordinary	100	–
North Wales Weekly News (486584)	£1.00 ordinary	–	100
Nunews Limited (2858756)	£1.00 ordinary	–	100
O K Magazines Trading Co Limited (02812158)	£1.00 ordinary	–	100
O.K. Magazines Limited (02768369)	£1.00 ordinary	–	100
Odhams Newspapers Limited (2179889)	£1.00 ordinary	–	100
Official Starting Prices Ltd. (2477911)	£1.00 ordinary	–	100
Planetrecruit Limited (3712451)	£1.00 ordinary	–	100
Quids-In (North West) Limited (2667020)	£1.00 ordinary	100	–
R.E. Jones & Bros. Limited (707920)	£1.00 ordinary	–	100
R.E. Jones Graphic Services Limited (1198462)	£1.00 ordinary	–	100
R.E. Jones Newspaper Group Limited (1238072)	£1.00 ordinary	–	100
Reach Directors Limited (4331538)	£1.00 ordinary	100	–

1. Company entered into voluntary liquidation on 29 January 2024

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Reach Group Holdings Limited (14613070)	£1.00 ordinary	–	100
Reach Magazines Distribution Limited (02794459)	£1.00 ordinary	–	100
Reach Magazines Limited (03009449)	£1.00 ordinary	–	100
Reach Magazines Publishing Limited (01633971)	£1.00 ordinary	–	100
Reach Magazines Worldwide Limited (06395556)	£1.00 ordinary	–	100
Reach Media Group Ltd (11051310)	£1.00 ordinary	–	100
Reach Midlands Media Limited (5286985)	£1.00 ordinary	–	100
Reach Nationals Limited (04386569)[1]	£1.00 ordinary	–	100
Reach Network Media Limited (4086475)	£1.00 ordinary	–	100
Reach Pension Trustees Ireland Limited (13812160)	£1.00 ordinary	–	100
Reach Pension Trustees Limited (4705180)	£1.00 ordinary	100	–
Reach Printing Services (Midlands) Limited (211184)	£1.00 ordinary	–	100
Reach Printing Services (Oldham) Limited (2177980)	£1.00 ordinary	–	100
Reach Printing Services (Teesside) Limited (5286989)	£1.00 ordinary	–	100
Reach Printing Services (Watford) Limited (2064914)	£1.00 ordinary	–	100
Reach Printing Services (West Ferry) Limited (01997219)	£1.00 ordinary	–	100
Reach Printing Services Limited (1979335)	£1.00 ordinary	–	100
Reach Publishing Group Limited (3890730)	£1.00 ordinary	100	–
Reach Publishing Services Limited (08339522)	£1.00 ordinary	–	100

Notes to the parent company financial statements continued

15 Subsidiary and associated undertakings continued

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Reach Regionals Limited (3890736)	£1.00 ordinary	–	100
Reach Regionals Media Limited (127699)	£1.00 ordinary	–	100
Reach Secretaries Limited (4333688)	£1.00 ordinary	100	–
Reach Shared Services Limited (3890737)	£1.00 ordinary	100	–
Reach Southern Media Limited (1985909)	£1.00 ordinary	–	100
Reach Work Limited (1904765)	£1.00 ordinary	–	100
Reliant Distributors Limited (1225496)	£1.00 ordinary	–	100
RH1 Limited (648191)	£1.00 ordinary	–	100
Scene Magazines Limited (1381396)	£1.00 ordinary	–	100
Scene Newspapers Limited (1108815)	£1.00 ordinary	–	100
Scene Printing (Midlands) Limited (1391392)	£1.00 ordinary	–	100
Scene Printing Web Offset Limited (1206696)	£1.00 ordinary	–	100
Sightline Publications Limited (01510224)	£1.00 ordinary	–	100
Sunday Express Limited (00184146)	£0.05 ordinary	–	100
Sunday People Limited (301999)	£1.00 ordinary	–	100
Syndication International (1986) Limited (448509)	£1.00 ordinary	–	100
Syndication International Limited (850258)	£1.00 ordinary	–	100
T M S Pension Trustee Limited (4522021)	£1.00 ordinary	–	100
The Adscene Group Limited (1131297)	£0.05 ordinary £1.00 7.8% Series 2 Cumulative Convertible Redeemable Preference	– –	100 100

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Associated Catholic Newspapers (1912) Limited (The) (120837)	£0.10 ordinary	100	–
Birmingham Boat Shows Limited (The) (697854)	£1.00 ordinary	–	100
The Birmingham Post & Mail Limited (3141237)	£1.00 ordinary	–	100
The Career Engineer Limited (4138919)[1]	£1.00 ordinary	–	100
Chester Chronicle and Associated Newspapers Limited(The) (222859)	£1.00 ordinary	–	100
The Daily Mirror Newspapers Limited (166810)	£1.00 ordinary	–	100
The Echo Press Limited (171206)	£1.00 ordinary	–	100
The Graduate Group Ltd (3730922)	£0.01 ordinary	–	100
The Green Magazine Company Limited (02403686)	£1.00 ordinary	–	100
The Hinckley Times Limited (47310)	£1.00 ordinary	–	100
The Hotgroup Limited (3236337)	£0.10 ordinary	–	100
This Is Britain Limited (03268034)	£0.10 ordinary	–	100
TIH (Belfast) (Nominees) Limited (3909863)[1]	£1.00 ordinary	–	100
TIH (Cardiff) Limited (3026546)	£1.00 ordinary £0.683 ordinary-A	– –	100 100
TIH (Chester) Limited (3026545)	£1.00 ordinary £0.683 ordinary-A	– –	100 100
TIH (Newcastle) Limited (3036379)	£1.00 ordinary £0.683 ordinary-A	– –	100 100

1. Company entered into voluntary liquidation on 29 January 2024

Notes to the parent company financial statements continued

15 Subsidiary and associated undertakings continued

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
TIH (Properties) Limited (553965)	£1.00 ordinary	100	–
TIH (Teesside) Limited (3036380)	£1.00 ordinary £0.683 ordinary-A	– –	100 100
TIH (Trustee) Limited (3469055)	£1.00 ordinary	100	–
TM Leasing Limited (06391524)	£1.00 ordinary	–	100
TM Media Holdings Limited (04104523)	£1.00 ordinary	–	100
TM Mobile Solutions Limited (10292426)	£0.01 ordinary	–	100
TM North America Limited (05320973)	£1.00 ordinary-A £1.00 ordinary-B	– –	100 100
TM Regional New Media Limited (3890734)	£1.00 ordinary	100	–
TM Titles Limited (02827197)	£1.00 ordinary	–	100
Totallyfinancial.com Ltd (3823143)	£1.00 ordinary	–	100
Totallylegal.com Limited (3823137)	£1.00 ordinary	–	100
Tower Magazines Limited (02528573)	£1.00 ordinary	–	100
Trinity 100 Limited (3441980)	£1.00 ordinary	–	100
Trinity Mirror (L I) Limited (5317967)	£1.00 ordinary	–	100
Trinity Mirror Acquisitions Limited (5534393)	£1.00 ordinary	–	100
Trinity Mirror Cheshire Limited (3890747)	£1.00 ordinary	–	100
Trinity Mirror Digital Limited (4089434)	£1.00 ordinary	100	–
Trinity Mirror Digital Media Limited (3906084)	£1.00 ordinary	100	–
Trinity Mirror Distributors Limited (4968805)	£1.00 ordinary	–	100
Trinity Mirror Finance Limited (04315964)	£1.00 ordinary	–	100
Trinity Mirror Huddersfield Limited (5286931)	£1.00 ordinary	–	100
Trinity Mirror Media Limited (04106172)	£1.00 ordinary	–	100
Trinity Mirror Merseyside Limited (3890743)	£1.00 ordinary	–	100
Trinity Mirror North Wales Limited (3890745)	£1.00 ordinary	–	100
Trinity Mirror Printing (Cardiff) Limited (5286933)	£1.00 ordinary	–	100
Trinity Mirror Printing (Liverpool) Limited (5286986)	£1.00 ordinary	–	100
Trinity Mirror Printing (Newcastle) Limited (5286987)	£1.00 ordinary	–	100
Trinity Mirror Videos Limited (02729730)	£1.00 ordinary	–	100
Trinity Newspaper Group Limited (919233)	£1.00 ordinary	100	–
Trinity Newspapers Southern Limited (1491074)	£1.00 ordinary	–	100
Trinity Publications Limited (1953315)	£1.00 ordinary	55.238	44.762
Trinity Retirement Benefit Scheme Limited (714710)	Limited by guarantee	–	–
Trinity Shared Services Limited (827234)	£1.00 ordinary	–	100
Trinity Weekly Newspapers Limited (13297)	£1.00 ordinary	100	–
United Magazines Publishing Services Limited (01693996)	£1.00 ordinary	–	100
Vivid Group Limited (143647)[1]	£1.00 ordinary	100	–
Wandsworth Independent Limited (2152840)	£1.00 ordinary	–	100
Welsh Universal Holdings Limited (976111)	£1.00 ordinary	–	100
Welshpool Web-Offset Co. Limited (1071324)	£1.00 ordinary	–	100
West Ferry Leasing Limited (04086472)	£1.00 ordinary	–	100
West Ferry Printers Pension Scheme Trustees Limited (08984753)	£1.00 ordinary	–	100

1. Company entered into voluntary liquidation on 29 January 2024

Notes to the parent company financial statements continued

15 Subsidiary and associated undertakings continued

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Western Mail & Echo Limited (326067)	£1.00 ordinary	–	100
Whitbread Walker Limited (2535880)	£1.00 ordinary	–	100
Wirral Newspapers Limited (152425)	£1.00 ordinary	100	–
Wood Lane One Limited (4318355)	£1.00 ordinary	100	–
Wood Lane Two Limited (4318345)	£1.00 ordinary	100	–
Workthing Limited (3873867)	£0.10 ordinary £0.10 ordinary-A £0.10 ordinary-B £1.00 Cumulative Redeemable Preference Shares at 9.25%	– – – –	100 100 100 100

The following subsidiary undertakings are 100% owned (all share classes), and incorporated in Scotland, with a registered office at 55 Douglas Street, Glasgow, G2 7NP.

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Anderston Quay Printers Limited (SC097571)[1]	£1.00 ordinary	–	100
First Press Publishing Limited (SC139798)	£1.00 ordinary	–	100
Glaswegian Publications Limited (SC109893)	£1.00 ordinary	–	100
Insider Publications Limited (SC094795)	£1.00 ordinary	–	100
Media Scotland Limited (SC097566)	£1.00 ordinary	–	100
Metropolitan Free Newspapers Limited (SC126368)	£1.00 ordinary	–	100
Northern Print Services Limited (SC092400)	£1.00 ordinary	–	100
Reach Printing Services (Saltire) Limited (SC276920)	£1.00 ordinary	–	100
Saltire Press Limited (SC151303)	£1.00 ordinary	–	100
Scottish and Universal Newspapers Limited (SC005761)	£1.00 ordinary	–	100
Scottish Daily Record and Sunday Mail Limited (SC012921)	£1.00 ordinary	–	100
Scottish Express Newspapers Limited (SC020889)	£1.00 ordinary	–	100
The Edinburgh and Lothians Post Limited (SC122538)	£1.00 ordinary	–	100
Trinity Mirror Printing (Blantyre) Limited (SC276879)	£1.00 ordinary	–	100

1. Company entered into voluntary liquidation on 29 January 2024

Notes to the parent company financial statements continued

15 Subsidiary and associated undertakings continued

The following subsidiary undertaking is 100% owned (all share classes), and incorporated in the United States of America, with a registered office at 101 Avenue of the Americas, Suite 934, New York, NY 10013.

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary(%)
Trinity Mirror Marketing LLC (20-4489794)	US$1.00 ordinary	–	100

The following subsidiary undertakings are 100% owned (all share classes), and incorporated In the United States of America, with a registered office at 112 S. French Street, Suite 105, Wilmington, Delaware, DE 19801.

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Reach US Holdings Inc. (92-1945745)	US$125.00 ordinary	–	100
Reach US OpCo LLC (92-1983200)	US$125.00 ordinary	–	100

The following subsidiary undertakings are 100% owned (all share classes) and incorporated in Ireland, with a registered office at 38 Upper Mount Street, Dublin 2.

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Independent Star Limited (122550)	€1.27 ordinary-E	–	100
	€1.27 ordinary-I	–	100
	€1.27 Preference	–	100
Reach Publishing (Ireland) Limited (646649)	€1.00 ordinary	–	100

The following subsidiary undertaking is 100% owned (all share classes), and incorporated in Northern Ireland, with a registered office at 415 Holywood Road, Belfast BT4 2GU.

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
Trinity Mirror Limited (NI650694)	£1.00 ordinary	100	–

Associated undertakings

The following associated undertakings are incorporated in England and Wales.

Name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)	Registered office address
Ozone Project Limited (11471303)	£0.0001 ordinary-D	–	21%	New City Court, 20 St. Thomas Street, London, SE1 9RS
	£0.0001 preference	–	4%	
PA Media Group Limited (00004197)	£1.00 ordinary	2.7%	22.8%	The Point, 37 North Wharf Road, Paddington, London, W2 1AF

Brand Events™ Limited was an associate until 2 February 2023 when the Group disposed of 44% of its shareholding.

2023 SASB INDEX

The Sustainability Accounting Standards Board (SASB) is an Environmental, Social and Governance (ESG) voluntary guidance framework that sets standards for the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the standards identify the subset of ESG issues most relevant to financial performance in each industry. Below we report against metrics from the Media & Entertainment standard.

Sustainability Disclosure Topics and Accounting Metrics

Media pluralism

Percentage of gender and racial/ethnic group representation for (1) management; (2) professionals; and (3) all other employees	The percentage of racial/ethnic groups and gender representation for the Board and management can be found on page 91 in the Governance Report. The percentage of gender representation for employees can be found on page 91 in the Governance Report. The percentage of racial/ethnic groups for employees is not reported for 2023. We continue to gather robust ethnicity data from our teams via our Be Counted data-gathering which asks colleagues about a range of characteristics, and in 2023 had an 86% participation rate. Analysis of this data allows us to better understand the makeup of our teams and work to build an inclusive culture at Reach.
Description of policies and procedures for ensuring pluralism in news media content	All our newsbrands operate with editorial independence and reflect a broad spectrum of opinion that is designed to appeal to their community of readers and not to reflect any Group-influenced ideological position. Therefore, no single title or contributor represents Reach as a whole. Our Company position on the issue is that we believe the media sector has a responsibility to reflect more accurately the diverse communities within the UK, and we have embarked on a number of diversity and inclusion activities to address this. In 2023, we refined several ways to achieve our inclusion aims within our editorial content, via the Editorial Inclusion Board, the completion of the Inclusive Reporting programme and the Speak Up for Inclusion feedback process, which enables any Reach colleague to share concerns about editorial content. The Belonging Project also continued to keep newsrooms accountable for ensuring that they reach underrepresented communities. For more on these initiatives to improve inclusive reporting, see pages 43 and 44.

Journalistic integrity and sponsorship identification

Total amount of monetary losses as a result of legal proceedings associated with libel or slander	We do not disclose this information.
Revenue from embedded advertising	We have no revenues from embedded advertising.

2023 SASB Index continued

Journalistic integrity and sponsorship identification continued

Description of approach for ensuring journalistic integrity of news programming related to: (1) truthfulness, accuracy, objectivity, fairness and accountability; (2) independence of content and/or transparency of potential bias; and (3) protection of privacy and limitation of harm	Maintaining high editorial standards is at the core of Reach's business. By the terms of their employment, all editorial staff are contractually bound to adhere to the Editors' Code of Practice (Code) as administered by the Independent Press Standards Organisation (IPSO). Similarly, all agencies and freelancers that supply us with editorial material must comply with the Code. We report annually to IPSO on compliance with the Code and our journalistic standards and integrity. We hold regular, mandatory legal training for our editorial staff. We expect our staff to use their best endeavours to verify the stories that are put forward for publication, and to adhere to the law and the Code to protect privacy and limit harm. Each newsbrand enjoys editorial independence and, as a company, Reach is committed to protecting what is enshrined in the Code, namely the fundamental right to freedom of expression and the right to inform, to be partisan, to challenge, shock, be satirical and to entertain. Read the Code at www.ipso.co.uk/editors-code-of-practice.

Intellectual property protection and media piracy

Description of approach to ensuring intellectual property (IP) protection	We protect our large portfolio of registered trademarks by monitoring applications by others, which means we can act early to oppose any organisations seeking to register conflicting marks. Reach makes use of a variety of resources, services and technologies to protect, detect and prevent unauthorised use and infringement of our IP, including the unauthorised use and copying of content from our digital properties. Our in-house commercial licensing operation robustly manages the use of our content to ensure third-party use is properly authorised including, where practicable, introducing controls over third-party use of our content for the purposes of training AI and its output. We work with a number of partners in certain territories to protect our IP rights. Nevertheless, despite our continued efforts and ongoing investment to protect and monitor our intellectual property, including enforcement action where necessary, the threat to our content and innovation remains. It is something we will continue to monitor and will adapt our approach and response accordingly. Reach is a certified Gold Standard member of the Internet Advertising Bureau (IAB) and we participate in its efforts to uphold brand safety and fight piracy.

Activity metrics

Total recipients of media and the number of: (1) households reached by broadcast TV; (2) subscribers to cable networks; and (3) circulation for magazines and newspapers	The total recipients of media was 47 million unique digital visitors/viewers (average for 2023, data from IPSOS). Reach does not have broadcast television channels or subscribers to cable networks. The circulation for magazines and newspapers in 2023 was 277 million sales across all our titles.
Total number of media productions and publications produced	We have 129 brands, including websites and print products; 33 books published from Mirror Books; and 160 active podcasts.

SHAREHOLDER INFORMATION

Registered office

One Canada Square
Canary Wharf, London, E14 5AP, United Kingdom
Telephone: +44 (0) 20 7293 3000
Company website: www.reachplc.com
Registered in England and Wales No. 82548

Advisers

Corporate brokers

Panmure Gordon (UK) Limited
40 Gracechurch Street, London, EC3V 0BT
Telephone: +44 (0) 20 7886 2500

Numis Securities Limited (Deutsche Numis)
45 Gresham Street, London, EC2V 7BF
Telephone: +44 (0) 20 7260 1000

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place, London, WC2N 6RH
Telephone: +44 (0) 20 7583 5000

Registrar

Equiniti Limited
Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
Telephone: +44 (0) 371 384 2235*
www.shareview.co.uk

* Please use the country code when calling from outside the UK. Lines are open from 8:30 a.m. to 5:30 p.m. (UK time), Monday to Friday (excluding public holidays in England and Wales).

If you have any queries regarding your shareholding, please contact the Registrar.

Dividends

As a responsible business, Reach is committed to reducing its carbon footprint across its business activities. In support of this, Reach plc no longer pays dividends by cheque. If you want to continue to receive your dividends, you will need to provide your bank or building society account details to Equiniti as soon as possible, so that future dividend payments and any other money payable to you in connection with your shares can be made by direct payment.

Financial public relations

Teneo
The Carter Building, 11 Pilgrim Street, London, EC4V 6RN
Telephone: +44 (0)20 7260 2700

Financial calendar 2024:

Date	Event
2 May 2024	Trading Update
9 May 2024	Ex-Dividend Date
10 May 2024	Record Date
31 May 2024	FY 2023 Final Dividend Payment
30 July 2024	H1 2024 Results

Annual General Meeting

The next AGM will take place on 2 May 2024 in London. More details of the arrangements will be posted to our website www.reachplc.com, and will be contained within the Notice of Meeting.

The Notice of Meeting and Proxy Card for the AGM to be held on 2 May 2024 will be provided to shareholders at least 20 working days prior to the meeting date, as required by the FRC's Guidance on Board Effectiveness.

Share price information

The Company's ordinary shares are listed on the Main Market of the London Stock Exchange. Share price information can be found on our website, www.reachplc.com.

ISIN number: GB0009039941
SEDOL number: 0903994
Legal Entity Identifier: 213800GNI5XF3XOATR61

As well as using the Reach website to view details of the current and historical share price, shareholders can find share prices listed in most national newspapers. For a real-time buying or selling price, you should contact a stockbroker.

E-communications

Reach encourages its shareholders to consider receiving shareholder information electronically. Electing to receive shareholder communications in this way allows shareholders to access information quickly and securely. It also reduces Company costs by decreasing the amount of paper it needs to use and minimises its environmental impact.

To register for this service, please visit www.shareview.co.uk.

Shareholder information continued

Share dealing and Shareview

The Company's shares can be traded through most banks, building societies and stockbrokers. Additionally, shareholders can buy and sell shares through a telephone and internet service provided by the Company's Registrar, Equiniti.

Shareview, a website operated by Equiniti, allows shareholders to view the details of their shareholding, register for e-communications and send voting instructions electronically if they have received a voting form with an electronic reference or signed up for Shareview. For more information about both services, log on to www.shareview.co.uk or call 03456 037037 for Shareview Dealing.**

** Lines are open Monday to Friday from 8:00 a.m. to 4:30 p.m. for Shareview Dealing and until 6:00 p.m. for any other Shareview Dealing enquiries.

Warning to shareholders – boiler room scams

In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive. It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

How to avoid share fraud

1. Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
2. Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
3. Check the Financial Services Register (the Register) from www.fca.org.uk, to see if the person and firm contacting you is authorised by the FCA.
4. Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
5. Use the firm's contact details listed on the Register if you want to call it back.
6. Call the FCA on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date.
7. Search the list of unauthorised firms to avoid at www.fca.org.uk/scams.
8. Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
9. Think about getting independent financial and professional advice before you hand over any money.
10. Remember: if it sounds too good to be true, it probably is!

Report a scam

If you are approached about an investment scam, you should tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040.

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

Investor relations

We communicate with the financial community on a regular and ongoing basis to support our stakeholders in their investment decision process. While the investor relations programme is driven by statutory reporting requirements, it also contains a strong element of additional communication in the form of meetings and presentations.

Group five-year summary

Adjusted	**2023 £m**	2022 £m	2021 £m	2020 £m	2019 £m
Income statement					
Revenue	**569**	601	616	600	703
Operating profit	**97**	106	146	134	153
Finance costs net of interest income	**(4)**	(3)	(3)	(3)	(3)
Profit before tax	**93**	103	143	131	150
Tax charge	**(25)**	(18)	(26)	(25)	(28)
Profit for the period	**68**	85	117	106	122
Basic earnings per share*	**21.8p**	27.1p	37.6p	34.4p	39.4p

* 2019 Basic earnings per share restated following the bonus issue to shareholders in lieu of and with a value equivalent to a dividend of 2.63 pence per share in 2020.

Statutory	**2023 £m**	2022 £m	2021 £m	2020 £m	2019 £m
Income statement					
Revenue	**569**	601	616	600	703
Operating profit	**46**	71	79	8	132
Pension finance charge	**(6)**	(2)	(3)	(5)	(8)
Finance costs net of interest income	**(3)**	(3)	(3)	(3)	(3)
Profit before tax	**37**	66	73	–	121
Tax charge	**(15)**	(14)	(70)	(27)	(27)
Profit/(loss) for the period	**22**	52	3	(27)	94
Basic earnings/(loss) per share*	**6.8p**	16.8p	0.9p	(8.6)p	30.5p

* 2019 Basic earnings/(loss) per share restated following the bonus issue to shareholders in lieu of and with a value equivalent to a dividend of 2.63 pence per share in 2020.

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Balance sheet					
Intangible assets	**877**	869	860	855	852
Property, plant and equipment	**114**	140	157	168	225
Assets classified as held for sale	**11**	–	–	–	–
Other assets and liabilities*	**(355)**	(396)	(444)	(498)	(462)
	647	613	573	525	615
Net (debt)/cash	**(10)**	25	66	42	20
Net assets	**637**	638	639	567	635
Total equity	**637**	638	639	567	635

* The Group implemented IFRS 16 ‘Leases’ in 2020. Right-of-use assets and lease liabilities are included in other assets and liabilities.