



TO THE CHALLENGE

Reach
Annual Report 2022

■ RISING TO THE CHALLENGE...

**Our
brilliant
journalism
shines
through**

Read more on page

17

**We're
creating a
workplace
fit for the
future**

Read more on page

25

**We're
developing
ways to
remain
resilient**

Read more on page

21

**We're
investing
in our
digital
business**

Read more on page

29

...CONTINUING TO DELIVER THE BEST NEWS, ENTERTAINMENT AND SPORT



The end of an era – a fitting tribute to Queen Elizabeth II

Learn more on page 8



MEN makes stand to protect children in social housing

Learn more on page 48



The 60p Daily Star lettuce that held the PM to account

Learn more on page 52



Triumphant Lionesses inspire the nation

Learn more on page 62



WalesOnline captures World Cup fever with cheeky name change

Learn more on page 63



Naturalist Chris Packham lends his support to Express campaign

Learn more on page 65

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 2022 is to the 52 weeks ended 25 December 2022 and a reference to a year expressed as 2021 is to the 52 weeks ended 26 December 2021. References to 'the year' and 'the current year' are to 2022 and references to 'last year' and 'the prior year' are to 2021. 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.

Contents

Strategic Report

2	Reach at a glance
4	Reach in numbers
6	Chairman's statement
8	The end of an era – a tribute to the Queen
10	Chief Executive's review
16	Staying resilient in an era of challenges
32	Our business model
34	Our strategy
36	How we're performing: KPIs
38	Financial review
44	Responsible business overview
46	Trusted, quality content
50	Operating with integrity
56	Developing our team
64	Protecting our environment
73	Task Force on Climate-related Financial Disclosures (TCFD)
82	Non-financial information statement
83	Risk report
89	Viability statement

Governance

90	Chairman's statement
92	Our Board
96	Board in action
101	Section 172 statement
104	Nomination Committee Report
110	Sustainability Committee Report
112	Audit & Risk Committee Report
120	Remuneration Report
137	Compliance with the 2018 UK Corporate Governance Code
140	Directors' Report

Financial Statements

145	Independent auditors' report
154	Consolidated income statement
155	Consolidated statement of comprehensive income
155	Consolidated statement of changes in equity
156	Consolidated cash flow statement
157	Consolidated balance sheet
158	Notes to the consolidated financial statements
192	Parent company balance sheet
193	Parent company statement of changes in equity
193	Notes to the parent company financial statements
198	Subsidiary and associated undertakings

Other information

206	2022 SASB index
207	Shareholder information
209	Group five-year summary

Reach at a glance

WHO WE ARE

We're Reach plc, the UK's and Ireland's largest commercial news publisher. We're home to more than 130 trusted brands, from national titles like the Mirror, Express, Daily Record and Daily Star, to local brands like MyLondon, BelfastLive and the Manchester Evening News.

Every month, 48 million people come to us, via print and online, for news, entertainment and sport they can trust. As a proudly mainstream publisher, reaching 76% of the UK's online population, we connect people everywhere with what's going on in their area and throughout the world.

Our purpose

As we continue on our journey of delivering our Customer Value Strategy and moving towards a more digitally led future (see 'Our strategy' on page 34), we are all guided by our purpose:

To enlighten, empower and entertain through brilliant journalism.

Our people

Permanent employees at 2022 year end

4,305

people in the UK and Ireland

2,862

journalists working in our editorial teams

706

people in our commercial teams

369

people in our print production teams

368

others in essential functions (such as product and customer growth)

For more on how the shapes of our teams are shifting as the business evolves see page 24.

Since spring 2021 our teams have worked according to our Home and Hub model, giving leaders and their teams more flexibility in whether roles need to be hub-based, home-based, or hybrid.

As we announced in December, we'll soon begin to hire journalists based in the US as we launch our US operation and continue to expand our audience.

Together, we're building a sustainable future for our newsbrands.

Our brands

Every day, more than 130 Reach brands deliver the latest news, entertainment and sport to communities throughout the UK and Ireland, when and how they want it. With our breadth of trusted titles, we have a platform to campaign for and represent the voices of communities, and to hold power to account. And for many of our popular, mainstream brands, it's equally important that we give people something to smile about, serving our audiences a well-curated mix of light and shade.

As more of our business and audience shift online, our long-established heritage brands that still attract large audiences, along with the steady resilience of our print circulation, enable our ongoing digital transformation – ultimately securing the future of our heritage brands and our newer launches alike (see 'Our business model' on pages 32 and 33).



REACH IN NUMBERS

Financial

Revenue

£601.4m

2021: £615.8m

Digital revenue

£149.8m

2021: £148.3m

Adjusted operating profit*

£106.1m

2021: £146.1m

Adjusted earnings per share – basic*

27.1p

2021: 37.6p

Net cash

£25.4m

2021: £65.7m

Dividend per share

7.34p

2021: 7.21p

Statutory operating profit

£71.3m

2021: £79.3m

Statutory earnings per share – basic

16.8p

2021: 0.9p

* 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.

Non-financial

Trusted
brands**130+**Monthly
audience**48m**Digital property
in the UK**6th
largest**Registered
customers**12.7m**UK online population
reached**76%**Audience size ranking for UK
and Ireland publishers**#1**Customers choosing a Reach
brand for local news**38m**Monthly active users
(active in last 28 days)**5.6m**

Non-financial figures are taken from 25 December 2022, with the exception of registered customers and monthly active users which are as of 31 January 2023.

Chairman's statement

REMAINING A RESILIENT AND RESPONSIBLE BUSINESS



Nick Prettejohn
Chairman

The events of 2022 presented a volatile trading environment for many businesses around the world, due to a combination of global factors, including the war in Ukraine, after-effects of COVID, energy price inflation and the cost-of-living crisis.

This macroeconomic backdrop is reflected in our financial performance, which has been impacted by both a significant increase in the costs of print production and a sector-wide slowdown in the demand for advertising.

Despite these substantial challenges, the Board is pleased to see that we're making continued progress against our strategy, and putting in place measures to ensure a successful future for Reach and our stakeholders.

Keeping focused on our strategy

Our strategy is about getting to know our audience better, delivering more relevant content, a more engaging customer experience, and more sustainable, higher quality digital revenues.

The initial phase of this was to get more customers to register with us. We were pleased to beat our 2022 target early in the year and now have 12.7m registered customers across our titles, roughly 25% of our total UK audience. We're now focused on growing their level of activity and have begun building the customer engagement and insights which support a higher mix of data-driven revenue.

Our strategy is also helping us to reach new audiences, with the Board supporting two exciting new launches this year: Curiously, our social-first platform, which will produce content to appeal to 16- to 34-year-olds, and our move into the US. We're keen to see what new opportunities these moves bring.

The print business has again played a critical part this year, with the resilience of circulation in particular continuing to provide the foundation for our ongoing investment in the digital strategy. The enduring appeal of our brands across all formats is key to our future growth.

Celebrating our award-winning journalism

A key role of the Board is to champion our purpose, and we're pleased to say that our brands continue to enlighten, empower and entertain people through brilliant journalism. We're proud of every

award we win, from the Mirror being named Newspaper of the Year at the London Press Club Awards, to the Irish Daily Star's David Coughlan winning Best Sportswriter (Popular) at the Irish Media Awards.

This year, we were particularly moved by Reach-wide coverage of the death of Her Majesty The Queen – and proud of our editorial teams, who worked day and night to report from the moment the news was announced, up to the Queen's funeral and beyond.

Formalising our approach to being a responsible business

We're proud to be a responsible business that focuses on doing good, in our operations and through our journalism. This year, the Sustainability Committee played a key role in the development of Reach's responsible business framework, which brings a clearer structure to our approach to being both responsible and sustainable. Read more about this on pages 44 and 110.

Looking out for our people

Aside from business challenges, this year has put significant pressure on the lives of our colleagues. As a Board, we speak regularly to the HR team – discussing our people and our culture, for example how the cost-of-living crisis is affecting them. We fully supported the cost-of-living payments made to a number of employees in December 2022 and January 2023. We also regularly review employee engagement surveys to understand morale across the business.

The Board is supportive of the greater flexibility allowed by the Home and Hub model Reach has adopted.

We see flexible working as a positive for attracting and retaining the best talent, and for giving opportunities to those who might not have considered or been eligible for a role with us or other large media organisations in the past. We acknowledge that finding the right balance between home-based and business-based work deserves careful attention and we continue to work with management teams to finesse our approach.

During this year's industrial action, the Board was kept well informed of negotiations and developments throughout the process. We were pleased to see the situation resolved in a constructive way.

Building strong teams

Throughout the organisation we continue to focus on making sure that Reach reflects the communities we represent, recruiting the best people from diverse backgrounds and with varied experience.

At Board level we are a signatory of the 30% Club, pledging to ensure that our Board includes at least 30% women and at least one person of colour. These are only starting points of course, but we are proud to have fulfilled this commitment ahead of our deadline of the end of 2023.

Over the past year, we were pleased to welcome Wais Shaifta, Priya Guha and Denise Jagger to the Board. Wais has significant expertise in driving growth and transformation for digitally enabled brands. Priya has a unique mix of senior diplomatic and governmental leadership experience, alongside extensive experience of the technology sector. Denise brings significant executive and

non-executive experience across an impressive range of organisations.

In recognition of our progress on diversity and inclusion, the Board was also proud to see Reach ranked 29 in this year's list of Inclusive Top 50 UK Employers (up from 42 the previous year), created by the Inclusive Companies network.

Regulatory developments

The News Media Association (NMA) is currently chaired by our CEO, Jim Mullen, a position he will continue to hold throughout 2023. With a number of key decisions and pieces of legislation related to the media currently in discussion, including the particularly crucial Digital Markets Unit, it is important that we continue to work closely with other media organisations to ensure that key decisions are made with a full understanding of the industry. This year we were pleased to see further progress towards repealing Section 40 of the Crime and Courts Act, a controversial provision which could force publishers to pay the costs of people who sue them, regardless of the outcome. This is a vital issue for the future of the industry and one which Reach and the NMA have actively campaigned on for several years.

An update on pensions

For the 2019 triennial review of pension commitments, the valuations for funding have now been agreed for all but one of these schemes.

In 2023 we will continue to engage with the Pensions Regulator to seek to agree the funding of the remaining scheme and in the meantime continue to make

payments per the existing schedule of contributions. We remain committed to continuing to deliver for our pension scheme members, while balancing all stakeholder interests and, in particular, the need to invest in the future of the business.

Dividend

The Board proposes a final dividend of 4.46 pence per share for 2022 (2021: 4.46 pence per share), which follows the interim dividend of 2.88p. In proposing the final dividend the Board has considered all investment requirements and its funding commitments to the defined benefit pension schemes.

The path ahead

On behalf of the Board, I'd like to thank all Reach colleagues for their continued hard work and dedication in what has been a difficult year. I'd also like to thank our former CFO Simon Fuller for his valuable contribution during his time at Reach. We're delighted to welcome Darren Fisher as our new Chief Financial Officer – Darren was appointed to the Board from 1 February 2023.

Macroeconomic conditions are likely to remain challenging in 2023. However, Reach has a proven and consistent track record of driving efficiencies, with plans in place to address near-term headwinds and support continued investment in growth. Our strategy is the right one; it supports a more sustainable and profitable future for our stakeholders and positions us to benefit strongly when the trading environment improves.

Nick Prettejohn
Chairman
7 March 2023

THE END OF AN ERA



The Queen's death in September reaffirmed the value of comprehensive, timely and accurate news. Read more on how our titles covered the once-in-a-generation event.

CONTINUE →



On 8 September 2022, Queen Elizabeth II died at the age of 96. Although we, like other media organisations, had put plans in place for this moment many years earlier, the death of our longest-reigning monarch, after a lifetime of duty and service, saddened many of us and our readers.

**HM Queen Elizabeth II
1926-2022**

THE END OF AN ERA

'Extraordinary' and 'challenging' – two of the words spoken most often across our newsrooms during the events of September 2022, when Her Majesty The Queen died after 70 years and 214 days on the throne. Despite the enormity of the news, our teams showed great professionalism, collaboration and creativity during a highly pressured time. And across our different titles, our people went above and beyond to cover every aspect of this momentous occasion.

How events unfolded

Operation 'Corgi', our planned response to the news, went into action immediately – in fact, the Royal Editor of the Mirror was first informed of the Queen's death three minutes before the official announcement, giving us just enough time to break the story. We were the first news publisher to share the news on Facebook. And within two hours of the announcement, we had reporters and photographers at Balmoral in Scotland, where the Queen died. From that moment, up to her funeral on 19 September, our teams were on the ground in Scotland, London and Windsor following Her Majesty's final journey – filing constantly for our blogs and printed papers, as well as sending video coverage for our social platform.

Print and digital in harmony

With our newsrooms working closely together, we could bring depth, immediacy and on-the-ground 'colour' to our online coverage.

On the day of the Queen's death, we turned mastheads black within minutes of the announcement. Our brands combined to reach 64.8m page views across the different sites – making 8 September 2022 one of our top-10 days ever for page views.

Demand for printed papers increased by 1.5m copies, demonstrating the fundamental part that our papers played in marking the historic occasion for the nation.

Our photographers were key to our coverage, taking some of the events' most iconic pictures, both for the Royal rota which appear in all national titles and also just for our papers.

Video content was particularly popular with our audience – our Snapchat channels, which average 0.6m views on a normal day, rose to 2.0m a day from 8 to 19 September. As part of the Express Royal Round-up online, we invited the public to share tributes to the Queen in our comments section – we then brought these on screen to support those grieving alongside the Royal family, and to create a sense of togetherness. We also had 19m views of a video we created of the Queen's funniest moments.



HOW OUR TITLES COVERED THE DEATH OF QUEEN ELIZABETH II

Our proudest moments

- First news publisher to break the news on Facebook
- First non-broadcast journalists inside the public vigils in both Edinburgh and London
- Royal Editor of the Mirror was the only newspaper journalist in Westminster Hall for the final vigil with the Queen's children
- Nearly 400k extra copies of our newspapers sold on 9 September
- 750m+ page views across our sites between her death and the funeral

RIISING TO THE CHALLENGE



Jim Mullen
Chief Executive Officer

Reach is and continues to be a resilient and adaptable business. Although external factors – including the war in Ukraine, the aftermath of COVID and resulting global supply chain disruption – are affecting our financial performance in the near term, we're looking beyond this.

We've taken action to preserve our strong foundations and to ensure we continue to deliver our Customer Value Strategy, which is creating a stronger and more sustainable business for our stakeholders.

And with a long-term view – we are a fundamentally different business today; more efficient, more digitally capable and more focused on growth.

Addressing macro headwinds

As a result of these global factors, the unit cost of newsprint, our most significant print production cost outside of labour, has increased by around 60% – reaching a level not seen since the global financial crisis.

In 2022, this contributed to almost £40m of additional operating costs due to inflation. We've also seen advertising demand slowing across the sector, which in digital, has been reflected in lower yields for 'programmatically' served ads which are sold via open market platforms. Trading during the final quarter of the year was disappointing, with Black Friday and Christmas failing to provide the seasonal uplift seen in previous years.

We're assuming that external conditions will remain tough and have planned accordingly. We're a resilient and flexible organisation, with a long track record of driving operating efficiencies with the evolution of our operating model and through the process of continuous cost improvement. In 2023 we expect to generate significant savings supported by efficiencies in print procurement and distribution, the simplification of support functions and through managing the size of our teams – in some areas slowing down hiring while in others, regrettably, making some redundancies. We're confident that our cost action plan will enable us to reduce operating costs by between 5% and 6%.

Strategy delivering, despite market uncertainty

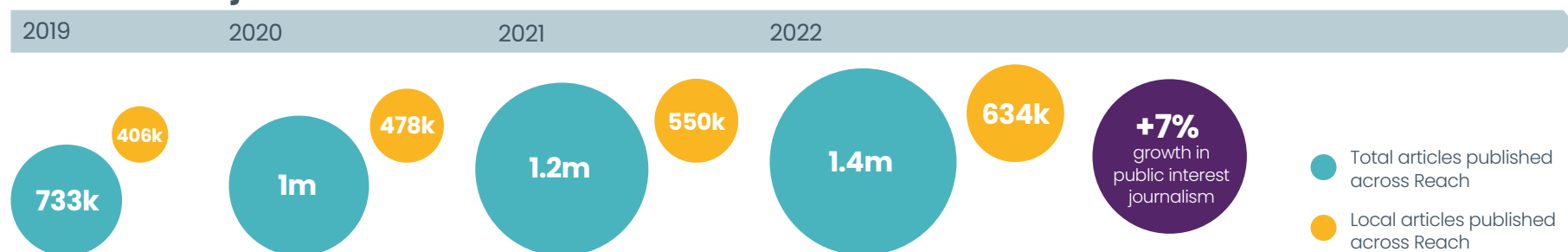
As set out on pages 34 and 35, our strategy is to get to know customers better – drawing on behavioural insights to create a virtuous circle of value from more relevant content, a more engaging experience, and greater loyalty, which drives sustainable, data-led revenue. And I'm pleased to say we're making good progress and tracking to plan.

“

We are a fundamentally different business today; more efficient, more digitally capable and more focused on growth.

”

Growth in our journalism



Earlier in the year, we surpassed our 10m registrations target and now have over 12.7m customers registered, which is over 25% of our UK digital audience. Even more significantly, the number of those customers who are regularly 'active' is growing. We now have around 5.6m registered users who accessed our content within the last 28 days. That's important because these relationships are the lifeblood of our brands. Being a growing part of our customers' daily lives means customer interactions and the data they generate are more recent, more relevant and more valuable for advertisers.

Registrations continue to be an important source of first-party data from our customers. Postcodes in particular are key to multiple customer insights and enable personalisation of content at a local level. They also enable geographically specific advertising, attractive to brands who want to run a campaign across our national network and titles, while only serving ads to customers in a specific area. During the recent train strikes for example, we worked with several national rail companies, who displayed ads for bus services but only in areas affected by rail disruption. We also worked with a well-known national furniture company, who, with our help, were able to target customers based within a certain number of miles of a showroom.

Registrations aren't the only source of data. In fact, our fully owned ad tech software, Mantis, is enabling us to capture detailed contextual and behavioural data on around three-quarters of our UK audience, the majority of whom aren't registered. We know whether they enjoy

reading about the Royal Family, UK beach holidays or women's fashion. And Mantis can identify the sentiment and emotion attached to the content they read. This is improving our ability to sell digital advertising directly, with data supporting an increasing number of campaign segments and more effective advertising for brands.

The proportion of our digital revenues supported by data is growing. That means we're improving our revenue mix, with a lower proportion of our digital business driven by the open market. This is the 'volume' element of our revenues where we don't control the price or yield. The scale of our business, with c.300-400m daily ad impressions means the open market will always be important. More directly sold advertising, which forms part of more strategic or 'data-led' revenues, offers a greater opportunity for value or 'yield-driven' growth. Total data-led revenues grew by over 50% during 2022 and are now over 30% of total digital.

Data also provides the insights that help shape our content, deliver a more personalised experience and drive customer engagement. Page views for the year grew by 4%, page views per user by 7% while page views from registered customers, another strong indicator of engagement, were up around 70% year on year.

Print scale and resilience supports investment

While digital data is key to growing customer engagement, it's print that makes our investment in data possible. Circulation trends have remained steady

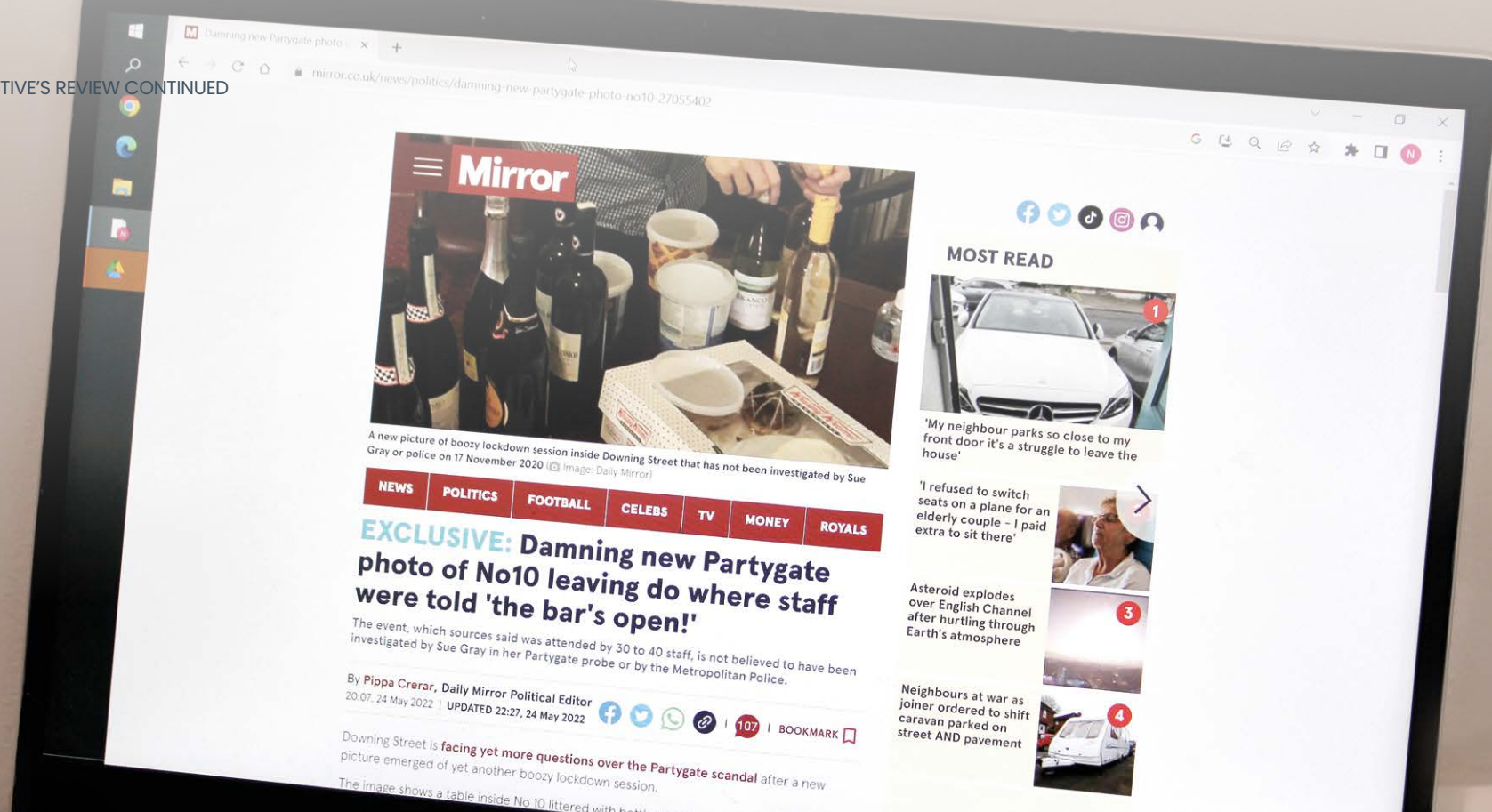
and broadly predictable, benefiting from relative price resilience and our ability to drive production efficiencies, which support significant cash generation over the medium term.

Inflationary headwinds during the year have been felt largely within print, where we've seen production cost increases in energy, ink, plates and particularly newsprint. The newsprint market has been severely impacted by changing demand and supply dynamics in the aftermath of COVID, in addition to then being hit by the increase in energy prices that resulted from the outbreak of the war in Ukraine.

To protect print margins, we increased cover prices more than average this year, which supported stronger circulation revenue, particularly during the second half of the year, and will also see us benefit in the early part of 2023. Circulation revenue for the year declined by 1.7% overall this year, down c.5% during H1 and up almost 2% in H2.

From a cost perspective, we made changes to print supply (the volume we print) and pagination (the number of pages). We made reductions to supply levels during the year with no material impact on availability and reduced the size of our newspapers by around four pages, still leaving the average page count higher than it was before the pandemic.

As part of our cost reduction plan for 2023, we expect to make savings in our print supply chain, driven by more efficient raw materials sourcing and distribution planning.



THE MIRROR'S 'PARTYGATE' EXCLUSIVES SHOW THE TRUE POWER OF JOURNALISM

In November 2021, the Mirror broke 'Partygate' – a political scandal that kick-started the series of events leading to the downfall of Boris Johnson as UK Prime Minister. Breaking the story demonstrated two things our journalism does best: expose the truth, and hold power to account.

When Pippa Crerar, then Political Editor of the Mirror, first learned of parties at 10 Downing Street during a COVID lockdown, the scale of the scandal wasn't yet clear. As the team continued to gather evidence, it all came together as the holiday season in 2021 approached and people began to question whether it was appropriate to host work parties again. This was the moment the story would rightly gain traction.

Between November 2021 and May 2022, the Mirror published six front-page exclusives uncovering evidence of lockdown rule-breaking in Johnson's government – despite Government denials.

Once it was public, other newsbrands began reporting the scandal as it dominated the British press and public discourse. In July, Boris Johnson resigned as Prime Minister.

In May 2022, Sue Gray's report confirmed that each story the Mirror had broken had been factual and trustworthy – meaning our rolling exclusives of 'Partygate' will be remembered not just as a significant point in British political history, but as a triumph of journalism.

Brilliant journalism wins again

At the 2022 London Press Club Awards, Pippa scooped Journalist of the Year and the Hugh Cudlipp Award for Campaigning and Investigative Journalism, with the Mirror named Daily Newspaper of the Year. Pippa won more prizes at the Media Freedom Awards, including Journalist of the Year, Political Journalist of the Year, and Investigation of the Year. The Mirror was also named News Media Organisation of the Year.

Enhancing the customer experience

As we improve our data capabilities we need also to improve the overall digital experience our customers get when they use our website and apps. A more user-friendly experience is another key part of keeping them engaged for longer.

This work includes improving site load times and ensuring the optimum balance between content and advertising, with our product team exploring multiple options including the trial of an ad-light, paid-for experience on mobile. We're also rolling out new site personalisation tools like polls and surveys, which increase interaction, support registrations and capture richer data.

Our Neptune Recommender, one of our 'next action' tools, uses Mantis data to promote content to customers that's most relevant to them. It also enables brands to sponsor content which relates only to specific topics or sentiments. For example, TSB used this tool to great effect by sponsoring existing advice-based cost-of-living content.

The continued development of Mantis shows our strength in developing our own IP. The team will look to take this further in 2023 via the development of global private or curated marketplaces which are key to scaling the benefits of data-led advertising. We are uniquely positioned to partner with the tech platforms to develop this opportunity by licensing access to Mantis contextual data which then enables brands to target customers across multiple publishers.

Developing new audiences

While we've been enhancing the experience for our existing audience, our strategy also supports us in reaching new audiences. Our digital launches over the past three years have provided us with valuable insight and a 'CVS playbook' which we can now apply to new ventures – expanding both geographically and demographically.

The US is already a significant market for us, with a growing audience served by our UK websites, but there's huge potential to develop this further. And our success in gathering customer data and in launching multiple newsbrands from scratch over the past few

years puts us in a strong position as we begin the process of launching a dedicated US operation.

Our focus is on building our existing American audience for the Mirror, Express and the Irish Star, with IrishStar.com catering to the sizeable Irish American population, particularly in the New York and Boston areas. Leveraging our position as the UK's biggest commercial sports publisher, we'll be adding more 24/7 sports coverage for our millions of US-based 'soccer' fans.

Creating a brand for youth audiences

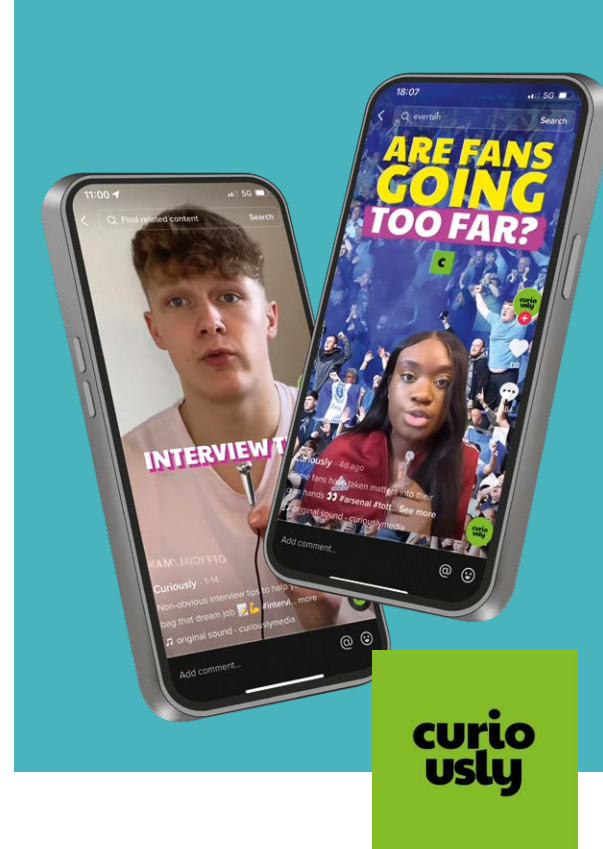
As a mainstream publisher, it's our job to appeal to and represent all parts of society. The evidence is clear that the way we consume news is changing, with the younger generation in particular now preferring social media as their main route to accessing news content. At our half-year results in July, I spoke about the work we've been doing to grow our relevance with younger audiences, looking at short-form video as part of positioning ourselves to attract the next generation of talented journalists and content creators.

Towards the end of the year we soft-launched Curiously, our new social-first, video-focused brand designed to appeal to a more diverse and culturally aware audience. Curiously will be empathetic and non-political, aiming to cover a broad range of subjects in a more distinctive and relevant way for 16- to 34-year-olds. It's an exciting development which we'll update on as the year progresses.

The stories that matter

In 2022 our editorial teams once again demonstrated their talent and persistence, the strength of their relationships with their readers and the mainstream appeal of our brands. The way our editorial teams pulled together and delivered for their readers following the death of Her Majesty The Queen was a privilege to watch – a once-in-a-generation moment that our journalists captured expertly.

There are many stories from this year that will stick with me. Including the Mirror's exclusives on Partygate, which, whatever your personal political beliefs, so clearly showed the vital part that a strong press plays in democracy.



The Express's successful campaign to add 'Zach's Law' to the Online Safety Bill and strengthen prison time for internet trolls who deliberately endanger people with epilepsy. And the Liverpool Echo's powerful coverage of the fatal shooting of Olivia Pratt-Korbel, whose life was taken when a gunman forced his way into her family's home in Kingsheath Avenue, Dovecot, on 22 August.

For these feats and others, our titles and journalists have won dozens of awards this year, from the Mirror being named Newspaper of the Year at the London Press Club Awards to the Daily Record's Annie Brown picking up Scoop of the Year at the Scottish Press Awards for her investigation into nursery discrimination, or the Express's Steph Spyro winning Best Environmental Reporting at this year's MHP Mischief 30 To Watch: Young Journalist Awards.



SEEKING JUSTICE FOR OLIVIA

The fatal shooting of nine-year-old Olivia Pratt-Korbel at her home in Liverpool last August shocked us all. With people eager for information, especially those closest to Olivia and her family, the Liverpool Echo reported the news and campaigned to uncover the facts – while doing what they could to show their respect for Olivia.

At the Echo, our local team of journalists heard reports of a shooting in Dovecot, and arrived at Olivia's home. They gathered facts from the police before going live with the story online in the early hours of 23 August, the morning after Olivia's fatal shooting. While they knew it was right not to publish details that might be seen as insensitive, as a local title the Echo felt a responsibility to the community to help uncover information surrounding Olivia's murder. On 24 August, the Echo ran the front page: 'Whose side are you on?' with a photo of Olivia, and a series of statements designed to

encourage anybody with information to come forward. The team also created a video on the same theme featuring celebrities, sports people including former Liverpool F.C. captain Jamie Carragher, children from the Alder Hey Youth Forum, and local residents. Maria Breslin, the Echo's editor, said the team used two key questions to guide them: 'Will this help the police investigation? And will it cause unnecessary suffering to Olivia's family?' If her team could answer 'yes', and 'no', then they knew it was right to publish.

On 3 October 2022, Thomas Cashman appeared at Liverpool Magistrates' Court charged with Olivia's murder – he has since pleaded not guilty. The Echo continues to report on Olivia's murder, and in doing so brings attention to the critical importance of local news.

Stories like these also bring into sharp focus our public affairs work, through which we aim to ensure that key legislation – from the Online Safety Bill to the Digital Markets Unit – is crafted with a real understanding of and appreciation for the industry. I'm now in my second and final year as Chair of the News Media Association (NMA) and will continue to work closely with others in the industry to preserve the long-term ability of our titles to tell the stories that matter, independently and sustainably.

No recap of the year would be complete without mentioning the bravery of the reporters and photographers on the ground in Ukraine. This war has sent shockwaves through the macroeconomic environment which affects our business but most importantly, has had a sobering human impact. The part we, our brands and our journalists have played in reporting on it is something I'm very proud of.

Leading our people through unprecedented times

There's no getting away from the fact that the circumstances we faced in 2022 were extremely difficult for many on a personal level, and put pressure on the business's relationship with some of our people, with a number of editorial colleagues taking part in industrial action. While this was not an easy period for anyone, we worked closely and diligently with our union representatives and our editorial teams to find an agreeable solution.

We expect economic conditions will remain challenging in 2023 and so we will continue to consider our costs very carefully. A spirit of open debate and collaboration will again be essential as we work together to move forward as a stronger business.

Whatever challenges we face, I am committed to maintaining a respectful and constructive dialogue with all the teams here at Reach and would like to thank them for their continued hard work and the talent they bring to our shared goal of creating a sustainable journalism business.

It is important to me, both as the CEO and on a personal level, that Reach continues to be a stronghold for mainstream journalism, ensuring that our

newsbrands serve their audiences for years to come. And while arriving at this position of strength demands change, and sometimes difficult change, I am proud of the significant investments we've made in our editorial teams over the past three years.

A culture fit for the future

While the challenges mentioned are significant and will require continued attention and care, I also want to recognise the real progress we've made as we continue to develop as a business and reshape our teams to be more agile and fit for purpose. These include the development of our Network Newsroom (see page 27 for more) to training we've provided for our more print-focused commercial teams to be able to pivot to digital.

This constant drive to innovate has been recognised by the industry with big wins both in the editorial sphere (Best Newsroom Transformation at the 2022 INMA Global Media Awards) and in the advertising world (Commercial Team of the Year/Consumer and Best Use of Data at the British Media Awards).

In 2022 we continued building a culture where people can thrive – becoming more representative of society and our audiences, both as a team, including adding diversity targets at Board and Executive level, and through our journalism. Our Belonging Project is a good example, as it challenges our local brands to create content more relevant to communities that have so far been under-served (read more on page 19).

We continue to see this progress recognised by the industry and by trusted external benchmarks – this year moving up to 29 in the Inclusive Companies' list of Inclusive Top 50 UK Employers (from 42 in 2021), and earning a spot in the Social Mobility Benchmarking ranking for the first time. While we still have far to go, I believe in holding ourselves accountable and measuring and sharing our progress.

I always say that I want Reach to be a place where people can get in and get on, and in this spirit I'm proud that we're becoming a more family friendly employer, announcing in 2022 our new and updated policies to offer greater support to parents, carers and those who have lost loved ones.

Formalising our approach to business responsibility

As a publisher of news, sport and entertainment people can trust, we've always understood our responsibility to society and communities. Our purpose – to enlighten, empower and entertain – gives us a privileged position to use our editorial voice to champion good causes, hold authority to account and campaign on issues that matter to our audiences.

Our new responsible business framework will help articulate our approach to environmental, social and governance (ESG) issues more formally, making it easier to communicate all the great work we're doing around the business while tracking our progress as a responsible business, now and in the future.

From a climate perspective, we've enhanced our reporting against the Task Force on Climate-related Financial Disclosures (TCFD), made significant progress on our climate strategy and have begun a review of Scope 3 emissions as part of the journey to net zero (read more on page 68).

Welcoming our new CFO

I want to thank Simon Fuller, our former CFO, for his commitment and support. At the start of February 2023, Darren Fisher joined us as CFO from ITV. I'm delighted to welcome him to Reach and look forward to working closely with him as we continue to shape a more profitable future for the business.

Looking ahead

As we move into the new year, we expect trading conditions will remain challenging with inflation continuing to impact input costs and consumer demand for advertising. We are controlling the controllables, with plans in place that support a meaningful reduction in operating costs and continued investment in our Customer Value Strategy. Consistent strategic delivery is supporting the growth of higher quality digital revenues and puts us in a strong position to grow when macro headwinds subside.

Jim Mullen
Chief Executive Officer
7 March 2023

STAYING RESILIENT IN AN ERA OF CHALLENGES

For our business and for many people and communities, 2022 has undoubtedly been a difficult year. From the cost-of-living crisis and inflationary pressures to the war in Ukraine and global energy shortages, our national and local journalists have seen many of the challenges up close, and reported on the impact they're having on people's lives. At the same time, our business has had to adapt while remaining committed to our strategy, guided as always by our purpose.

Whether the challenge has come from global events, a volatile macroenvironment, greater competition for the best people, or a transforming news publishing industry, we're keeping focused, staying resilient and taking decisive action. Keep reading to learn how.

CONTINUE →

AT A TIME OF GREAT CHALLENGES...

The war in Ukraine. Cost-of-living crisis. The Queen's death. This year, the extraordinary events at home and around the world have not only challenged our business, but put demands on our editorial teams. As the challenges of 2022 reinforced the importance of our purpose, our journalists performed under pressure, resulting in a strong awards tally, new launches which will broaden the reach of our audience, and an initiative that has challenged our local brands to be more representative of their communities.



We've always celebrated how our journalism enables us to speak up and shine a light on the truth. This year, as events rocked the world and communities close to us, the power of our journalism became ever clearer.

We're continuing to deliver on our purpose

We exist to enlighten, empower and entertain people everywhere through our brilliant journalism. It's what gets us out of bed every day, and what motivates us to do work that, at one extreme takes us into war zones, and at the other gets people laughing and talking.

We enlighten people by giving them context to complicated situations, providing useful information, or challenging ideas with different opinions. We empower people by giving them the tools they need to act, by campaigning for the causes that matter to them, or by lending them our platform to amplify their voices. We entertain people by giving them more ways to enjoy their pop culture favourites or to laugh at the news, whether it's I'm A Celebrity coverage from our showbiz desks, celebrity weddings in OK! magazine, or the latest satirical cover of the Daily Star.

As a proudly mainstream publisher, we do it at both national and local level, in print through our newspapers and magazines and online through our websites, apps and social channels.

“
Our purpose is what gets us out of bed every day, and what motivates us to do work that, at one extreme takes us into war zones, and at the other gets people laughing and talking.
”

What we've achieved

- ✓ Held three UK Prime Ministers to account, including...
- ✓ Breaking 'Partygate' in the Mirror
- ✓ Launching the viral sensation 'Lizzie Lettuce' via the Daily Star
- ✓ ...and holding Rishi Sunak's Government to their triple-lock pension promise through the Express's reader petition
- ✓ Supported four journalists reporting on the ground from Ukraine and nine from the Poland/Ukraine border
- ✓ Launched the Belonging Project with all of our local newsbrands, reaching more under-represented communities in the UK and Ireland with our work
- ✓ Hired our first reporting team dedicated to women's football
- ✓ Delivered comprehensive and compelling coverage following the death of Queen Elizabeth II – providing our readers in print and online with an in-depth portrayal of history from both a national and local perspective

...OUR BRILLIANT JOURNALISM
SHINES THROUGH

We consistently produce award-winning journalism

In 2022, our journalism once again won many awards – including the Mirror winning Newspaper of the Year and News Media Organisation of the Year at the London Press Club Awards, and National Investigation of the Year for 'Partygate', at the Society of Editors Media Freedom Awards. We also had a hat-trick of wins for Partygate at the British Journalism Awards where we also picked up the Local Journalism Award.

Other recognition we're proud of includes two wins at the NCTJ Awards for Excellence in March (awarded by the National Council for the Training of Journalists); a nomination, shortlisting and win at the Publisher Podcast Awards in April; seven wins at the Scottish Press Awards in September; a nomination and win at the Asian Media Awards in October; and four wins at the Local Democracy Awards in November.



We had a hat-trick of wins for Partygate at the British Journalism Awards where we also picked up the Local Journalism Award.



REMEMBERING AWAAB ▶

Manchester Evening News reporter live-streams the vigil for toddler Awaab Ishak, surrounded by community leaders and Rochdale residents, 19 November 2022

15% INCREASE IN LOCAL STORIES

7% INCREASE IN PUBLIC INTEREST STORIES

We're rethinking how we serve our communities

In 2022, we launched the Belonging Project – an initiative to make our journalism more relevant to all the people we strive to represent, especially those who may have been under-served in the past.

As a result, 53 local brands published pieces with new communities in mind, telling stories that may not have been told. We'll continue to be guided by findings from this project, with an ambition to be relevant to more of the communities we represent, in all of the areas we serve. See more in the case study on the right.

And in a year in which the news was often dark, we were all inspired by the Lionesses' historic win at the UEFA Women's Euro 2022. We responded swiftly to the mood of the nation and the uplift in interest by recruiting our first ever reporting team dedicated to women's football (for more see page 62).



THE MIRROR'S PRIDE OF BRITAIN AWARDS

Tobias Weller from Sheffield receives the GMB Young Fundraiser of the Year award from Ben Shephard and Susanna Reid

CELEBRATING 'BRUMMIE MUSLIMS' AND OTHER UNDER-REPRESENTED COMMUNITIES



This year, we launched the Belonging Project – an initiative to create closer ties between our local brands and their communities. Every local newsbrand across our portfolio was tasked with identifying a community, relevant to their area, that they could focus on representing and engaging with more fully – they were then measured on their progress throughout the year.

The project has been a catalyst for our local newsrooms to further explore their communities, making a meaningful difference to the lives of people from all backgrounds – and listening to those who tell us they feel under-represented by our work. It's helping us to create exciting new projects, brands and initiatives.

In the Midlands, BirminghamLive's work led to the 'Brummie Muslims' newsletter, which celebrates Muslim culture and brings together the community's latest news. It's not just one of the title's fastest-growing newsletters, but was also shortlisted in the Asian Media Awards. While over in Leicester, teams from LeicesterLive have been getting to know the South Asian community – a relationship that started with the title's sensitive coverage of tensions following the India vs. Pakistan cricket match in August.

Thanks to the Belonging Project, we're getting closer to people in communities across the UK and Ireland – and creating new ways to support and celebrate them through our work.

IN A VOLATILE MACROENVIRONMENT...

In 2022, we saw global events – including the war in Ukraine, which caused historically high levels of inflation, particularly in energy pricing; and COVID, which continued to disrupt global supply chains – having a significant impact on our business. While these affected both our print costs and advertising revenue, the strength of our strategy and robustness of our print circulation mean our business remains resilient.

While the main focus of our strategy is to drive deeper engagement and greater revenue from our existing customers, we're also reaching out to new customers – both beyond our existing core demographic, and beyond our core geography of the UK and Ireland. The enduring appeal of our print titles and ability to bring efficiencies to our business allow us to deliver on our strategic growth priorities, even during volatile times.

We're reaching deeper and further

Through our strategy, we continue to increase the number of people who are registered with our brands, from around 10m at the start of the year to 12.7m at the start of 2023, with 5.6m of these interacting with our online brands on a monthly basis. While we continue to focus on learning more about those customers, driving higher engagement and revenue per customer as a result, we're also moving into new markets – attracting new customers we can get to know in the future.

In December, we announced the launch of our dedicated US operation – and our focus on growing our American audience for the Mirror, Express and Irish Star. We already have a large and growing audience in the US who visit our UK-based websites for content on the Royals, Premier League football and showbiz content. There's huge potential to develop

this further. Our experience in launching newsbrands from scratch as part of our Live network expansion in the UK puts us in a strong position as we begin the process of launching a dedicated US operation.

Towards the end of the year we launched Curiously, our first brand tailored specifically for a younger audience (16- to 34-year-olds). Launching initially on social platforms such as TikTok, and with a focus on video content, Curiously supports our objective to increase engagement with the younger demographic, who currently spend less time with us, despite spending more time online than our core audience.

What we've achieved

- ✓ Increased the number of registered customers to 12.7m – 25% of our UK audience – with 5.6m now active on a monthly basis
- ✓ Developed our proprietary advertising technology to support data-led revenue
- ✓ Increased proportion of digital revenue driven by data from 21% to 32% – an increase of 11%
- ✓ Took decisive action to address inflation and mitigate increase in input costs including:
 - ✓ Changes to print production, distribution and newsprint sourcing
 - ✓ Cover price increases which strengthened circulation revenue

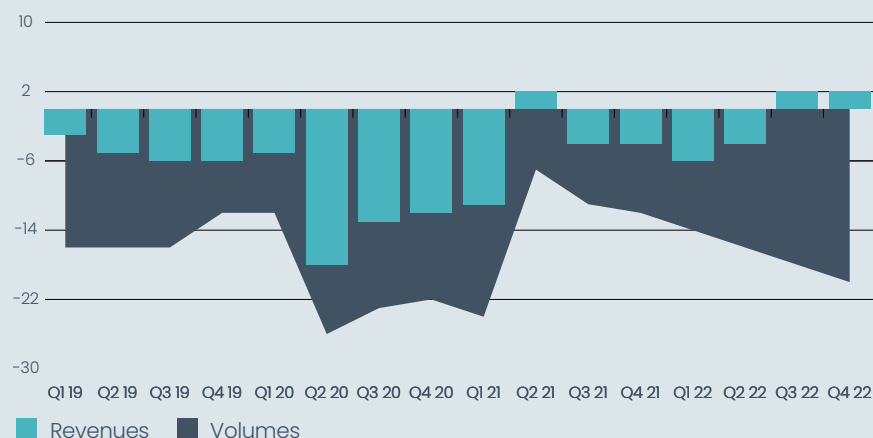
...WE'RE DEVELOPING WAYS TO REMAIN RESILIENT

We're protecting print circulation

Although the number of newspapers people buy has been falling for many years, we continue to sell just under one million copies each day across all our titles, thanks to the popularity of our brands, many of which have been around for a century or more. On 9 September 2022, the day after the death of Her Majesty The Queen, we sold an extra 393,000 newspapers, around 56% more than the same day of the previous week – demonstrating not only the public's great affection for the Queen, but also the enduring significance of printed journalism.

A combination of 'levers', including promotions, features and supplements, along with ensuring distribution is closely matched to demand, help to support the number of newspapers we sell. Often a daily or weekly habit for much of our core demographic, newspapers remain a relatively low-cost item despite our strategy of annual cover price increases – which this year were higher than normal to help mitigate the impact of inflation on print costs. Circulation revenues for 2022 were down only marginally this year, by just under 2%.

Circulation volumes and revenue



We're managing our costs

Inflation increased our costs during 2022. This was particularly significant in our print business, with the like-for-like cost of newsprint around 60% higher than in 2021, driven by the cost of energy and supply disruption after COVID. Changes we made to production during the year, including a reduction in print supply and in the number of pages in some titles helped to offset this, limiting the impact on revenue. It's clear that inflation will continue to have an effect on businesses for some time to come. In 2023, we announced plans to target business-wide cost savings which support a 5-6% like-for-like reduction in our operating cost base. We aim to mitigate macro headwinds by further improving the efficiency of our operating model, for instance by simplifying central support functions, improving supply chain efficiency and removing editorial duplication.

We're continuing to work closely with all our major suppliers in order to minimise the impact inflation is having on production and have also approved a project to install solar panels at some of our printing sites. This investment will both ensure our use of renewable energy in the long term and help to reduce our costs from energy consumption.

We're continuing to work closely with all our major suppliers in order to minimise the impact inflation is having on production.



◀ COST OF LIVING

Protesters march through the streets of Bristol on 1 October 2022 as part of the 'Enough is Enough' rally against energy bills

C.1M
COPIES OF A REACH
TITLE SOLD PER DAY

ONE IN FIVE
UK ADULTS READ A
REACH PRINT TITLE IN
THE LAST MONTH

AS NEWS AND MEDIA LANDSCAPES MERGE...

The market for skilled people was more competitive than ever in 2022, between the lingering effects of the 'Great Resignation' and a particularly hot market for tech talent. As a modern employer driven by our Customer Value Strategy and digital transformation, we're adapting our ways of working and developing our culture so they're right for our people and our business, now and into the future.



Today, news publishers like Reach don't just need brilliant journalists – we also need tech specialists who can use the content we create to engage people online, and digitally savvy commercial teams who can make the most of this engagement and increase our digital revenue. Facing a hot talent market, we're using our position as the UK and Ireland's largest commercial news publisher, our flexible approach to working, and opportunities we offer to improve people's digital and creative skills to attract and develop the people we need.

We stand out in the industry by committing to flexible working

While hybrid working continues to be a point for discussion, the trend we see from surveys of our own teams, particularly those in tech, continues to point to a growing preference for flexibility, and more fluidity between home and office environments. With industry commentators predicting this could become an increasingly crucial 'must' for many jobseekers, we've continued to invest in and refine our hybrid model.

In 2021, we offered our teams a more flexible way of working as part of our Home and Hub policy – as we build a culture that values a diverse workforce, the wellbeing of our teams, and a more pragmatic approach to getting the job done, wherever we work from.

While different roles and teams have different needs, we put more control in the hands of team leaders to decide what's best for their team. We currently have about a third of our people working mainly from a hub, a third working mainly from home, and the remaining third adopting a hybrid approach, splitting their time between home and office. This model, combined with our national and local reach, also means we can attract people from a wider geographic footprint.

We encourage team managers to take a pragmatic approach to flexible working requests and are seeing more day-to-day flexibility, even in more traditionally office-based teams, become the norm.

What we've achieved

- ✓ Launched new family friendly policies, including Carers' leave and Neonatal leave
- ✓ Opened three more work hubs for our hybrid teams across the UK and Ireland, and refurbished our Manchester hub, as part of our flexible Home and Hub policy
- ✓ Partnered with charity TechSheCan to encourage more women into tech roles
- ✓ Established a network of online safety reps to provide additional support to colleagues suffering from online abuse
- ✓ Kicked off our employer value proposition project by gathering input from over 1,200 colleagues
- ✓ Created a new home for the next generation of content creators through Curiously

...WE'RE CREATING A WORKPLACE FIT FOR THE FUTURE

We're giving our content creators more freedom

To continue attracting the best people, our editorial teams must make a home for those with a wide range of creative and multimedia skills. Up until now, content creators – multi-talented individuals who often write, present and edit their own content – were most likely to work for themselves as 'influencers'. Now, as we focus on growing new audiences, and in line with our strategic growth priorities, it's important that we bring those people to Reach and make the most of their expertise.

Our social-first platform Curiously, built to appeal to 16- to 34-year-olds, is built on a creator-focused model – with a team tasked to create video-led content for younger audiences where they are – on TikTok, Instagram, Snapchat and other platforms. Through listening to the audience and following our data, our teams are creating an even better understanding of the needs and wants of our under-35 audience and sharing that knowledge with newsrooms across the business. We've also involved our own young workforce by opening up the chance for all under-35s at Reach, from any department, to join an advisory board to help steer Curiously at this exciting stage. This board currently has over 100 people on it across all departments and regions.

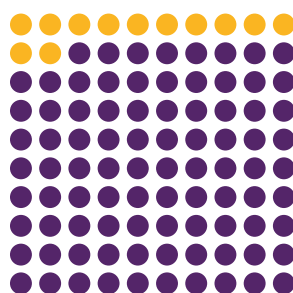
As we continue to hire our own team of content creators to join Curiously, we're offering them:

- Licence to experiment when creating;
- career opportunities and team support within the country's biggest commercial publisher;
- ongoing training and development;
- opportunities to join Reach Creator Academy, which has its own Certificate of Journalism built around being a creator.

We'll be able to report on the achievements of Curiously from 2023, following its launch.



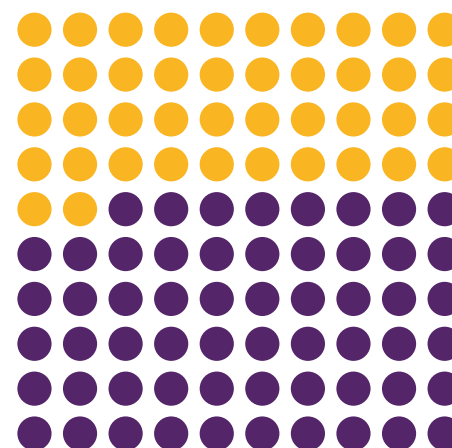
Proportion of digitally focused roles at Reach



2018

12%

digitally focused roles



NOW

42%

digitally focused roles

We're training people for now and the future

To offer more opportunities for people to get into news publishing, we've continued to expand our apprenticeship programme to bring in new roles. For example, new apprenticeship roles in 2022 included a Data Analyst and a Communications Assistant. We've also continued to support existing employees with courses to help them develop – for example a senior leader for whom we are also funding an MBA.

Across all of our teams, but particularly in tech roles, we also use apprenticeships to develop future leaders from within Reach, offering our most ambitious people the chance to add to their skills.

We also became an official partner of TechSheCan, a charity that encourages girls and women to pursue careers in the tech sector. Fifteen of our female tech experts, who work across our product, data, editorial, commercial and print teams, will now volunteer at events, including talks at schools, to encourage the next generation of women into science, technology, engineering and maths, or 'STEM', roles.

And in the spring, building from our previous centralisation project, Reach Wire, we created our Network Newsroom – a digital team spread across the UK and staffed by journalists from our portfolio of titles. It gives our journalists experience across different brands, and allows us to be more agile and deploy teams more quickly to cover any big story, wherever it happens, or put more people on a story where we have a relatively small local team.

As we shape our teams and create a culture that makes us fit for our digital future, we also remain committed to being more representative of society and our audiences and continue to make progress on Diversity and Inclusion. And, as ever, we're committed to our people's wellbeing and safety. Read more about this on pages 57 and 58.

We're solidifying our position in the employment market

At the end of the year, we started work on our 'employer value proposition', to better articulate the message we share about who Reach is as an employer. This will help us to attract, engage and retain the right people to make our strategy succeed.

In 2022, we began working with an employer branding specialist to develop a proposition that's authentic and future-fit. The discovery phase included an inclusive organisation-wide programme of research, as well as external research and competitor analysis.

This work has given us valuable insight into what unites us all at Reach, what we stand for, and what it takes to be successful here. The next stage is to turn this insight into a powerful brand, which we'll activate as an important tool for attraction and retention.

12
work hubs
around
the UK and
Ireland and 19
additional
spaces

30
trained
volunteers
participating in
the online safety
rep network



LEADING IN ONLINE SAFETY

It's increasingly important that we protect and support our journalists who face online abuse, and we're proud to have hired the industry's first Online Safety Editor who is leading the industry in this space – read more on page 51.

Every year, more people are getting their news, sport and entertainment online. As the number of people buying printed papers declines, we are adapting, transitioning our business to become more digitally focused.



Central to our digital transformation is investment in data and technology – to reach and engage more customers, gain better insight into their behaviour, and so create a more valuable proposition for advertisers. We continue to make great strides in our use of machine-learning-based tools and, as we grow our registered user base, we gain more signals which power and refine our machine-learning algorithms.

Great content is central to our strategy. By sharing stories that enlighten, empower and entertain the public, we attract them to our channels and products. To deepen our understanding of those customers, we need to improve their online experience, and encourage them to spend longer with us. This stronger engagement generates the data and insights that are so valuable to our commercial teams as we develop our relationships with advertisers and media agencies.

We're focusing on the customer experience online

Our product, commercial and editorial teams all play a part in deepening the relationship we have with our customers – with many projects currently running that are designed to improve our customers' experience, and encourage them to spend more time with our content. This will continue to be a key area for improvement for us in 2023.

**c.6M REGISTERED
USERS ACTIVE ON A
MONTHLY BASIS**

**>1BN PAGE VIEWS
FROM REGISTERED
CUSTOMERS IN 2022
(UP 70%)**

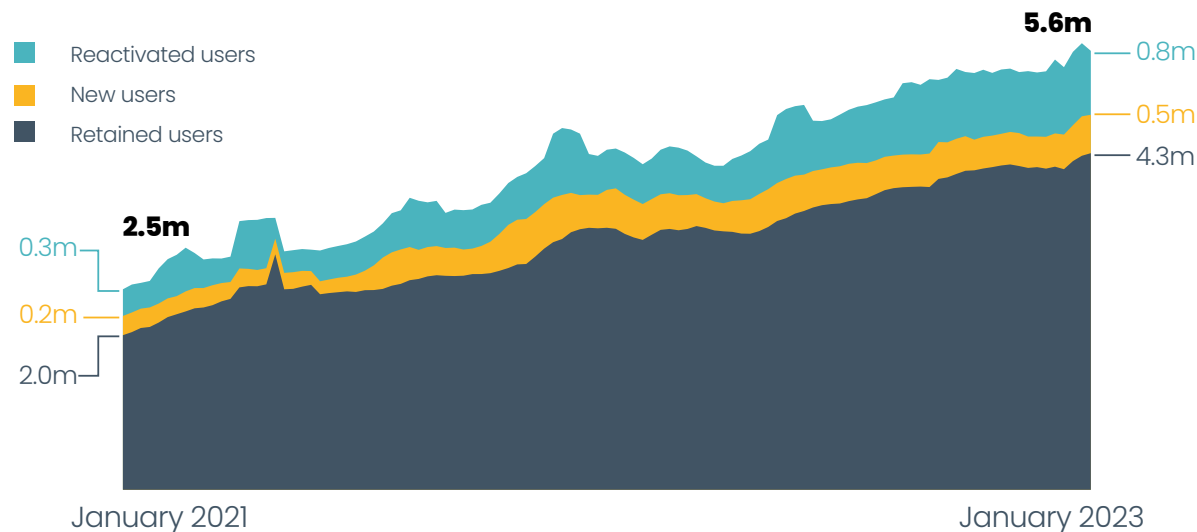
What we've achieved

- ✓ We have the 6th largest digital audience in the UK – and a growing pool of customer data that helps us build closer relationships with them
- ✓ We now have 12.7m registered customers, meaning around 25% of our UK digital audience are now registered with one or more of our brands
- ✓ An increasing number of registered customers, around 5.6m, are 'active' on Reach sites monthly – meaning they return more than once within 28 days
- ✓ Digital consumption or page views grew 4%
- ✓ Page views per user, a measure of how engaged our customers are, grew 7% in 2022
- ✓ We developed our machine-learning-based ad tech and audience tools

**...WE'RE INVESTING IN OUR
DIGITAL BUSINESS**

A strong and growing base of registered active users

Breakdown of active users



We're growing our database of first-party customer data

Because of data privacy rules, the way companies gather data is changing – with many planning to phase out third-party cookies over the next few years.

Advertisers currently use third-party cookies to track online users across sites. With our own ecosystem of brands and websites already in place, we're able to map our customers' visits using Reach ID. This enables us to gather behavioural data, for example about the topics they're interested in and how often they visit us, as well as 'declared' data they give to us, like their postcode. Connected to Neptune, our ad-tech platform, we can categorise these profiles, or data-sets, and create a rich picture of who our customers are and what interests them.

Solving the third-party cookie challenge across our own ecosystem puts us in a strong position to 'own' relationships with our customers directly. Using tech such as Mantis, our machine-learning-powered contextual tool, we can also support other businesses, including publishers, to adapt to a changing market and keep their advertising effective.

IMPROVING OUR DIGITAL CUSTOMER EXPERIENCE

- **Improving site performance** – projects led by our product team are helping us to understand the all-round performance of Reach websites. This includes reducing site load times, improving how our sites rank with platforms like Google and Facebook, and optimising the balance between customer experience and the amount of advertising. We're also trialling an ad-light, paid-for experience on mobile to further improve the online experience for those happy to pay for content they trust.

- **Creating a more personalised experience** – our ad tech and product teams continued to develop our machine-learning-based technology, making use of several tools including our proprietary Mantis technology and the Neptune Recommender. The latter is a machine-learning tool that uses behavioural data to suggest additional stories to customers, keeping them on our sites for longer.
- **Developing more interactive relationships** – our audience team are developing creative tools to encourage customers to interact with more of our content, including surveys and voting widgets. They're also designing a more streamlined registration process that helps us capture more declared customer data.
- **Using data in our newsrooms** – as well as using 'A/B testing' to see, in real time, how well a headline engages a customer, our editorial teams can now measure their articles' popularity using our new piece

of proprietary software – which also uses data to suggest which subjects engage people most. In recognition of this work in our newsrooms, we received the award for Best Innovation in Newsroom Transformation at the International News Media Association (INMA) Global Media Awards in 2022.

These projects support our objective to develop a bigger, more engaged audience – made up of loyal customers, rather than infrequent or casual visitors. In tech speak, we want 'greater frequency, recency and duration of visits' because it leads to more valuable customer insights, and more registrations, which make unregistered customers contactable.

We're diversifying our sources of digital revenue

The majority of our digital revenue comes from machine-led, or 'programmatic', sales, where advertising space is sold through virtual auction platforms – our scale means this will always be a valuable source of revenue. As our Customer Value Strategy progresses and leads us to creating a richer picture of more customers, it's our data that's encouraging our direct advertising and media agency clients to increase their spend with us.

The postcode data we collect, for example, enables us to run digital campaigns for advertisers (often local and global brands) on a 'geo-specific' basis. This sort of 'data-driven' advertising that we sell directly to our clients leads to an up to 50% increase in the effectiveness of their campaigns. It therefore results in higher yields for us – making it a strategic priority. While advertising demand has been affected by the macroeconomic uncertainty, particularly during the second half of 2022, our data-driven revenues have continued to grow, and now represent over 30% of our digital business.

Growing data-driven advertising is just one part of our overall focus on strengthening our digital revenue mix. We're also launching in the US, a new market where we can get to know customers; investing in our new youth-focused brand Curiously; and exploring opportunities like ecommerce and subscriptions, which generate revenue beyond traditional advertising. It's this sort of diversification, driven by our strategy, that adds resilience to our digital revenue streams.

We're lobbying for fair regulation

A high proportion of today's digital audience gets its news, sport and entertainment via technology platforms like Google and Facebook – while publishers like us, the creators and owners of content, have little power to negotiate good commercial terms with them. Along with the News Media Association, of which we are a member, we're lobbying for the Government's Digital Markets Unit to be granted greater authority to regulate the market more fairly between news providers and tech platforms, giving us a more level playing field and opportunity to be compensated fairly for our content.

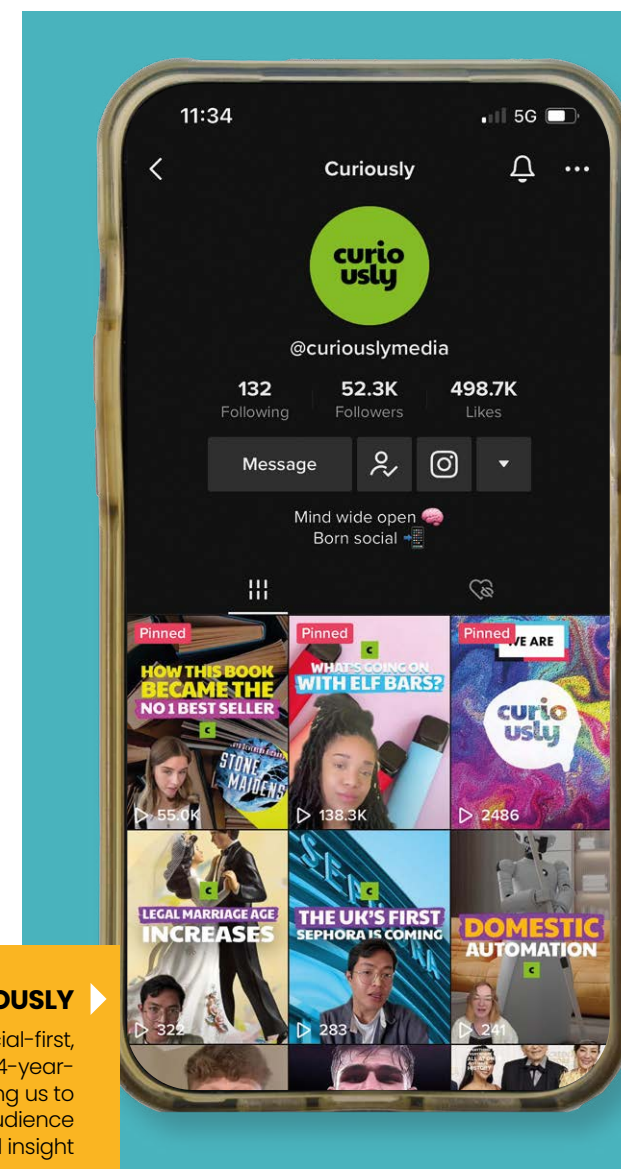
While this happens, we're focused on the strength of our content and continued investment in our strategy. This will lead to increasingly diversified sources of revenue, and will make us a more sustainable and profitable business for the future.

We're helping to combat online threats

Cyber security and brand safety is a critical business issue, for Reach, our customers and advertisers, particularly as we grow our digital business and with a heightened macro risk following Russia's invasion of Ukraine. Our contextual targeting tool Mantis continues to play a key part in ensuring a brand-safe advertising environment for our clients. Our evolving cyber security programme has become part of our everyday routine of the business, with broad awareness training for all colleagues at every level of the business and we use external cyber experts to put our detection and response protocols to the test with targeted penetration exercises during the year.

INTRODUCING CURIOSLY ▶

We launched our social-first, video-led brand for 16- to 34-year-olds in Autumn 2022, allowing us to strengthen our Gen Z audience and insight



Our business model

We are transforming how we deliver value to our stakeholders, from our strong foundations in print to our evolving and growing future in digital. Our transition is underpinned by the strength of our assets, with our people and iconic brands anchored in our purpose and focused on providing the content which attracts the largest audience of any commercial news publisher in the UK and Ireland.

DRIVEN BY PURPOSE TO ENLIGHTEN, EMPOWER AND ENTERTAIN THROUGH BRILLIANT JOURNALISM

ENABLED BY OUR ASSETS

Our people

The passion and drive of our talented employees are central to our success as we transform, becoming more digitally oriented and adopting a growth mindset.

We're building a workplace where our people are empowered to deliver excellence, while building exciting careers and enjoying balance in their lives.

Our audience

We have the largest audience of any commercial news publisher in the UK and Ireland. Every month, 48 million people come to us, in print and online, across our national and local titles, for news, entertainment and sport they can trust. As a proudly mainstream publisher, reaching three-quarters of the UK's online population, we connect people everywhere with what's going on in their area and throughout the world.

Our technology

Central to our transformation is investment in data and technology which helps build understanding of our customers and drive digital revenue. Changes in regulation and the ways large online platforms share customer data make this even more important. Our Neptune advertising and data platform and Mantis contextual software enable us to capture consented customer data to improve our content and provide targeted advertising for the brands we work with.

Our infrastructure

We sell just under one million newspapers a day which 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, whether local or national, are increasingly integrated through the Reach Wire and our central Network Newsroom, through which we share data, content and journalistic expertise. Reach operates 12 hubs and 19 additional workspaces as part of a Home and Hub system which allows for workplace flexibility.

Our brands

We publish over 130 titles in the UK and Ireland. Our portfolio is unique, including iconic national titles like 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. We continue to expand our reach, whether geographically, as with the US launch, or demographically, with new brand Curiously targeting a younger audience.

FOCUSED ON CONTENT

News

Our news coverage is multi-award-winning, with our titles reflecting the diverse interests, passions and beliefs of our audiences. We aim to inform, challenge and give context to complicated situations, 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, particularly the Daily Star, excel at finding the funny side of the day's biggest stories.

Sport

We are the UK's leading sports publisher, delivering the wide range of coverage our audience demands across our national and local platforms. From Premier League football on the Mirror and Football London to Formula 1 on the Express, we aim to enlighten and entertain while sites such as the Manchester Evening News and Liverpool Echo remain the 'go to' sources of information for local sports fans.

Entertainment

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, whether on our main sites, in supplements or increasingly through specialist newsletters. A diverse range of interests, with both a national and often local perspective, is a key part of becoming part of customers' daily lives.

OUR TRANSFORMATIONAL OPERATING MODEL

PRINT

Market dynamic

We sell circa 1 million copies daily. While volumes are in multi-year decline, cover price rises supports significant print cash flows.

Demographics

The average age of a print customer is 55, with a younger demographic for the Daily Star (50) and older for the Express (68).

How we generate revenue

Newspaper sales or circulation is around 70% of print revenue. We also generate revenue from advertising and printing for third parties.

OUR BRANDS AND PRODUCTS

National

Our portfolio has a strong heritage with the Mirror and Express 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, like the MEN and Newcastle Chronicle which lie at the heart of their communities.

Magazines

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

DIGITAL

Market dynamic

Changing relationships, particularly between large online platforms and publishers, continue to shape the market. This is a key driver of our data-led approach.

Demographics

More people every year get news digitally via online, apps and social media – evolving formats to attract younger demographics is a key part of our audience development.

How we generate revenue

Advertising-led, with space or impressions sold directly by our sales teams or programmatically via auction platforms.

Foundation revenue driver

Long-term revenue driver

Reinvestment to fund growth

UNDERPINNED BY DATA

MORE RELEVANT
CONTENT

MORE ENGAGING
EXPERIENCE

MORE CUSTOMER
DATA

MORE TARGETING
CAPABILITIES

MORE EFFECTIVE
ADVERTISING

INCREASING VOLUME

INCREASING YIELD

DELIVERING STAKEHOLDER VALUE

Our people

By growing the business we're able to invest in talent development and in fostering an inclusive culture.

Customers

Delivering our digital strategy enables us to provide increasingly engaging and personalised content.

Communities

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

Advertisers

Building understanding of customers means we can deliver effective campaigns for advertisers who can reach a more targeted audience.

Suppliers and partners

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

Shareholders

We aim to always provide balanced and clear investor communications, enabling them to understand our prospects for growth.

Pension funds

Delivery of strategy and 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.

Our strategy

A STRATEGY THAT'S DELIVERING

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

In summary

At Reach, we're creating a more data-led, digital business. The enduring appeal of our print titles supports the investment in our digital infrastructure and platforms and into our talented, diverse teams.

This allows 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.

A strategy with customers at its heart

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

When content itself is free, the currency of customers is their engagement: in return for better, more personalised content, they share data about themselves. This could be declared or personal data like their email address or postcode, or it could be behavioural and contextual data based on the type of content they access, how often, when and in what ways they access it.

As they come back to us more often and stay for longer, we learn more about our customers' preferences and so can continue to enhance and personalise their experience. And the better known they are to us, and the more engaged and loyal they are to our brands, the richer the data we collect. The more we understand customer behaviour, the more valuable their profiles are, which enables advertisers to more accurately target their own customers through us.

A milestone moment

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 10 million registered customers in the early part of the year, and now have over 12.7 million, over 25% of our UK digital audience. We're now focused on deeper engagement, understanding each customer better, and delivering the content that encourages them to visit us more frequently and for longer, making us part of their daily lives.

Strategic objectives



As part of developing the strategy, we're focused on four growth priorities that support delivery of our strategic objectives.

To help us progress against these priorities, we're enhancing our digital capabilities and infrastructure, including: building Neptune – our advertising and data platform, improving the product experience to our customers, and growing talented, diverse teams of people who are motivated to succeed.

Driving deeper customer engagement

By building brands that deliver brilliant customer experiences that inspire loyalty, giving us access to richer data

Being the go-to place for local

By informing our communities and representing what matters to them, building on the crucial role played by our local brands and sites like InYourArea

Growing new audiences

By moving beyond our core older demographic to reach 16- to 34-year-olds, and beyond our core geography (UK and Ireland) to reach other parts of the English-speaking world

Diversifying revenues

By growing higher-yielding advertising and developing non-advertising revenues such as commercial partnerships and ecommerce – building a more sustainable digital business

A clear direction despite macro challenges

The global political and economic volatility that we've seen throughout 2022 and into 2023 is affecting all businesses, putting pressure on both input costs and advertising spend. These headwinds, while not specific to Reach, highlight the importance of our strategy – which will lead us to a higher quality, more diversified and more sustainable mix of digital revenues, positioning us to benefit strongly when the economic environment improves.

We're continuing to move forward with our strategy in key areas. So far in 2023 we have begun our launch of a dedicated operation in the US, building on our proven track record in expanding to and engaging new audiences, as we did with our local Live Network – and building on the customer data and insights we gained during that process. We've also recently launched our new social-first, video-focused brand called Curiously, our first brand specifically targeting a younger demographic.

We'll report more on the challenges and successes of Curiously and our move into the US in the coming year, as part of our progress against our four strategic growth priorities.



In November, our CEO Jim Mullen hosted around 100 leaders from across the Company at a face-to-face conference to deep dive into our Customer Value Strategy.

How we're performing: KPIs

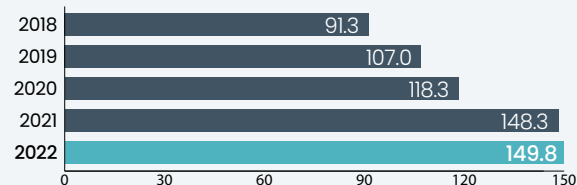
We have six key performance indicators (KPIs) – four financial and two non-financial. Our financial KPIs show how we're performing as a business – and how well we're positioned to fund our commitments and investment. Our non-financial KPIs demonstrate how we're performing against our strategy.

Financial KPIs

For our strategy and therefore our business to succeed, we need to maximise growth in digital revenue while minimising the decline in print revenue – which will lead to overall revenue growth across the business. Digital growth of 1% achieved the target of year-on-year growth albeit this was lower than in prior periods as a result of macroeconomic headwinds impacting digital yield. Print has continued to be resilient and shown an improvement in year-on-year decline. Operating margin and operating cash flow have been impacted by a reduction in operating profit during the year as a result of higher input costs, particularly newsprint.

Financial

Digital revenue growth (£m) LFL¹ +1.0% (2021: +25.4%)



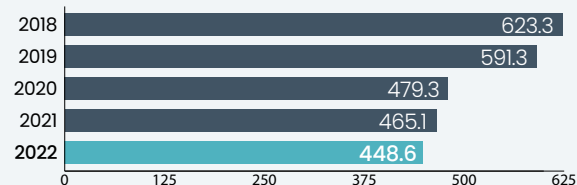
Target

Year-on-year growth in LFL digital revenue

Why it matters to us

Growth in both digital revenue and total revenue across Reach 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, which will always be affected by macroeconomic conditions. To remain resilient, our strategy is leading us to a stronger, more diversified mix of digital revenue, which is more sustainable over the long term.

Print revenue decline (£m) LFL¹ -3.5% (2021: -4.7%)



Target

Improved year-on-year LFL percentage decline rate

Why it matters to us

Although sales of physical news publications have been in gradual decline for years, print still generates three-quarters of our total revenue. With just under 900,000 copies sold daily, 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 support our digital transformation.

Adjusted operating margin (%) -6.1pp (2021: +1.4pp)



Target

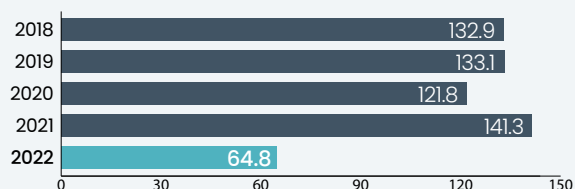
Continue to grow operating margin

Why it matters to us

Operating margin is a measure of our profitability, as we both grow digital revenue and carefully manage print decline. While the effects of inflation on our input costs have suppressed our operating margin in 2022, over the longer term we expect increasing digital revenues and lower levels of investment in our strategy, relative to its earlier years, to support a structurally higher operating margin.

1. Like-for-like (LFL) revenue as defined on page 39.

Adjusted operating cash flow (£m) -£76.5m (2021: +£19.5m)



Target

Maintain operating cash flow to meet pension, debt, dividend and reinvestment requirements

Why it matters to us

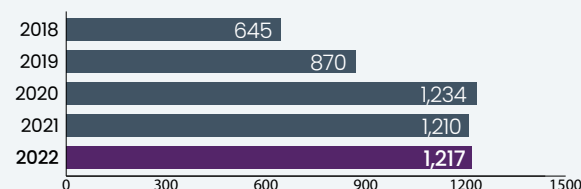
Operating cash flow supports our commitments to ongoing pension funding and payments on historical legal issues, as well as investment in our strategy and returns to shareholders. The business is strongly cash generative – thanks to the resilience of our print business and efficient operating model, which has cost management at its core.

Non-financial KPIs

As our strategy progresses, we will evolve our KPIs. Having established a strong and growing base of registered customers, we'll be aiming to measure how well we're engaging with them, by looking at the frequency of their visits and how long they spend with us. We expect to reflect this in our KPIs. The non-financial target relating to page views was met in 2022, with a modest increase in total average UK page views per month of 0.6%, following a decrease of 2% in 2021. Significant progress was made through the year on customer registrations (12.5m at the end of 2022), easily surpassing our original target which was set at 10m for the end of 2022.

Non-financial

Total average UK page views per month (m)² +0.6%



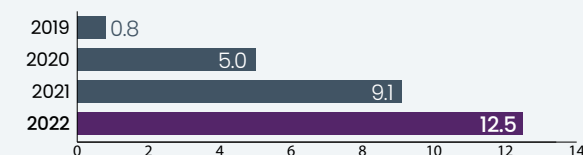
Target

Year-on-year growth in total UK page views

Why it matters to us

Page views are the most clear-cut 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. With 75% of the adult online population in the UK and Ireland already visiting us each month, we're now focusing more on the amount of content they each consume. We're doing this by creating a more personalised online experience, using data to give customers more of the content they like to read, driving more interactions and longer stays.

Customer registrations (m) +37%



Target

10m end of 2022

Why it matters to us

Getting customers to register leads to more data. This includes email addresses, which enable us to build a relationship with more of our audience, and postcodes, which help us personalise content and help advertisers share more geographically relevant ads. We set a target of 10 million registered customers (around a quarter of our digital audience) when we launched our strategy in early 2020. As we move into 2023, we'll focus on the number of active registered customers and how often they visit us. Being a growing part of our customers' daily lives means their interactions and the data that flows from them is more recent, relevant and valuable to advertisers.

2. 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.

RESILIENCE FOR THE LONG TERM

It's been a challenging year for the business, with our financial performance affected by the worsening of macroeconomic conditions over the course of the year. Throughout this downcycle, we have continued to tightly manage our cost base, which will protect investment in our digital strategy and put us in a strong position when the economy starts to recover.

Controlling the controllables

Revenue, which was down 2.3%, reflects more subdued demand for advertising, particularly during the second half of the year when we saw an industry-wide advertising blackout around the death of HM The Queen, in addition to consistently lower yields for digital ad space sold programmatically on the open market. Print circulation remained robust, with additional cover price increases during the year boosting revenue. The reduction in adjusted operating profit also reflects an increase in operating costs, in particular the cost of newsprint, which has risen by over 40% or 60% on a like-for-like basis. Statutory profit, although lower, benefited from a reduction in operating adjusted items, with last year's profit including charges relating to the rationalisation of our estate as we moved to flexible working.

To mitigate the impact of inflation, we've focused strongly on managing costs within our control. During the year, in addition to the savings from the process of continuous cost optimisation within the print business, we also made changes to both print pagination and to supply, managing the availability of our titles to align more closely with demand and reduce the volume of unsold copies.

With macroeconomic headwinds likely to persist in the near term, we have put in place a further programme of cost reduction, which we're confident will support a 5-6% like-for-like in-year reduction in our operating costs for 2023. Savings will be generated throughout the business and include more efficient procurement throughout the print supply chain, the simplification of central support functions and the removal of editorial duplication.

As part of these efficiency measures, we will unfortunately lose some colleagues from the business, a decision which has not been taken lightly, as we continue to focus on delivering our digital strategy, which will secure the long-term sustainability of the business.

The Group has a strong balance sheet and liquidity with a closing cash balance of £40.4m and a £15.0m drawdown on the facilities resulting in a net cash positive position of £25.4m. During the year, the expiry date of the Group's revolving credit facility of £120.0m was extended for a further year to November 2026.

Looking ahead

In 2020, we began our digital transformation in line with our Customer Value Strategy – by creating the right 'future structure' for our business. That strategy is delivering and supports a more sustainable and higher quality digital mix, with over 30% of digital revenue now data driven. The next 12 months will bring fresh challenges, but we've proven over the past few years that Reach is a resilient business. We believe in and remain committed to our strategy – and will continue to invest as it drives Reach to become a higher-yielding digital business.

Revenue

£601.4m

**2.3% decrease
on 2021**

Adjusted operating margin

17.6%

**6.1pp decrease
on 2021**

Data-driven digital revenue

+56%

increase on 2021

Summary income statement

	Adjusted 2022 £m	Adjusted 2021 £m	Statutory 2022 £m	Statutory 2021 £m
Revenue	601.4	615.8	601.4	615.8
Costs	(498.1)	(472.9)	(531.5)	(538.1)
Associates	2.8	3.2	1.4	1.6
Operating profit	106.1	146.1	71.3	79.3
Finance costs	(2.8)	(2.6)	(5.1)	(6.0)
Profit before tax	103.3	143.5	66.2	73.3
Tax charge	(18.8)	(26.9)	(13.9)	(70.4)
Profit after tax	84.5	116.6	52.3	2.9
Earnings per share – basic	27.1	37.6	16.8	0.9

Group revenue fell by £14.4m or 2.3% with print down 3.5% partially offset by digital revenue growth of 1.0%.

Adjusted costs increased by £25.2m or 5.3%, reflecting the increase in the cost of newsprint. Statutory costs were lower by £6.6m or 1.2%, with the increase in newsprint more than offset by the reduction in operating adjusted items of £31.8m (£33.4m in 2022 versus £65.2m in 2021).

The lower revenue and higher adjusted operating costs drove a £40.0m or 27.4% decrease in adjusted operating profit. The adjusted operating margin of 17.6% in 2022 compares to 23.7% for 2021. Statutory operating profit decreased by £8.0m or 10.1% in comparison due to the reduction in operating adjusted items.

Adjusted earnings per share decreased by 10.5p or 27.9% to 27.1p. However, statutory earnings per share increased by 15.9p to 16.8p, principally due to the combined effects on earnings per share in the prior year of a £53.9m deferred tax charge and operating adjusted items of £66.8m. See note 35 for more details.

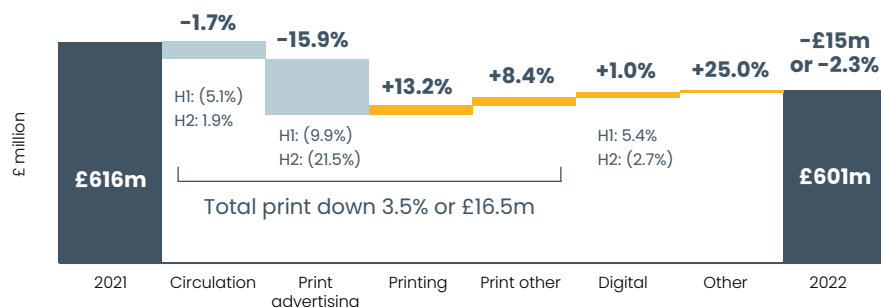
Revenue

	2022 Actual £m	2021 Actual £m
Print	448.6	465.1
Circulation	307.7	312.9
Advertising	86.9	103.3
Printing	23.1	20.4
Other	30.9	28.5
Digital	149.8	148.3
Other	3.0	2.4
Total revenue	601.4	615.8

Revenue fell by £14.4m or 2.3% on both an actual and like-for-like basis. In the prior year, like-for-like trends excluded the Independent Star acquisition and the impact of portfolio changes and impacted print revenue only. A reconciliation is set out in note 38.

	Actual H1 2022 YOY %	Actual H2 2022 YOY %	Actual FY 2022 YOY %	Like-for-like FY 2021 YOY %
Like-for-like				
Digital	5.4	(2.7)	1.0	25.4
Print	(3.9)	(3.2)	(3.5)	(4.7)
Circulation	(5.1)	1.9	(1.7)	(4.6)
Advertising	(9.9)	(21.5)	(15.9)	(4.9)
Printing	19.8	7.6	13.2	(19.0)
Print other	18.4	1.0	8.4	9.2
Total Revenue	(1.6)	(3.0)	(2.3)	1.3

Revenue



Print revenue decreased by £16.5m or 3.5% (2021: down 4.7% on a like-for-like basis).

Circulation revenue was down 1.7% for the period, with a stronger performance during H2 which benefited from cover price increases, above recent historical levels, as part of the Group's efforts to minimise the impact of inflation.

Print advertising revenue declined 15.9% (2021: down 4.9% on a like-for-like basis), due to print volume declines and 2021 having benefited from additional Government spend generated by public health messaging. The second half of the year was also affected by the impact on the advertising market from the Queen's death and lower demand during Black Friday and Christmas.

Print revenue also includes external or third-party printing revenues and other print-related revenues. Printing revenue increased by 13.2% (2021: decreased 19.0% on a like-for-like basis) reflecting the increase in newsprint input costs which are directly passed on to third parties. Other print revenue increased by 8.4% (2021: increased 9.2% on a like-for-like basis) reflecting an increase in event-driven and sports printing revenues versus a comparator period still affected by COVID.

Digital revenue increased by 1.0% to £149.8m (2021: 25.4% LFL), with a decline of 2.7% in H2, offsetting 5.4% growth in H1. There has been significant growth in strategically driven revenues of 56%, which are now over 30% of total digital revenue (2021: 21%). This was offset by macro-related decline in advertising demand, impacted by the war in Ukraine and growing cost of living crisis which is reflected in a lower yield for ads sold programmatically via the open market, down c.33% during the year and c.40% in H2.

Costs

	Adjusted 2022 £m	Adjusted 2021 £m	Statutory 2022 £m	Statutory 2021 £m
Labour	(234.7)	(232.1)	(234.7)	(232.1)
Newsprint	(75.4)	(52.9)	(75.4)	(52.9)
Depreciation and amortisation	(20.2)	(19.3)	(20.2)	(19.3)
Other	(167.8)	(168.6)	(201.2)	(233.8)
Total costs	(498.1)	(472.9)	(531.5)	(538.1)

Adjusted costs of £498.1m (2021: £472.9m) increased by £25.2m or 5.3%. This was largely due to the higher cost of newsprint during the period, with the price per tonne materially increasing since the second half of 2021. This has been driven by several factors, the most significant being rising energy prices following the start of the war in Ukraine. On an equivalent volume basis, newsprint prices during the year were around 60% higher than 2021.

Statutory costs were lower by £6.6m or 1.2% primarily due to lower operating adjusted items which were £31.8m lower (£33.4m in 2022 compared to £65.2m in 2021).

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

	Statutory 2022 £m	Statutory 2021 £m
Provision for historical legal issues	(11.0)	(29.0)
Restructuring charges in respect of cost reduction measures	(15.5)	(2.8)
Sublet of closed print plant	16.6	–
Home and Hub project	–	(23.7)
Pension administrative expenses and past service costs	(14.8)	(3.7)
Other items	(8.7)	(6.0)
Operating adjusted items in statutory costs	(33.4)	(65.2)

The Group has recorded a £11.0m (2021: £29.0m) 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.

Restructuring charges of £15.5m (2021: £2.8m) incurred in respect of cost reduction measures are principally severance costs that relate to cost management actions taken in the period.

The sublet of the vacant print site which was closed in 2020 has 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.

Pension costs of £14.8m (2021: £3.7m) comprise pension administrative expenses of £4.2m and past service costs relating to a Barber Window equalisation adjustment of £10.6m.

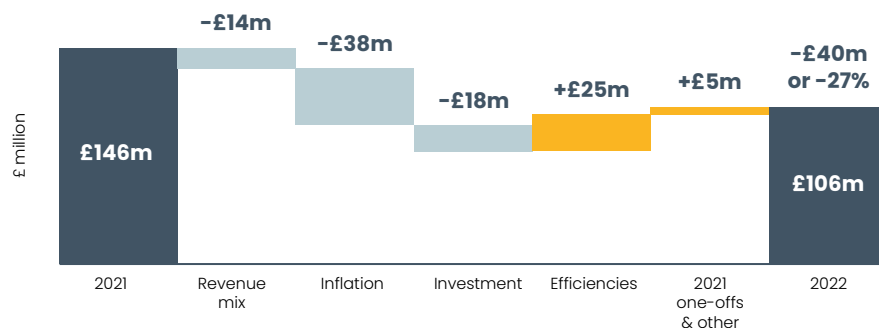
Other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.2m), adviser costs in relation to the triennial funding valuations (£1.6m), impairment of vacant freehold property (£4.2m) and plant and equipment (0.8m) less a reduction in National Insurance costs relating to share awards (£2.7m) and the profit on sale of impaired assets (£0.4m). In 2021 other adjusted items related to adviser costs in relation to triennial funding valuations (£1.2m), an increase in National Insurance costs relating to share awards (£2.6m), the write-off of an old debit balance (£2.9m) and the profit on sale of an impaired asset (£0.7m).

Profit

Adjusted operating profit of £106.1m was down £40.0m or 27.4% reflecting the decline in revenue of 2.3% and 5.3% increase in operating costs.

This is also reflected in our adjusted operating margin which decreased by 6.1 percentage points from 23.7% in 2021 to 17.6% in 2022.

Adjusted operating profit bridge



Reconciliation of statutory to adjusted results

	Statutory results £m	Operating adjusted items £m	Pension finance charge £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

The Group excludes from the adjusted results: operating adjusted items and the pension finance charge. 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, tax rate changes) or relate to historic 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 the property rationalisation in the prior year 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.

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 £9.0m have been made during the year and the provision has been increased by £11.0m. At the year end a provision of £43.0m 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 26.

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 £3.3m from £117.2m to £113.9m at the year end. The increase in the discount rate and Group contributions has been offset by asset return decreases. The triennial valuations for funding of the defined benefit pension schemes as at 31 December 2019 have been agreed for five of the schemes, with one scheme outstanding. We continue to engage with the Pensions Regulator as to the funding of the remaining scheme, and, in the meantime, continue to make payments per the existing schedule of contributions.

Group contributions in respect of the defined benefit pension schemes in the year were £55.1m (2021: £64.7m), under the current schedule of contributions. Group contributions in 2021 included £9.6m to the Westferry Printers Pension Scheme which enabled the Trustees of the scheme to purchase a bulk annuity and the scheme now has all pension liabilities covered by annuity policies. During 2022, 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. Contributions in 2023 are expected to be £55.8m under the current schedule of contributions for the remaining four schemes not covered by annuity policies.

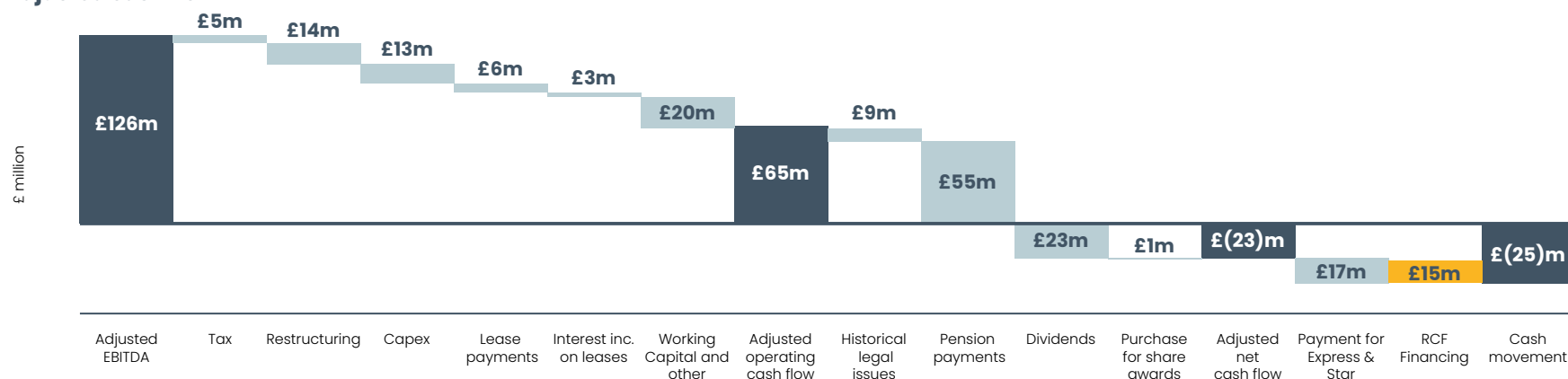
Deferred consideration

Deferred consideration is in respect of the acquisition of Express & Star. The third payment of £17.1m was made on 28 February 2022. The remaining amount of £7.0m is classified as current liabilities (paid on 28 February 2023).

Employee Benefit Trust

The Group funded the Trustees of the Employee Benefit Trust to enable the Trustees to purchase 521,310 (2021: 883,315) shares at a total cash consideration of £1.0m (average cost 192p per share) (2021: £3.3m (average cost 374p per share)). The shares are held by the Trustees and will be used to satisfy awards granted under the Company's employee share plans that are expected to vest in future years.

Adjusted cash flow



Note: All amounts are rounded

Cash balances

Net cash decreased by £40.3m from £65.7m at the year end to £25.4m at the year end. The Group has £15.0m drawn down on the Group's revolving credit facility, with the overall total cash position of £40.4m at the year end. The Group has a revolving credit facility of £120.0m. During the period the facility was extended for an extra year and now expires in November 2026.

Cash generated from operations on a statutory basis was £80.1m (2021: £163.7m). 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 £64.8m (2021: £141.3m).

Dividends

The Board proposes a final dividend of 4.46 pence per share for 2022 (2021: 4.46 pence per share). The final dividend, which is subject to approval by shareholders at the Annual General Meeting on 3 May 2023, will be paid on 2 June 2023 to shareholders on the register at 12 May 2023.

An interim dividend for 2022 of 2.88 pence per share was paid on 23 September 2022 (2021: 2.75 pence per share).

In proposing a final dividend of 4.46 pence per share for 2022 (2021: 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

The current trading environment remains challenging and we expect this to continue in 2023, with sustained inflation and suppressed market demand for digital advertising. Although input costs remain elevated, we are confident that our cost action plan will enable us to deliver a 5-6% like-for-like reduction in our operating cost base for 2023.

Trading for January and February has been in-line with our expectations. As anticipated, we have continued to see a decline in demand for digital advertising, with open market yields and traffic down across the whole sector, against stronger prior year comparators, particularly during the earlier part of the year (H1 2022 up 5.4%; H2 2022 down 2.7%). Circulation revenue continues to benefit from increased cover price activity during the second half of 2022, with print trends overall similar to Q4 2022 and in line with expectations. For the year to date; digital revenue year over year was down 11.9%, print down 3.6% and circulation up 1.8%. Total Group revenue was down 5.8%.

While external factors are affecting near term performance, consistent strategic delivery is supporting the growth of higher quality digital revenues, which with our US expansion, puts us in a strong position to grow when macro headwinds subside.

Darren Fisher
Chief Financial Officer
7 March 2023

THE MEN SUPPORTS LOCAL COMMUNITY IN TIME OF CRISIS



In May 2022, Manchester Evening News (MEN) hired three reporters to create the first ever dedicated Cost of Living reporting team.

Led by Editor Sarah Lester, the team has two responsibilities – to share stories that accurately reflect people's experiences during the cost of living crisis, by going out and listening to locals, and to provide practical advice and information, including money-saving tips.

As part of their role, the team hears unreported stories of the crisis. For example, in October, they reported how domestic abuse rates have risen 11% since the crisis began.

The team also publishes information from the Government about support schemes, as well as insights into how the crisis might develop.

BEING A RESPONSIBLE, SUSTAINABLE BUSINESS

We're a business that aims to do things 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. This year, we've brought a clearer structure to our approach to being both responsible and sustainable.

OUR RESPONSIBLE BUSINESS FRAMEWORK

Our material issues

CREATING TRUSTED, QUALITY CONTENT

- Independent journalism, campaigning and role of media in society
- Product stewardship
- Fair and ethical conduct innovation
- Wider economic contribution

See page 46

OPERATING WITH INTEGRITY

- Sustainability governance and management
- Privacy and security
- Political considerations
- Supply chain (shared)
- Human rights
- Labour rights
- Health and safety

See page 50

DEVELOPING OUR TEAM

- Diversity and Inclusion
- Attracting, developing, and retaining talent
- Culture

See page 56

PROTECTING THE ENVIRONMENT

- GHG emissions
- Energy and climate change
- Waste
- Biodiversity
- Other emissions, effluents and pollution
- Water
- Supply chain
- Speaking up for environmental issues in our editorial content

See page 64

Developing our responsible business framework

For people to find our strategy credible and our purpose believable, we must be responsible ourselves – to the communities and society we serve, to our teams, and to 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

We have already been committed to several key responsibilities – from keeping to regulations and codes of conduct, to representing and campaigning on behalf of those who need our voice, to producing our printed newspapers with as low a carbon footprint as possible.

This year, we created a framework to formalise our approach to being a responsible, sustainable business – making it easier to manage and measure our progress, now and in future. It provides a clearer articulation of our approach to environmental, social and governance (ESG) issues, ensuring it aligns with our purpose and business strategy, as you’ll see over the following pages.

How we did it

1. Identifying material issues

In early 2022, we carried out a detailed materiality assessment to better understand the key sustainability issues affecting our business. It included a review of current policies – and, crucially, conversations with our key internal and external stakeholders to establish their priorities in relation to the long-term sustainability of our business.

2. Developing our framework

Following the assessment we developed, in consultation with our editorial, operational and governance teams, a framework that grouped key materiality issues into four pillars.

The framework adopts a ‘purpose-driven’ approach, meaning rather than being structured simply around common ESG issues, stakeholder groups or ‘hero’ areas, it connects to our purpose, or reason for being, and how we operate as a company. The pillars not only bring together key issues, but also allowed us to see existing policies and practices, to define metrics and targets, and to align to sustainability standards and requirements.

Once we’d developed the framework, we circulated it to internal stakeholders for review – continually engaging team leads, making sure we had policies and data to create a framework that’s both functional and ambitious.

The framework was approved by our ESG Steering Committee.

3. Publishing our commitments

We’re pleased to publish our responsible business framework as part of this year’s Annual Report. It will enable us to report more clearly on the challenges we face and progress we’re making – progress that will ultimately affect the success of our strategy, and enable us to live out our purpose in a responsible, sustainable way.

The work we’ve done has allowed us to critically assess our reporting around key issues, and forms a strong foundation for the ongoing evolution of our approach to measuring and disclosing progress related to being responsible and sustainable.

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.

OUR STAKEHOLDERS

Both our business and brands touch the lives of:

- **Our people**, who work from home and in our ‘hubs’ and offices, in communities, and at print facilities around the UK and Ireland – and whose personal and working lives are affected by world events
- **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 stories we share in both difficult times and times of prosperity
- **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 publisher 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
- **Government and regulators**, who continue 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 101 to 103. It sets out how the Board has, in performing its duties over the course of the year, had regard to 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 206.

■ ■ ■ ■ ■ Trusted, quality content

WE GIVE A VOICE TO OTHERS WITH OUR TRUSTED, QUALITY CONTENT

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

Relevant UN SDG



GIVING PEOPLE A VOICE ▶

Darren Lewis, Assistant Editor of the Mirror, returns to Hackney, London, where he grew up on the Kingsmead Estate, to gather views on the cost-of-living crisis



Whether it appears in newspapers and magazines, or on our apps, social channels and websites, 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.

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 remain committed to upholding the highest ethical standards of journalistic practice, whether in print or online. As part of that commitment, along with the majority of publishers in the UK 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 state 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 2022, we received 147 complaints via IPSO. During this period, 148 decisions were reached relating to complaints made in 2021 and 2022. 24 complaints were upheld against Reach and our brands, although for 14 of these complaints, the Committee deemed sufficient remedial action had already been taken. In 22 cases, it was found there had been no breach of the Code, and 89 IPSO complaints within this period were resolved without an adjudication.

Training our journalists to the highest standards

In 2022, we established a new legal and editorial induction programme to ensure that all new editorial colleagues receive training in legal and editorial standards and ethics. This programme was launched in August, and in 2023 will become a mandatory part of the onboarding process for all new employees joining an editorial team.

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. We also hold monthly drop-in sessions (recorded for future viewing) on key topics, with a member of the legal team hosting and taking questions.

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 remain committed to upholding the highest ethical standards of journalistic practice, whether in print or online.

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CAMPAIGNING ON BEHALF OF OTHERS

Each of our brands has the power to make a difference to people, communities and the causes that matter to them. Among other causes, we campaign against injustice, lobby to change laws and fight inequity, and highlight the long-term impact of climate change.

Our work has covered many of these areas this year, but there are four stories we'd like to showcase which demonstrate how our titles work with their communities.

Irish Daily Star reports on Kinahan Cartel and wins awards with front page



This year, the Irish Daily Star won awards for its coverage of the Kinahan Cartel, an organised crime group that grew out of the streets of Dublin to become a worldwide drug-smuggling cartel, and whose feud with a rival cartel has led to 18 deaths since August 2021.

The Irish Daily Star has reported extensively on the Kinahan Cartel for several years, shedding light on their crimes and giving voice to the families of their victims. In April 2022, the Star reported the news that following international pressure, the UAE authorities had frozen crime boss Daniel Kinahan's assets with the eye-catching headline: 'Kiss your assets Dubai'.

The witty front page, which told a serious story of criminality and international government efforts to stop it, was awarded Best Headline at the NewsBrands Ireland Journalism Awards in November 2022.

Manchester Evening News makes a stand to protect children in social housing

The death of two-year-old Awaab Ishak drew national attention – and prompted pledges to change legislation, after the Manchester Evening News (MEN) exposed just how shockingly the toddler had been failed by social housing.

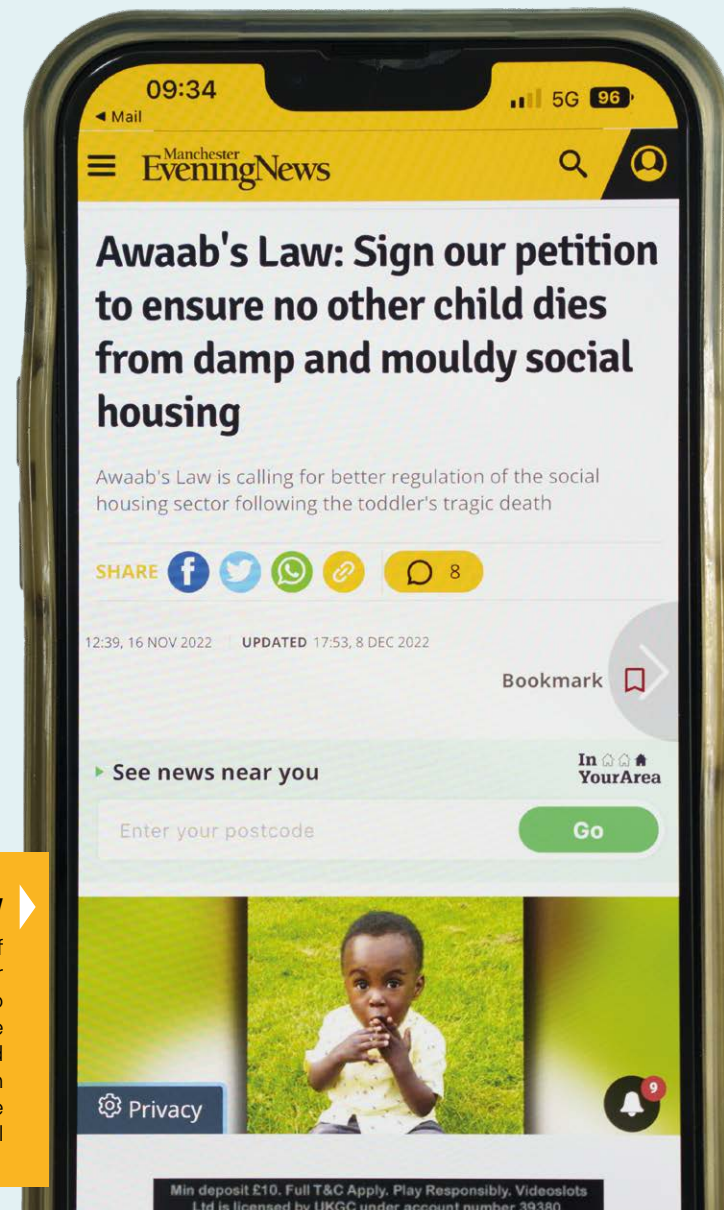
Weeks of research and investigation led to the MEN revealing that Awaab died as a result of prolonged exposure to mould in his family's flat in Rochdale. A subsequent inquest confirmed the cause of death and revealed how Awaab's parents had battled in vain for their social landlord to take complaints about the standard of their flat seriously.

The case prompted tens of thousands of people to sign a Manchester Evening News-backed petition demanding new standards social landlords must adhere to, called Awaab's Law. Communities Secretary Michael Gove praised the MEN's work when pledging new legislation during a visit to the Rochdale estate where Awaab had lived.

Awaab's Law will be placed on the statute books as quickly as possible, he said. In the meantime, councils around the country have instructed social landlords and housing departments to review how they deal with mould in their homes, while the boss of the housing association responsible for Awaab's home has stood down.

AWAAB'S LAW

Following the tragic death of Awaab Ishak, the Manchester Evening News campaigned to change the law to prevent more children dying from damp and mould, which has now been tabled as an amendment to the Social Housing Regulation Bill



Express launches Christmas campaign with Give a Book to support literacy in schools, prisons and for disadvantaged children

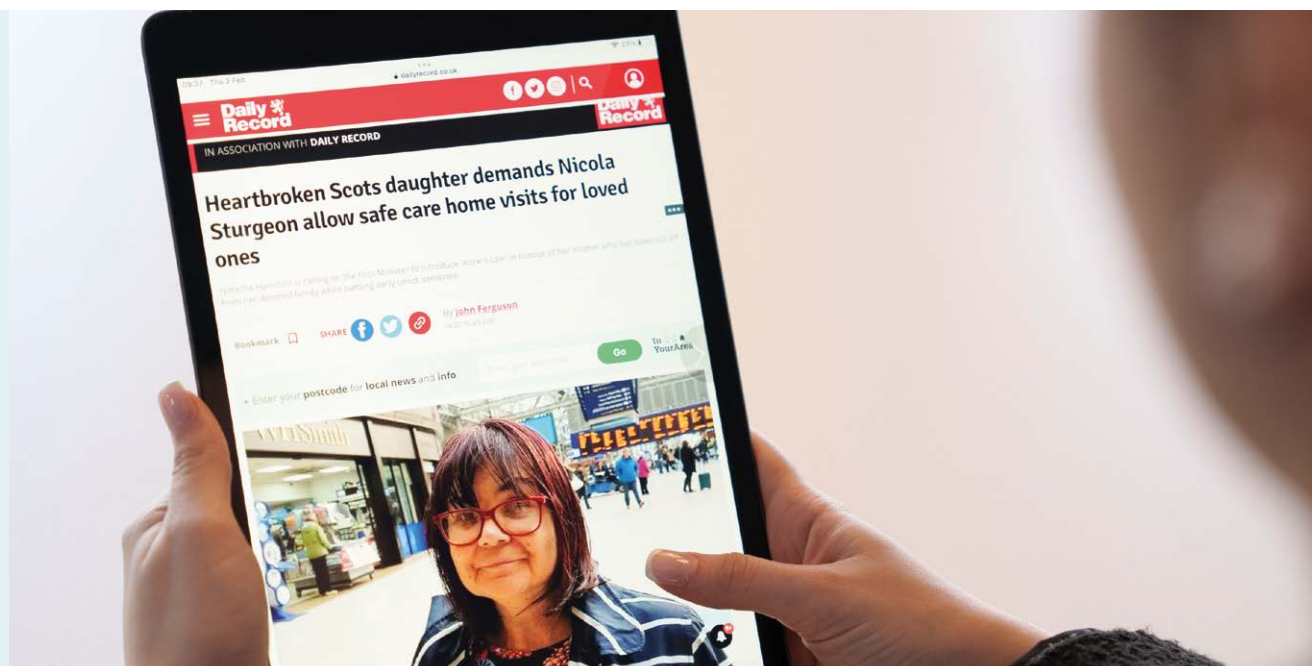
The Express launched its Christmas fundraising campaign in November 2022, in aid of inspirational reading charity Give a Book.

Founded by the widow of author and playwright Simon Gray in 2011, the charity is dedicated to promoting books and the pleasure of reading for all, working mainly in prisons, schools and with disadvantaged children.

Author and historian Lady Antonia Fraser, Give a Book's patron, added her voice, telling the Express: 'generosity and literature – it's a thrilling contribution.'

Other famous names offering their support to the campaign included SAS hero Andy McNab, Sir Ian Rankin and Simon Callow. They featured in videos and audio content on Express.co.uk, sharing their experiences of reading, their perspective on why it's important and how it can change lives for the better.

Give a Book founder and executive director Victoria Gray said: 'In the morning, the fantastic Daily Express Christmas campaign had launched in aid of Give a Book. Within a couple of hours, we knew there had already been a generous response and that new people had signed up to find out about our work. Our patron Antonia Fraser did us more than proud. And so, massively, did the Express. We were amazed by the generous coverage, and touched by the enthusiastic and kind understanding shown to the work. We are all so grateful for this wonderful and already transformative support.'



Sunday Mail victory as Anne's Law will enshrine visiting rights for care home residents

Thanks to the Sunday Mail's 18-month campaign, the Scottish government announced in September 2022 that it will back a National Care Service Bill, which will enshrine the right for families to visit their loved ones living in care homes.

It comes more than two years after the start of the COVID pandemic, when many families were separated from their elderly or disabled relatives as they were forced to isolate. The proposed law, Anne's Law, is named after Anne Duke, a 63-year-old care home resident who died in isolation in 2021 while her family was unable to visit her, and whose plight inspired the Sunday Mail's campaign.

Throughout the campaign, the Sunday Mail maintained pressure on the Scottish Government and First Minister Nicola Sturgeon, calling out the Government's failure to have introduced the law by February 2022, despite their pledges that they would 10 months prior.

Her daughter, Natasha, praised the Sunday Mail, saying: 'The fact it's written down now is a huge milestone in getting Anne's Law into legislation and it's also recognising what we've been shouting about for two years – it shouldn't have happened, people shouldn't have been kept from their families. It's bittersweet. I don't want to say, "I told you so," but we did.'

Anne's Law was recognised at the Scottish Press Awards in September 2022, when the Sunday Mail's Political Editor, John Ferguson, who spearheaded the campaign, won Campaign of the Year.

■ ■ ■ Operating with integrity

WE HELP EMPOWER OTHERS BY OPERATING WITH INTEGRITY

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. It's both our responsibility as a regulated news publisher and an employer, and the right thing to do. By maintaining our own standards, we're able to support our journalists and those our journalism empowers in holding authority to account.

Relevant UN SDG



Operating in an increasingly digital world brings additional challenges around 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. Our employees, whose work sometimes makes them open to cyberbullying and trolling, need our support to keep them safe online. We also have a responsibility to be honest, transparent and truthful with the public, especially those who help us to create our journalism.

By keeping to our own standards, and meeting those set by regulators and expected by wider society, we gain the trust of others – and so give our brands the platform they need to hold power to account.

Improving ethical standards online

As we move more of our business online and generate more revenue from online advertising, the greater is our responsibility to customers who expect a safe, enjoyable experience, and to advertisers who expect their ads to appear in safe environments.

In January 2022, our CEO, Jim Mullen, became Chair of the News Media Association (NMA), and called for Government and regulators to take 'swift and decisive action' to level the playing field between global tech platforms and news publishers. He'll hold the role throughout 2023. We're a Board Member partner of the Internet Advertising Bureau (IAB), and in December 2022 participated in a Parliament SME event to advocate the benefits of digital advertising to the SME community. We are a member of the News Media Coalition and our General Counsel, Nicki Schroeder, is a director. We regularly take part in industry-wide events via Newsworks, the marketing body for the UK's national news publishers – for example, in June several of our journalists, including Mirror Editor-in-Chief Alison Phillips and Express North West Correspondent Chris Riches, spoke at the Festival of News.

We comply with the Advertising Standards Authority's (ASA) Code for Non-broadcast Advertising. We're also 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 machine-learning-powered brand safety tool, Mantis, makes sure our clients' ads only appear in safe, appropriate environments and is more accurate than traditional blocklists. Mantis is integrated directly with publishers' content systems, and rates whether content is 'positive, negative, happy, angry or sad'. It then advises an advertiser whether to place its advertising there, or warns of inappropriate content.

Protecting people, their privacy and data

With our journalists and other colleagues exposed to trolling, bullying and abuse as they spend more time working in the online space, protecting them and their safety is critical.

Keeping our people safe

Everybody has the right to feel safe. We're committed to protecting our people against arbitrary, unreasonable or unlawful interference with their privacy, family, home or correspondence – as well as unlawful attacks on their honour and reputation.

In 2022, more than 170 of our employees reported some form of online abuse related to their work, including threats, sexual harassment and harmful personal comments – 32 of these were reported to police. We back the UK's Online Safety Bill, which pledges to make the UK the safest place in the world to be online. Led by our dedicated Online Safety Editor, Dr Rebecca Whittington – an industry-first role – this year we launched Reach Hive, an initiative to support staff experiencing backlash against content they've written, published or promoted. Hive fills a person's social threads with positive imagery and messages to help counter harm caused by online abuse. We deployed Hive five times between March and December 2022.

We also launched the Online Safety Rep network, which currently has 39 trained volunteers working in teams across the organisation to provide first response support and signpost to help and resources as well as raising awareness of effective online safety protections. The network is co-ordinated by the Online Safety Editor, who provides regular training and updates for the network members.

DATA PRIVACY PROGRESS

In order to facilitate effective data privacy and protect the business and its customers' and employees' data during 2022 we have:

- ✓ **Implemented a new incident management process** – this has allowed us to better respond to any possible threats to the business while ensuring that we have a transparent audit trail, can where necessary deliver an effective and timely response and can learn from our mistakes and identify threats and trends that may need addressing.
- ✓ **Improved our privacy and consent notices** – these notices are vital in building trust with our customers and providing them with the tools to empower them to control their own data and demonstrating that we are a responsible business and act in an open and transparent manner when processing personal data.
- ✓ **Adopted a risk-based approach to privacy remediation with a focus on the rights and freedoms of the individual** – we have improved our risk assessment capabilities, supporting us to facilitate the business and further embed the principles of data protection across the organisation. As a result of this, key operational KPIs have been overhauled to give greater insight into underlying risk and facilitate lessons learned.

THE 60p DAILY STAR LETTUCE THAT HELD A PM TO ACCOUNT

Chances are that in October you saw the story of the lettuce that outlasted Liz Truss's time as Prime Minister. Bought from a supermarket in East London for 60p, the lettuce became one of our biggest stories of the year – as people around the world kept returning to the livestream for updates. That's just the tip of the iceberg...

Reach is proudly mainstream, meaning we aim to produce journalism for everyone, as we cover the serious to the ridiculous. In mid-October, the Daily Star – our 'top destination for big laughs' – started a livestream of a lettuce next to a picture of Liz Truss, asking, 'Can Liz Truss outlast this lettuce?' An instant success, it made the news around the world, with mentions in The New York Times, Sydney Morning Herald, and Al Jazeera. 'Liz Truss lettuce' now has its own Wikipedia page.

The combined audience for the story has been measured at well over a billion by media monitoring tool Meltwater. But lettuce be clear – as people and media brands around the world began to create their own 'puntastic' headlines, its reach has been much greater.

When Liz Truss resigned on 20 October, after just 44 days in office, the Daily Star celebrated the lettuce's victory by projecting its image on to the Houses of Parliament.

In addition we've partnered with the Coalition Against Online Violence, a global network of organisations working to make the internet a better place. We're committed to protecting our people and their privacy and will continue to develop structures of support.

We recognise and take seriously our responsibilities in relation to privacy, under employment and data protection regulations, and also to the individuals whose data we process. We help to reduce the risk in the way that we handle and process data by maintaining a robust policy framework, delivering mandatory all-employee annual training and issuing specific guidance to employees 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.

With data central to our strategic priorities as we get to know our customers better, we continue to develop our approach to its protection and implement robust controls to minimise risk and increase our level of compliance. We also deliver training and guidance which is crucial to maintaining compliance and safeguarding our staff and customers.

Alongside our data protection policy, our Data Protection team performs a key compliance role with accountabilities across the business. The team has an open-door policy ensuring that anybody can ask them for advice and support on data privacy and data protection at any time. This helps to embed the principles of 'privacy by design' and 'privacy by default' across the business and into all of its business as usual operational activities. The Data Protection team works 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. They also support on other personal data needs, for example risk management, management of consent, data security and best practices for the handling and processing of data.

The Data Protection team leads on personal data incident management and data subject rights compliance – for which we have comprehensive procedures. We had no notifiable data protection breaches or incidents in 2022, and all rights requests from our customers and employees were handled well within permitted regulatory response times.

To read more on the Board's oversight of cyber security, see page 99.

Building trust and confidence by putting people first and delivering data-oriented solutions in an ethical and responsible manner

Acting in accordance with the principles of lawfulness, fairness and transparency we work to build trust with customers and employees by keeping their data safe and secure. We ensure that they are empowered with control of their own data by being sufficiently informed as to how we are using that data and the fundamental rights afforded to them. This helps cement brand loyalty and keeps customers coming back for more of our content time and again.

We see our customers as partners who want to continue to consume our content while building a long-term relationship together. If people ask themselves why they should choose Reach over our competitors when choosing a source for their content, the answer isn't only because of our content and editorial quality but because we are a responsible, ethical, fair, trustworthy and above all safe source of information. This is demonstrated by our continued improvements to privacy notices and the information we give to data subjects.

Our policies in action

As a news publisher, our teams are constantly out there in the world speaking to the public, asking questions and building relationships – and using the information they learn to report the truth to society. We take our responsibilities to people inside and outside our business seriously; we do whatever we can to respect and protect people we employ and make sure they work with integrity; protect those we source stories from; we only work with others who meet our high standards and the regulations of our industry.

Key policies and practices

Some things are non-negotiable – it's why we take a strong stand on areas such as anti-bribery and 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.

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 staff, which was completed by 97% of staff, with leavers and long-time absences accounting for the missing 3%.
- 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 staff, and anybody who works on our behalf. The UK is considered to be low-risk for modern slavery generally and as a UK-based company that deals overwhelmingly with UK suppliers, we believe we have minimal exposure to modern slavery.

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 – employees 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, which 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 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 staff 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 staff to complete courses relevant to their role. In 2022, we saw a 97% completion rate, with leavers and long-time absences mainly accounting for the missing 3%.



THE EXPRESS JOINS FORCES WITH SILVER VOICES TO SAVE THE TRIPLE LOCK ON PENSIONS

With the UK Government's triple lock guarantee on pensions threatened by uncertainty at the top of politics, and 12.5 million pensioners potentially about to be worse off in real terms, the Express successfully campaigned to save it.

The triple lock was introduced in 2010 to protect the value of the state pension. Following Liz Truss's resignation as prime minister in October, which had led to doubts about whether the guarantee would remain, the Express launched its campaign – just three weeks before new Chancellor Jeremy Hunt's Autumn Statement.

Supported by Silver Voices, an independent group representing the interests of older people, the Express laid out the situation in articles, sharing accounts of how uncertainty was worrying pensioners. The Express also called out the breaking of manifesto promises, as it campaigned for vulnerable people who rely on their state pension. Well over 300,000 people signed a petition created by the Express to protect the triple lock.

Efforts paid off when Jeremy Hunt committed to keeping the triple lock in his Autumn Statement on 17 November 2022.

Creating a data-led approach to health and safety

As part of our digital transformation, we're making our approach to health and safety more data-led – finding ways to improve the efficiency of our systems, join up processes across our operations, and identify and act upon trends to improve our performance.

Two operations, one approach

Reach is made up of two key operations: Reach Publishing, which covers newsgathering and commercial activities, and Reach Printing Services, where the newspapers are printed. We now have a set of company-wide principles that can be implemented across the operations with a single set of objectives and shared systems for example online workstation training and assessments.

This year, both operations worked closely together to standardise and align processes and reporting – leading to standardisation, operational efficiency and communication resulting in improvements in our overall health and safety management system. In recognition of this work, we received the Royal Society for the Prevention of Accidents (RoSPA) Team of the Year Award.

Following a review of the Health and Safety Management System, we produced a health and safety policy that encompasses all areas of the business. Supported by a new committee structure and network of departmental champions, the policy is helping to create an environment where people are trusted to take ownership of their health and safety responsibilities, and are involved in the development of procedures that support their activities. We've introduced risk maps and key performance indicators to track improvements, and to make sure senior management understand health and safety risks.

Our Health and Safety team has worked with the Reach Events team, venues for Reach events, and key stakeholders, including event partners and contractors, to put in place robust event safety management plans, which include roles and responsibilities, Site Safety Plan, Crowd Operation Plan, Transport Management Plan, Emergency Plan and Risk Assessments to ensure that the objectives of the Licensing Act 2003 are met.

Our Head of Health and Safety sits on the Joint Advisory Group for Entertainment (JACE), which is chaired by the Health and Safety Executive (HSE) and acts as a conduit for consultation between the HSE, Government and industry. Working with others across the industry helps us share best practices, and find ways to improve.

Key changes we've made

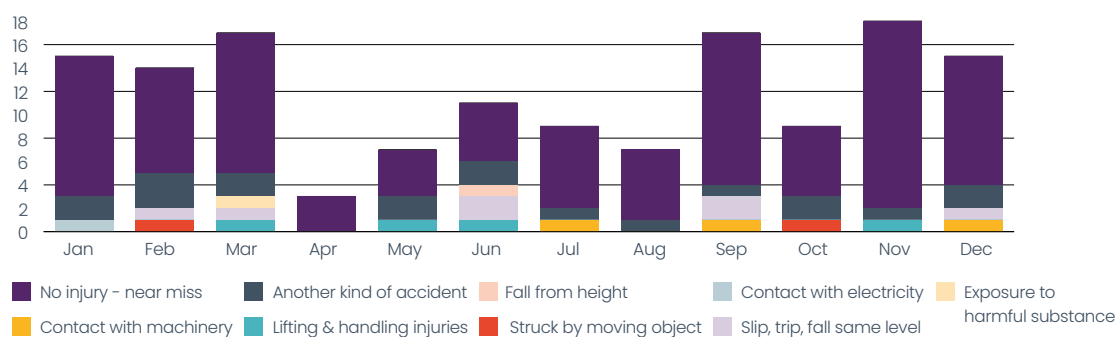
We've developed an adverse event reporting system to track and analyse accidents and incidents. Its user-friendly, accessible reporting platform and digital database will help us to see trends in 'adverse' events. So far, we've trialled it within Reach Printing Services, and are due to launch it across both operations in 2023. Understanding the trends should help us intervene earlier, reduce risks and prevent accidents from occurring.

We now have a clear health and safety communication plan that gives our people easy access to advice and guidance. Part of this involves us reviewing and updating information on the Reach intranet, and creating a shared health and safety mailbox – making it simpler and quicker for our Health and Safety team to offer support.

In November 2022, we put in place a display screen equipment training and risk assessment platform. This allows our people to access specialist ergonomic advice on using screens safely, and helps us refer people for occupational health support. In line with our inclusion work, we've also developed solutions to support members of our teams with disabilities – these solutions include the provision of specialist equipment and software.

We've updated our risk assessment templates, and encouraged better communication between departments to improve compliance. For example, we now have a multidisciplinary approach to the editorial risk assessment process, working with editorial teams and Reach security to produce a single risk assessment for each assignment.

Reach Printing Services adverse events 2022



Our performance in 2022

In 2022, we had three RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013)-reportable adverse events that we reported to the Health and Safety Executive – the same number as 2021.

Each event occurred within Reach Printing Services – none occurred within Reach Publishing – and we investigated and took action to resolve all three. Each was under the ‘over-seven-day incapacitation’ requirement, where 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

	2018	2019	2020	2021	2022
RIDDOR events per year	6	2	1	3	3

Minimising risk in war zones

This year the Mirror put reporters and photographers on the ground to cover the Russian invasion of Ukraine. Their bravery, professionalism and skill in showing the world the reality of the war is something we at Reach are all very proud of (see CEO review page 14).

However they do not do it alone, and crucially we provide them with robust health and safety support, including co-ordinating a Hostile Environment Risk Assessment which includes areas such as extraction planning, specialist advice, body armour, backwatchers, vehicle hire, insurance extensions and liaising with experts on the ground in Ukraine.

Health and safety enforcement activity

No health and safety enforcement action was taken against Reach in 2022.

We gained local authority sign-off and the permissions we needed for all national events. This included the application and liaison with Westminster City Council for the Pride of Britain Awards Red Carpet and filming activity road closures.

Planning for the future

We have several plans to further embed better health and safety practices across the business. For example, a digital ‘newsgathering safety guide’ will cover routine editorial activities, like visiting court, construction sites and doorstepping – allowing us to deploy journalists to their assignments safely and more quickly, by giving them easy access to guidance and templates.

We’re also planning to create a health and safety microsite to give our people a centralised resource of timely, relevant information. Plus, a new assessment programme will help us to understand what our people need to remain safe, whichever part of the business they’re in.



OUR HUMAN RIGHTS POLICY

- ✓ **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 national minimum wage,** and never subject anyone to forced labour. We have no zero-hour contracts

■ ■ ■ Developing our team

WE DO WHAT'S BEST FOR OUR BUSINESS AS WE DEVELOP OUR TEAM

As our strategy develops, the teams and skills we need evolve. In 2022, we also had to factor in increasing costs and continuing macroeconomic uncertainty as we planned for our teams.

Relevant UN SDGs



Reach is made up of:

4,305

permanent
employees

2,862

in editorial
teams

706

in commercial
teams

369

in print
teams

368

in other key areas
such as product and
customer growth



Our priority is to protect the long-term, sustainable success of our Company and in January 2023 we made some changes to our teams as we put a comprehensive cost reduction plan in place.

We will continue to review our costs to ensure we are doing the right thing for all our people and for the health of our business. As we do, we continue to support employees' wellbeing, keep communication lines open and recognise people's achievements. Throughout, we remain committed to diversity and inclusion as we work together to create a truly representative, modern culture.

We understand our responsibility to every individual who dedicates their skills and effort to our business during this difficult time – and this responsibility continues for those we have to say goodbye to. We still know that it is people who fuel our success, even more so during challenging times.

We're creating a culture that celebrates individuals and the teams they work in – wherever they are, whatever their role. Every employee should feel empowered to do their job to the highest standard, while being respected and supported.

Preparing for macroeconomic uncertainty

As our CEO Jim Mullen reports in his statement on page 14, in 2022 the business was faced with a challenging period when a number of editorial colleagues took part in industrial action. While not an easy time for many colleagues, we were able to resolve this dispute with hard work, collaboration and constructive dialogue.

This collaborative spirit will be essential going forward as we face another year in which some of these challenges are likely to persist across different industries and as we continue to face a cost-of-living crisis.

In 2023, we have had to take some difficult decisions about managing our costs which have regrettably resulted in a number of redundancies. However, these actions will ultimately put our organisation in a stronger and more sustainable position moving forward.

Caring for our people's wellbeing

Events this year, in the UK and around the world, have put pressure on everyone – including the teams at Reach. We've acted to support our people in whatever way best suits their individual circumstances – aware that everybody's life is different.

In 2022, we were proud to provide our colleagues with additional support, giving everyone at Reach access to a free healthcare cash plan or private medical cover.

Supporting people's mental health

Mental health is a particular priority for us. We have 23 wellbeing champions across the business. They have many responsibilities, including:

- ✓ organising wellbeing events like our Tea and Talk sessions, where people can connect virtually over a cup of tea;
- ✓ advocating wellbeing and mental health awareness;
- ✓ raising awareness of resources like our Employee Assistance Programme (EAP); and
- ✓ being there for people, as a point of contact for questions, support and, sometimes, as a listening ear.

Each champion is trained in mental health first aid (MHFA) by an external partner. This helps them to spot triggers and signs of poor mental health, gain confidence to step in and reassure and support a person in distress. It also helps them understand more about mental health, educating them on common issues and how to challenge stigma.

We also launched employee wellbeing sessions in July, which we run with an external partner. These are designed to help Reach colleagues increase self-awareness and manage their own mental wellbeing. We ran eight sessions, training 56 people.

Online abuse is a growing issue for journalists who increasingly work online. This can affect their mental wellbeing, with more than 170 of our employees reporting some form of online abuse related to their work in 2022. Read about how we're supporting our people with this on page 51.



HIGHLIGHTS OF 2022

- ✓ **Guided 91 senior leaders** through 'Playing Your Part', our internal cultural transformation programme
- ✓ **Created Meno-chat**, an online meeting space for our people to discuss menopause – this is part of our commitment to being a 'Menopause Friendly' employer
- ✓ **Launched the Belonging Project**, which challenges editors to publish at least three articles a month on stories relating to a new, different demographic in their community
- ✓ **Released the D&I Spy podcast**, which invites experts to take on often-unspoken issues around diversity, in conversation with our diversity and inclusion team

We use our monthly employee pulse survey to gauge how our people feel Reach is doing in relation to supporting them with their wellbeing. Some decreased scores in this area in 2022 have highlighted the need to increase our focus on benefits and mental wellbeing support tools. We'll be looking at how we can continue to support mental health even more in 2023, in what promises to be another challenging year for many.

Health support

This year, we created 'Meno-chat', an inclusive online meeting space for colleagues and managers to speak openly about menopause, helping demystify it. We've committed to being a 'Menopause Friendly' employer, and are working towards accreditation. It's backed by Henpicked, an organisation encouraging businesses to create an environment where menopause can be talked about easily, and to put the right support in place for colleagues.

Our Employee Assistance Programme (EAP) offers 24/7 advice via both a dedicated phone line and the 'My Healthy Advantage' app, which all employees can access. The app offers support including a mood tracker, four-week plans to cope with change or stress, and mini health-checks to help our employees manage their sleep, how much alcohol they drink and their body mass index (BMI). A total of 212 calls were made to the phone line – 192 of these were for counselling and 20 were for advice.

Becoming more family friendly

Family life isn't always straightforward and we want to recognise that to support our colleagues. In July, we announced a number of new and expanded policies to support parents and carers. Our new carers' leave policy offers up to five days' 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.

We've also added partners to many existing policies, including IVF paid leave and pregnancy loss leave, to increase support beyond mothers who have given birth. We've doubled bereavement leave to two weeks and all employees coming back to work after losing somebody can choose to phase their return.

Creating a workplace fit for the future

As we continue our digital transformation, we need to make sure our approach to employment is flexible and suits those who want to work in news publishing. In 2021, we introduced our hybrid Home and Hub model, offering our teams a more flexible way of working. This year, we refurbished our hub in Manchester and opened three new hubs in Belfast, Bristol and Dublin.

Read more about our Home and Hub policy and how it's allowing us to recruit from a wider pool of talent on page 25.

Becoming a truly representative employer and publisher

At Reach, we break down our diversity and inclusion approach to two simple ideas: diversity is who we are and inclusion is what we do. We see being inclusive as a positive, ongoing action.

In this mission we are responsible not only to our own people but also, crucially, our audiences. In the first instance we must make sure our teams are diverse and reflect today's society by giving everyone an equal opportunity to join us, and creating a culture where everybody feels included. Second, we need to make sure our content represents the communities we serve and brings attention to the subjects that matter to them.

If we do these two things well, it will help us to engage and retain a team of top talent, engage all our customers and keep our business successful and relevant far into the future.

Continuing to be led by data

In 2021, we launched Be Counted, our ongoing campaign to understand the make-up of our teams. Gathering data allows us to spot gaps and opportunities, and then focus our efforts where we can make the biggest difference.

By year-end 2022, 84% of our people had participated in Be Counted. As in 2021, they shared data on characteristics including social mobility, educational and occupational backgrounds, and caring responsibilities – as well as more traditional data, like ethnicity and sex.

Our commitments to diversity and inclusion

- ✓ We were the first media group to become signatories of the 30% Club – a campaign which aims to increase gender diversity at board and executive-committee levels
- ✓ As part of our involvement with 30% Club, for the second year we also offered 20 people at Reach the opportunity to take part in the global gender equality mentoring programme, Moving Ahead
- ✓ We're a signatory of the Valuable 500, which works to drive systemic change for those with disabilities in the workplace, as well as a signatory of the Race at Work charter
- ✓ We've been ranked in the Inclusive Top 50 UK Employers List for the second year running, moving up from 42 to 29
- ✓ We work with strategic partners to benchmark, raise awareness and attract diverse talent – these include PurpleSpace and Women's Sport Trust
- ✓ We created and lead Mobilise, a group for D&I leaders across the media and publishing industries to collaborate and share ideas and best practices

While Be Counted measures diversity, we also measure inclusion, using an 'inclusion index' in our monthly employee surveys, which allows managers access to real-time data to see how included their teams feel. In the second half of the year, 61% of staff responded to an additional index survey.

Through analysis of the Be Counted data, we noticed there were a number of carers and parents across the Company. We asked our people if they'd be interested in forming an inclusion network focusing on family and carers and we had an overwhelming response. Leaders and committee members came forward and we supported and facilitated the creation of the group, now called the Family & Carers network.

Celebrating diversity – in our teams

We're committed to becoming a business that better represents the society we live in through the make-up of our teams. We now have a roadmap in place to make it happen, along with a number of programmes, processes and policies.

Playing Your Part

In 2021, we launched our cultural transformation programme 'Playing Your Part' (PYP). This series of workshops and one-to-one coaching sessions focused on promoting inclusive behaviours and instilling the mindset that each of us has a part to play in creating an inclusive culture, whether in specific teams or in the wider Reach group.

In 2022, the entire Executive Committee, and 96 senior leaders across the organisation were invited to multiple sessions and workshops, with 95% of senior leaders attending at least one workshop. Topics included Managing Inclusion, Inclusive Language, and Leading a Diverse Team. Members of the Executive Committee were also offered six monthly one-to-one coaching sessions with an external coach.

As part of this programme we created the Playing Your Part Awards, where each quarter we opened up nominations for all Reach colleagues, to be recognised for going above and beyond in the spirit of one of our three core D&I pillars: connect, respect and thrive.

Using data to support inclusive hiring

When we announced that we were hiring our first ever reporting team devoted to women's football, we received a record number of applications. From the beginning to the end of the hiring process, we used this exciting opportunity to challenge ourselves to recruit in a more informed and inclusive way.

As standard, we ran all adverts through gender decoding software and made use of a range of diverse job boards, spreading the word with our diversity partners. For this project, we also used a tool that enabled us to look at top-level diversity data throughout the hiring cycle for each role, adjusting our approach as needed throughout. For our writer roles, we stripped back any essential journalism qualification criteria, instead focusing on this aspect as desirable only and placing importance on passion for the role, the industry and the sport.

Read more about our women's football reporting team on page 62.

Reach inclusion networks

Reach's colleague inclusion networks provide our people an opportunity to play a key part in creating an inclusive culture.

Each group and its own appointed leadership has a slightly different approach but broadly, networks give our people a safe space for raising awareness, sharing experiences and supporting under-represented groups of employees.

This year, our colleagues created two new networks – Family & Carers, which puts a focus on people's family responsibilities, and ReachMind, which was spun out of ReachAbility, in recognition of the unique needs and discussion points around mental health.

We now have eight networks in total, each with its own Executive Committee sponsor, plan and objectives. By sharing perspectives and encouraging open discussions around interests and challenges, the networks lay the groundwork to create more diverse and inclusive content across our brands.

Our colleague inclusion networks

- ReachAbility
- ReachBelief
- ReachCulture
- ReachEquality
- ReachOut
- ReachPotential
- ReachMind
- Reach Family & Carers

Reach Inclusion
Connect • Respect • Thrive

24%

of our colleagues are a member of at least one inclusion network

59

events and activities organised by our networks

199

Inclusion Champions across the business, bringing inclusion to life in their teams

DISABLED PEOPLE'S PERSPECTIVES GAIN A PLATFORM



There are around 14 million people in the UK living with a disability. But when did you last see that level of representation in media? In July, the Mirror launched 'Disabled Britain: Doing It For Ourselves' – a week-long series focusing on the lives of disabled people and the challenges they face.

With articles conceived by and written by disabled people, and photographs, where possible, taken by disabled people, the series is as true as possible to the experience of those living with a disability – and was designed to be so powerful it challenged public opinion.

Articles covered the lack of disabled representation in Parliament and called for changes to Government policies. Within the Mirror the project also sparked long-term change, with the Mirror commissioning Ann Morel's 'Dis Life' social media series and the creation of new reporting guidance on disability.

Those who created content for the series went on to join Vicki Foxcroft, Shadow Minister for Disabled People, at a Labour Party conference fringe event.

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 2022, we were in the founding cohort of the Generation Valuable mentoring programme, partnering with The Valuable 500, an international collective of CEOs and their companies in the pursuit of disability inclusion.

Social mobility

This year we earned a spot in the top 75 of the Social Mobility Employer Index for the first time, by illustrating our commitment to supporting current and future employees from lower socioeconomic backgrounds. Along with our inclusion network ReachPotential, we've focused on outreach with schools and pupils from economic cold spots, free school meals, from Black and ethnic minority communities and with disabilities.

Gender equality

We're committed to improving gender equality across our business. In 2022, we again reduced our gender pay gap – the median pay gap reduced from 11.7% in 2021 to 8.9% in 2022, and the mean pay gap reduced from 13.6% in 2021 to 10.5% for 2022. We publish our full gender pay gap at reachplc.com, in line with requirements.

For information on the gender split of directors, other senior managers and all employees, see pages 107 and 108.

Celebrating diversity – in our journalism

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 launched and refined a number of 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 so that our people's voices are heard. This year, the EIB spearheaded the creation of the first Reach-wide set of reporting guidance which gives journalists advice to support more inclusive reporting and language.

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

This year, we also launched an Inclusive Reporting Programme, a set of 15 weekly training sessions that cover a wide range of inclusion-related issues, including race, disordered eating, poverty and misogyny. The EIB has also created a Diverse Contributors' Library to help broaden our demographic of experts and sources.

All of our local titles committed to the Belonging Project – an initiative to make our journalism more relevant to under-represented communities. As a result of listening to people across the UK and Ireland, we're beginning to create more content they want to read and watch. Find out more about the Belonging Project on page 19.

Making diversity and inclusion everyone's business

Diversity and inclusion should never be a box-ticking exercise – which is why we're working hard to embed it across our business and encouraging our leaders to be involved in key decisions.

In 2022, for the second year running, the diversity and inclusion team worked closely with our senior leaders to develop inclusion action plans for every department in the business. The plans each included priorities

addressing all three of our diversity and inclusion pillars (connect, respect, thrive) and were aligned to bonus measures for the year.

Setting targets and tracking progress is the only way to ensure we truly make a difference to the future of our business. This year, we created 69 action plans, leading to a range of actions in different teams, from sweeping editorial initiatives such as the Belonging Project to changes in how leaders run team meetings, to commitments to more diverse shortlists for vacancies.

This year, it's become clear our biggest challenges around diversity and inclusion are:

- reflecting the diversity of our customers in our teams and our journalism;
- engaging everybody in the business, up to senior management level; and
- embedding its importance within everyday life at Reach.

We will be focusing on these areas in 2023, as we continue to 'connect' with our people, 'respect' them for who they are and support them to 'thrive' at Reach.

Keeping communication lines open

Communicating clearly and honestly with our people is crucial – especially in uncertain times like these. And, as we continue to adapt our business in line with our digital transformation, it keeps our people engaged in what's happening and feeling supported.

Connecting with our leaders

Jim Mullen, our CEO, devotes significant time to communicating with employees. He hosts regular breakfast discussion sessions both in-person in our hubs and virtually, and invites people to ask him questions and share feedback directly with him.

This year, more than 250 people attended 22 breakfast meetings with Jim. On average, they rated their experience 9.2 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 everybody in the Company – highlighting success stories, commending colleagues for their work and sharing important business updates.



In 2022, we again reduced our gender pay gap – the median pay gap from 11.7% in 2021 to 8.9% and the mean pay gap from 13.6% in 2021 to 10.5% for 2022.



Our Executive Committee runs regular virtual and in-person events with their teams to share updates and encourage dialogue. This year, we created a quarterly, hour-long editorial town hall for journalists at each of our titles – around 35 town halls in total – where our Group Editor-in-Chief and Chief Digital Publisher speak openly both about our challenges and opportunities. Participants rated the sessions 7.7 out of 10 on average, with sample feedback describing the sessions as 'open', 'honest' and 'reassuring'. Feedback also suggested that people would like to hear others in our Executive Committee share information about the wider business. We plan to make this happen in 2023.

Sharing updates with our teams

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

We invite our people to join 'Connect & Learn' virtual teach-ins on key strategic focus areas, to meet people in other departments, find out about the brilliant work that's going on and share feedback. This year more than 260 people signed up to sessions on topics including Neptune, our digital platform, and Curiously, our new content-first brand, with the most common words used in feedback being 'informative', 'interesting' and 'useful'.

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, 41% of our people complete it each month.

Line managers can access responses, review comments and identify trends using the data – in order to reach out to people and find new opportunities to keep them engaged. This year, our pulse survey revealed engagement levels for new joiners has remained at a healthy 8.6, staying level from 2021. The overall engagement score across the Company is 7.0, down from a record high of 7.4 in 2021 – not unusual during a challenging year but something we'll be keeping a close eye on through 2023.

In 2021, we launched 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 exceeded our target of 80% of completion of Check-ins in 2022 and have received positive feedback from employees suggesting that they find these valuable.

This approach has contributed to a 0.3 increase in management support Peakon scores over the last 12 months as well as a 0.9 increase in response to the question "As a result of my Reach 'Check-in'/1:1s I am clear what is expected of me and I feel supported".

We also monitor retention rates and absenteeism as key indicators of engagement and satisfaction. In 2022, the voluntary rate of employee turnover was 14.4%, up from 11.7% in 2021. The retention rate (defined as employees in Reach's employment for the full 12 months) was 95%, up from 86% in 2021. In 2022, the Group's absenteeism rate (which follows the common definition used by the Advisory, Conciliation and Arbitration Service) increased to an average of 1.7%, from 1.6% in 2021.

Developing and rewarding our people

Regardless of the challenges we face as a business, our commitment to developing our people doesn't change – by offering the right training opportunities, we keep individuals motivated and teams productive.

The cost-of-living crisis put exceptional pressure on some of our teams and with this in mind, in 2022 we set up two cost-of-living support payments. For anyone at Reach on a total salary of £50,000 or less, we made one £200 payment at the end of December 2022 and another £200 payment at the end of January 2023.

We also continue to offer competitive employee benefits, including:

- a defined contribution pension scheme (matched up to 6%);
- enhanced family leave policies, as described;

- discounts at a number of retailers, including supermarkets;
- loan schemes, including for 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.

We provide healthcare support to all employees, funding an employee health cash plan that means our colleagues can claim back money on health and wellbeing costs, including prescription, dental and optical fees.

Developing our people

In 2021, we identified the importance of professional development to engaging our people – and reported

on how we changed our approach to performance development, bringing it in line with our strategic ambitions. During this year, we continued to focus on developing our people.

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, 46 apprentices took part in our programmes, which cover 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 role. For more on apprenticeship programmes, go to page 27.

REPORTING ON A YEAR OF SPORT

Triumphant Lionesses inspire Reach's new dedicated WSL reporting 'squad'

England women's football team, the Lionesses, who won the Euros in July, have inspired Reach to commit to enhanced coverage of the Women's Super League (WSL) – and to create our first ever reporting 'squad' dedicated to women's football.

As soon as we announced the news in August, applications flooded in and the roles we created, including a sports editor, chief reporter, club reporters and a social media reporter, became our most applied-for jobs on record. Now assembled, the women's football reporting squad, led by Football Content Editor, Natasha Henry, includes reporters working from London, Wales, Merseyside, Manchester and the Midlands.

We've been steadily building our women's football coverage and covering WSL more extensively than ever before. Each of the 12 WSL clubs has been assigned to a member of the reporting squad, who focus on club coverage between matches and throughout the week.

The success and growth of our England women's football newsletter that we launched in summer 2022 has led to us creating our Women's Sport newsletter, which just launched in January 2023 and already has thousands of subscriptions.



Identifying and nurturing talent

In order to succeed as a business, we need the best people across all teams and functions – people with not only the right skills but the right mindset to succeed. To do this, we sometimes hire externally to find the right experience – but very often we develop them from within Reach, a positive for our teams as well as a more cost-effective way to retain talent.

Our Executive Committee and HR team continue to work together in assessing top people in their teams and identifying training that might boost their skills and confidence. This year, we invested in personality assessments for a number of senior team members and offered development sessions on designing and delivering presentations to the Board and senior management.

Our 'Aspire' talent programme provides training for editorial colleagues based at our local titles, who already have significant management experience and have the potential to be Reach leaders of tomorrow. The aim was to help them develop an understanding of what makes a great Reach Leader and equip them with the ideas and tools to raise their game and sharpen their leadership capabilities.

Alongside our 'Aspire' programme is our 'Inspire' programme, aimed at colleagues with little or no management experience but who have the ambition and drive to move their career forward at Reach. 'Inspire' is designed to equip our cohort of 15 colleagues with the skills and knowledge to begin their management journey as an effective people manager, as well as explain the purpose of the wider business and where the newsrooms fit into it.

Both courses involved seven hours' virtual learning, seven hours' self-directed learning and three days of face-to-face training, including an overnight stay and a visit to our Canary Wharf HQ. The programmes brought together colleagues from across our regional business who otherwise would not have crossed paths, meaning they were learning from one another and benefiting from each other's experiences as well as building relationships with their contemporaries in other areas.

WalesOnline captures World Cup fever with cheeky name-change and customised coverage

For a time in November, WalesOnline became 'CymruOnline' and its masthead sported the bucket hat synonymous with Welsh football fans, as the national team made their country proud at their first World Cup finals since 1958. Our local brand was there throughout, capturing the mood of a nation and its football supporters.

As Wales kicked off against the USA on 21 November, Wales fans everywhere filled with excitement and WalesOnline set out to reflect the atmosphere, as well as communicate feelings of pride and joy as Wales took on the opposition.

The WalesOnline team set up a Whatsapp group in advance of the World Cup so fans heading to host nation Qatar could share their feelings and experiences. We also sent Sion Morgan,

Head of Audience at WalesOnline, to cover the tournament. Sion reported on the highs and lows, saying that watching Wales play at a World Cup was 'quite frankly magnificent'.

The relationship WalesOnline built with fans meant we got invited to their pre-game parties. Being in Qatar, among the crowds, allowed us to report fan feelings first-hand. When Dafydd Iwan, who became a national icon for writing an unofficial anthem for his team, turned up to sing 'Yma o Hyd' with fans at one party, we were there to share the story.

Our reporters even called in a celebrity favour, getting Hollywood stars, and co-owners of Wrexham AFC, Ryan Reynolds and Rob McElhenney to send a tongue-in-cheek good luck video message to the Welsh team.



Protecting our environment

WE'RE HELPING OUR PLANET BY PROTECTING THE ENVIRONMENT

Every individual, business and society on our planet has a crucial role to play in protecting the environment. At Reach, our role is a dual one. Like any business, we must minimise and mitigate the environmental impact of our own operations. But we also have a considerable opportunity to make a positive difference through how we raise awareness of environmental issues – both locally and globally – through all of our titles.

Relevant UN SDGs



THE FIGHT TO SAVE THE AMAZON

In May 2022, Mirror contributor Gabriela Garces reported on a community in Santa Clara, Ecuador, who have been defending their homes against the destructive plans of energy giants



As a news publisher, our responsibility to the planet plays out in two ways. First, we must comply with all environmental regulations and requirements while finding ways to reduce our carbon footprint, as we produce and distribute our printed titles and run technology we need to power our digital transformation. Second, we can enlighten and empower people everywhere by reporting on the environmental stories that matter to the future of our planet – so individuals and communities can make their own positive difference.

RAISING AWARENESS OF KEY CLIMATE ISSUES

At Reach, we know we can't save the world alone – but 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. Through the stories we share, and the championing role we play, we help people fight back against destructive actions carried out in towns, cities and countries all over our planet.

The Mirror reveals rainforest being torched at highest rate in 12 years

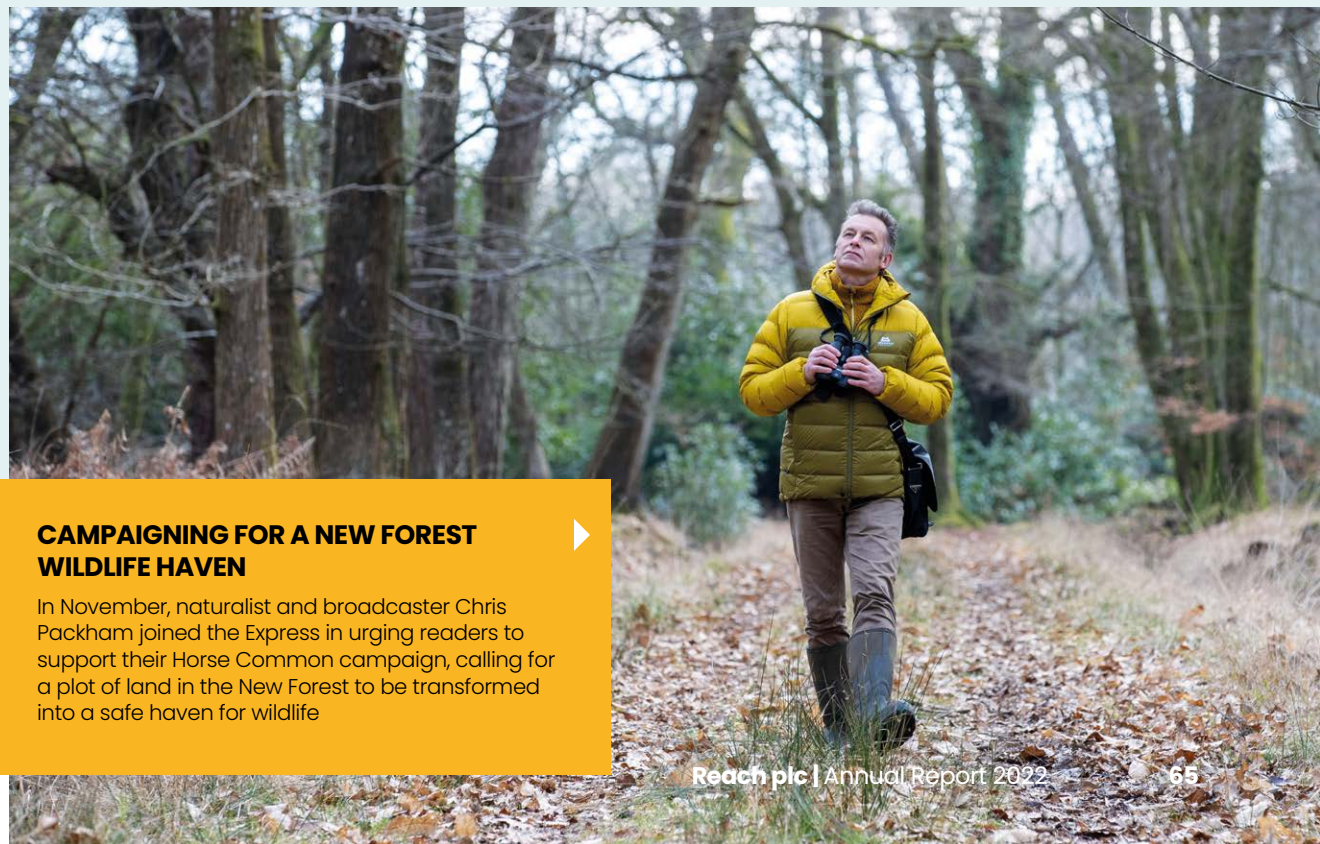
In September, the Mirror's Environment Editor Nada Farhoud travelled to the Amacro region of Brazil to witness first-hand the 'lungs of the world' being torched by land-grabbers, as then-President Jair Bolsonaro allowed the crisis to spiral.

We spoke to Greenpeace Brazil and highlighted the illegal clearing of rainforest by those empowered by Bolsonaro's policies, reporting how the Amazon is 'hurtling towards a climate tipping point that puts the entire planet in danger'. Our team flew over scorched landscapes and drove past miles of smouldering trees to tell an accurate story and share frighteningly vivid photographs.

They also met with people from indigenous territories, whose land is being deforested at an alarming rate – often the smoke from fires lingers for days, blocking out the blue sky above towns, and leading to some of the worst-polluted air in the world.

The Express has partnered with Ecotalk to help the RSPB to buy a 94-acre plot of land called Horse Common in the New Forest

It will be transformed into a safe haven for wildlife such as otters and birds including redshanks and nightingales. Beccy Speight, Chief Executive of the Royal Society for the Protection of Birds (RSPB), said: "The purchase of Horse Common will allow us to restore an important piece in the rich tapestry of the New Forest's fabric and help connect other parts of the wood and heathland, creating a lasting home for wildlife."



CAMPAIGNING FOR A NEW FOREST WILDLIFE HAVEN

In November, naturalist and broadcaster Chris Packham joined the Express in urging readers to support their Horse Common campaign, calling for a plot of land in the New Forest to be transformed into a safe haven for wildlife

The Mirror's NextGen International project gives powerful voice to young people

In 2021, the Mirror was awarded a prestigious grant by European Development Journalism Grants, supported by the Bill & Melinda Gates Foundation, which we're using to fund our NextGen International series. It gives young people in six countries the chance to tell their own stories about how the climate crisis is affecting them.

From Ulaanbaatar in Mongolia, one of the most polluted cities in the world, to the Amazon rainforest in Ecuador, where villagers are trying to prevent the destruction caused by mining, children around the globe are now able to report their hopes and fears about the environment – in their own voices.

We feature reports from the groundbreaking series online at [mirror.co.uk](https://www.mirror.co.uk) – giving young people the platform to help make a difference to the future of our planet.

The Express exposes the pollution killing elephants

In February, the Express won praise from animal campaigners and charities for its spread highlighting the plight of elephants in Sri Lanka.

Steph Spyro, Environment Editor for the Express, went to Ampara, Sri Lanka, to see for herself the large rubbish dump that had begun to encroach on a nature park home to a herd of elephants. They uncovered that the large animals were journeying to the trash mound and dying with plastic lining their stomachs. It is estimated that around 20 elephants have been killed as a result in the last eight years.

Reach Ireland attends COP27

Shauna Corr, Environment Correspondent for Reach Ireland, attended COP27 in Egypt where she reported on the progress of world leaders and negotiations to reduce emissions worldwide.

She also reported on the launch of the first net-zero Government initiative in Ireland, which included plans to install solar panels on all schools – a project that was praised at COP.

One investigation revealed the shocking amount of water it takes to make one pint of Guinness at St James's Gate (three pints). However, she did confirm that Diageo, the company that owns Guinness, hopes to cut its water use by 30% by 2030.

Shauna also co-hosts climate podcast Tipping Point, with Irish Daily Star Editor Neil Leslie.

New dedicated Environmental Correspondent at the Daily Record

In December 2022, the Daily Record appointed Dan Vevers as their dedicated Environmental Correspondent. His remit is to cover the climate crisis and its impacts, both locally and globally.

Notable coverage so far includes a piece about the shocking level of pollution at an Isle of Skye beach that is '29 times worse than UK average' and how Scottish ministers have been urged to finally ban 'cruel and unnecessary' snare traps after an expert group recommended the move on animal welfare grounds.

The future of our environmental journalism

In May, Steph Spyro (pictured) won Best Environmental Reporting at this year's MHP 'Mischief 30 To Watch: Young Journalist Awards', created by PR agency MHP to celebrate young journalists. Steph is the first winner in this new category – she was recognised for making environmental news more relatable to the public, and bringing the impact of it into our homes. This year, Steph covered stories including the effects of toxic air pollution on children and on the dramatic decline of wildlife in the UK.



AWARD-WINNING JOURNALISM

Steph Spyro, Express Environment Editor and Senior Political Correspondent, was recognised for Best Environmental Reporting at the MHP Young Journalist Awards

Managing and mitigating our own environmental impact

As important as the environmental stories we report, is how we protect the environment within our own operations. Energy – and its resulting emissions – is by far the largest component of our environmental footprint, although the other aspects are important too, as set out in our environmental policy: paper sourcing and sustainable forestry; waste management and recycling; volatile organic compound (VOC) emissions from our printworks; and the impacts of contracted printing and product distribution services. As well as reporting on progress, we have a continuous programme of audit and analysis, which helps us enhance our Environmental Management Systems (EMS), and improve our environmental performance.

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As important as the environmental stories we report, is how we protect the environment within our own operations.

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Tackling our biggest challenge – energy

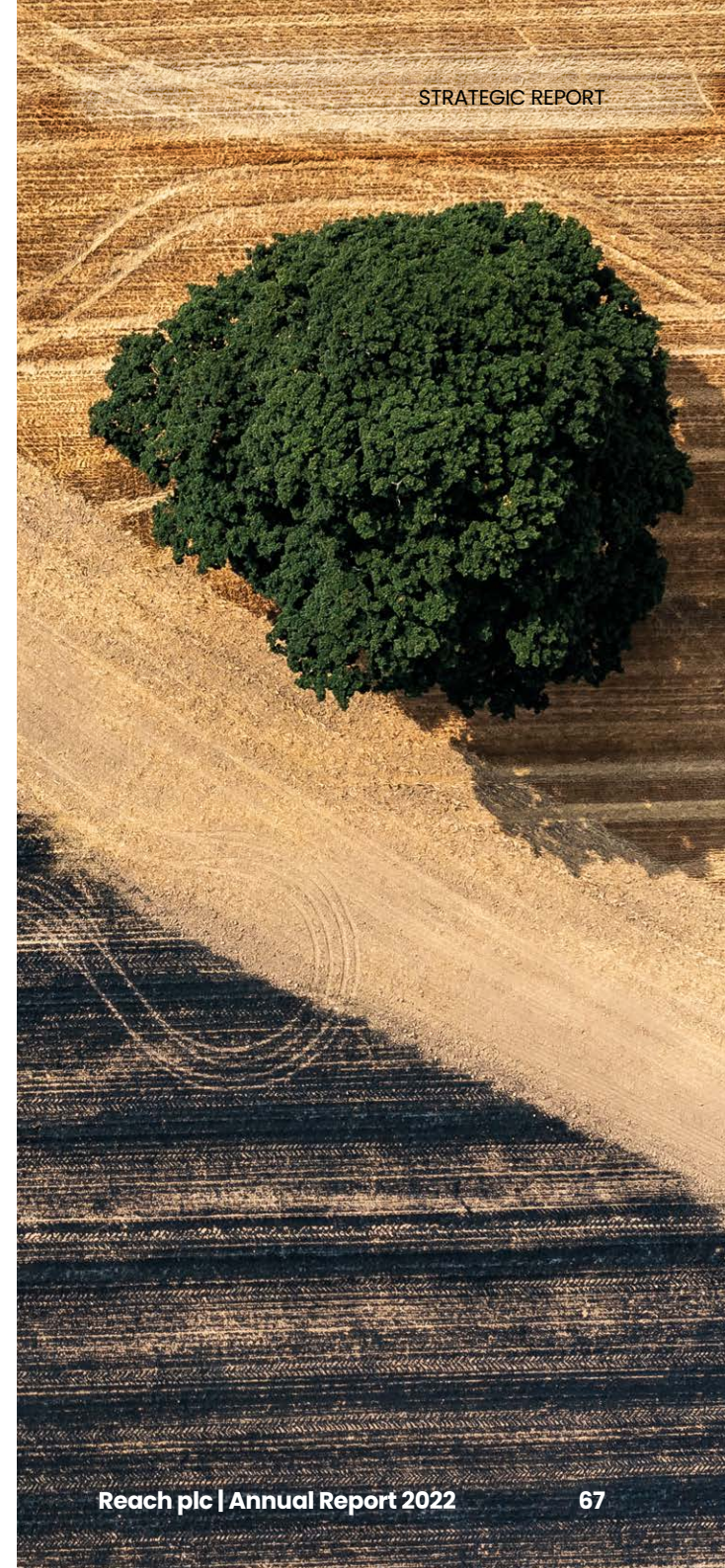
Print production is an energy-intensive process, but digital media requires considerable energy too. Further to the closure of Luton and Birmingham print sites to increase the efficiency of our printing process, the Teesside print plant was closed in December 2022. The remaining three Reach Printing Services print sites are our largest users of energy, which is why we've now moved each of them to green electricity contracts, reducing our emissions significantly.

To help reduce the energy used in our digital processes including Reach Publishing, the strategy for Reach Technology (IT) has been to, where possible, migrate services from on-site data centres to cloud computing. By the end of 2019 we had decommissioned our two core data centres, which were previously used to host the enterprise applications. During 2022, we moved much of our cloud compute workload to our provider's newest and most efficient compute and storage which reduced the emissions by an estimated 50%. We continue to maintain some core services on the premises to support the network, as well as security and manufacturing.

Every year, thanks to our EMS, we're able to identify and put into action ways to improve our environmental performance – from replacing lights and carbon-intensive equipment with energy-efficient alternatives to responsibly sourcing equipment and using more recycled materials. In 2022, we've started to explore the feasibility of generating electricity by using solar panels in our owned manufacturing sites. Positive results have allowed us to apply for the relevant permissions to begin installation of solar panels at two of our sites in 2023. We will also continue to explore the opportunity for solar energy production at our other manufacturing site.

At each of our print sites we have a team tasked with helping the wider staff look after their own work environment and specific environmental action area. This year, they carried out litter picks across the sites, created an energy-saving ideas initiative and launched a brand new toolbox talk focusing on waste management, recycling, pollution control, energy management and lifecycle and biodiversity.

In the coming year, we'll focus on reducing energy use across our distribution network – the second largest contributor to our environmental impact. We'll start by assessing all aspects of our network and analysing where we can make reductions. Also, our Environment teams are planning to create natural areas around print sites to improve biodiversity.



Environmental governance and developing a path to net zero

In 2022, our Corporate Social Responsibility (CSR) Steering Committee, chaired by our Chief Financial Officer, became the Environmental, Social and Governance (ESG) Steering Committee, which now sits under our Board Sustainability Committee.

The ESG Steering Committee has oversight of our ESG targets and the progress of all of our programmes including our environmental policy objectives. In 2022, we commissioned external experts to put together a materiality assessment, an important step to inform our ESG agenda in future.

Prompted by the requirement to report against the Task Force on Climate-related Financial Disclosures (TCFD) we commissioned environmental and sustainability consultants to support in creating a detailed roadmap towards this goal.

The output was a five-year Climate Strategy roadmap to help us outline the actions needed to be able to set a net-zero carbon emissions target.

Part of the TCFD work included identifying the physical and transitional risks that come from climate change, as well as the opportunities that may arise as a result of the transition. We have established a cross-functional team to assess, monitor and manage these risks and opportunities. See more in our risk report on pages 83 to 88, and our TCFD report on pages 73 to 81.

The ESG Steering Committee and Sustainability Committee will continue to monitor the progress against the roadmap.

Determining in full our Scope 3 emissions is an essential part of our Climate Strategy. Reach's first step is to understand our total carbon footprint. In the past, we didn't have a clear picture, having reported only limited categories – five out of a total of 15 Scope 3 emission categories. This meant Reach were unable to understand their total carbon footprint and therefore unable to set science-based emission reduction targets. This year, we committed to expanding our Scope 3 reporting in order to set Reach's baseline status.

We identified 12 'upstream' and 'downstream' Scope 3 categories that were relevant to Reach, two of which – purchased goods and services, and use of sold products (includes digital emissions) – are likely to contribute most to our total emissions. However, due to the complexity of how we produce and distribute some products, including books and subscriptions, we need to investigate further before publicly reporting these Scope 3 emissions. A priority for the coming year is to produce a comprehensive and complete carbon footprint. From this baseline data, we will be able to identify emission hotspots, and begin committing and setting near-term and long-term science-based targets. Reach's plan is to start this process by the end of the coming year.

The assessment is just the starting point, however. What matters most is how we act on the analysis: a key element of our roadmap is to educate and engage colleagues across the business about our Scope 3 footprint – helping them to speak with suppliers and work towards reducing our emissions. Also, as part of our five-year roadmap, we'll continue to review the quality of our data to keep improving our reporting.

Highlights

- We have achieved our target to reduce GHG emissions (Scope 1 + Scope 2) by 75% by 2025 versus a 2019 baseline, two years early
- We now have dedicated Environmental reporters in England, Ireland and Scotland
- We carried out extensive work across several departments to create our Climate Strategy roadmap

Our performance in 2022

Our total Scope 1 greenhouse gases (GHG) emissions reduced in 2022 (despite increases in refrigerant gases losses) due to a significant reduction in the amount of gas used for heating. We have maintained our GHG emissions per million pages in 2022 when compared to 2021.

Our reported Scope 3 GHG emissions are 15% lower than in 2021.

For full details of our environmental performance, see the tables on pages 71 and 72.

Energy and emissions

Our gas usage in 2022 reduced by 25% and electricity by 11% compared with 2021.

Environmental management

Each year, our print and publishing sites are both internally and externally audited against the international environmental standard ISO 14001:2015, which has a requirement for continuous improvement regarding our environmental impacts. We work hard to meet and maintain, or ideally better, our standards by continually reviewing our risk and opportunities. It's rare that non-conformances are raised. This year all sites have maintained the standard.

In 2021, we set a target to integrate all our owned print sites under one ISO certification. The integrated management system being evolved will cover Environment, Health and Safety and Quality. During 2022 we have undertaken internal auditing and structure alignment of our integrated management systems across our owned print sites. Our target remains to move to single ISO certification for the print sites by end 2023.

Supply chain

As a news publisher, paper is critical to our business – which is why we must source this responsibly. We're committed to using only graphic paper from recycled fibre, or using fibre from forests that have been independently certified as sustainable. In 2022, we sourced 98.05% of graphic paper from recycled materials or wood from certified sustainable forests, against our target of 95%.

We work with contractors who help us to print our magazine supplements and distribute our printed products. Any time we award a contract, we take into account our contractor's commitment to the environment. We expect them to measure and report the energy consumption and carbon emissions associated with the work carried out in the reporting year.

Waste

As we often report in our titles, waste has a significant impact on the health of our planet. We're committed to reducing the types and amount of waste we produce, while reusing and recycling as much of our waste as possible. This year, we relocated significant amounts of furniture and equipment around the business resulting from the closure of offices and print sites.

We continue 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.

We continued our extensive refurbishment of our 'hubs' around the UK and Ireland for those in our teams who enjoy the benefits of hybrid working, using sustainable and recycled materials to create new 'collaboration' zones.

Our waste electrical and electronic equipment (WEEE) contractor, Restore, is committed to sustainable IT and has a zero to landfill policy – which means all of our equipment goes on to be refurbished, reused or recycled, and none resides in landfill. Restore uses electric vehicles, this year signing up to The Climate Group's 'EV100 project', which brings together companies 'committed to accelerating the shift to electric transport from around the world', and now powers its recycling processes via solar panels. This year we have increased our reporting of WEEE, recording the total weights of waste produced and the percentage of reused and recycled WEEE which continues to total 100%.

External ratings

We've again been included in the FTSE4Good Index, which measures the quality and transparency of our environmental, social and ethical disclosures – this year we've been recognised for the work we've done in relation to climate change, HR, labour standards and governance.

In 2021, 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 retained our score of C+ showing a high relative performance against the other 105 companies in the same category.

This year, our Carbon Disclosure Report (CDP) submission scored a C. Reach continues to work to increase the transparency and accuracy of its reporting with the hope to continually improve this score in the future.

Meeting our compliance obligations

We monitor legal requirements relating to the environment, 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

This year, Reach completed all mandatory Energy Savings Opportunity Scheme (ESOS) audits, and had no prosecutions or compliance notices for breaches of environmental law

Targets and metrics

2022 Target	Progress in 2022	2023+ Target
Climate change We will reduce GHG emissions (Scope 1 + Scope 2) 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. 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 Our GHG emissions (Scope 1 + Scope 2) have reduced by 76% in 2022 versus 2019. Achieved Our electricity consumption in 2022 is 32% lower than 2019. Achieved A 47% reduction in UK/ domestic business travel GHG emissions versus 2019.	Having achieved this target two years early, we will maintain current levels and pursue further reductions. We will aim to reduce our electricity consumption by an average of 5% annually over the three years to 2023 versus a 2019 baseline. Due to the pandemic, this target was not started until 2021. Maintain GHG emissions associated with UK/ domestic business travel in 2023 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 four print sites under our ownership across the UK within the next two years. Publishing to expand coverage of ISO 14001:2015 to include Dublin, Cardiff and Plymouth in 2022. We will report the number of page views on campaigns related to sustainability and the environment as a measure of the impact of these campaigns.	Achieved ISO 14001:2015 certification was maintained for print sites. ISO 14001:2015 certification was maintained for publishing sites which now includes Dublin, Cardiff and Plymouth. Every day we give millions of people who read about our campaigns the information to help fight back against destructive actions carried out all over our planet. See details of our campaigns above.	We are continuing to aim for a combined ISO 14001:2015 certification for all three print sites under our ownership across the UK within the next year. We will continue to maintain certification across the Publishing sites in 2023. The target of reporting page views is being replaced by our ambition to report emissions on all relevant Scope 3 categories in 2023.
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 98.05% 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.
Waste We will reduce our Volatile Organic Compound (VOC) emissions annually versus the previous year. Maximum of 3% of hazardous waste generated at print sites under our ownership to go to landfill.	Not achieved Increased slightly due to improvements in accuracy of reporting Achieved 1.69% of waste sent to landfill in 2022.	We will work to reduce our Volatile Organic Compound (VOC) emissions annually versus the previous year. Maximum of 3% of hazardous waste generated at print sites under our ownership to go to landfill.

Environmental performance data

Energy consumption and greenhouse gas (GHG) emissions Tonnes Carbon Dioxide equivalent (tCO₂e)¹

	Consumption				GHG Emissions (tCO ₂ e)			
	2022	2021	2020	2019	2022	2021	2020	2019
Scope 1²								
Gas combustion – heating (kWh)	14,265,096	18,956,200	18,497,215	17,359,411	2,604	3,472	3,401	3,192
Oil combustion – electricity generation (kWh)	84,331	110,528	339,256	956,029	22	28	86	242
LPG consumption (kWh)	141,886	208,859	275,264	333,355	33	45	59	71
Commercial vehicles (kWh) ³	1,181,516	907,009	1,299,833	3,149,678				
Commercial vehicles (km) ⁴	1,656,617	1,271,728	1,802,245	4,357,788	282	222	314	788
Refrigerant gas loss (kg)	324	138	257	263	608	283	431	608
Total Scope 1					3,549	4,050	4,291	4,901
Total Scope 1 per million pages printed ⁵					0.07	0.07	0.09	0.06
Scope 2⁶								
Grid electricity used – location-based (kWh)	34,918,787	39,275,077	44,780,842	51,206,683	6,753	8,339	10,440	13,088
Grid electricity used – market-based (kWh)	34,918,787	39,275,077	44,780,842	51,206,683	–	–	–	9,816
Total Scope 2 (market-based)					–	–	–	9,816
Total Scope 2 per million pages printed (market-based)					–	–	–	0.11
Total Scope 1 and Scope 2 (market-based)					3,549	4,050	4,291	14,717
Total UK Scope 1 and Scope 2 energy consumption (kWh)	50,591,616	59,457,673	65,192,410	73,005,156	n/a	n/a	n/a	n/a
Scope 3⁷								
Transmission and distribution of grid electricity used (kWh)	34,918,787	39,275,077	44,780,842	51,206,683	618	738	898	1,111
Well-to-tank emissions for total UK Scope 1 and Scope 2 energy consumption ⁸	n/a	n/a	n/a	n/a	1,347	3,032	2,120	2,675
Business travel – road (km)	2,496,760	2,967,103	3,374,852	7,957,630	539	557	630	1,530
Business travel – rail (km)	2,094,208	751,672	920,209	3,109,746	93	26	36	128
Business travel – air (km)	3,508,016	1,394,584	1,615,963	3,926,445	639	202	288	664
Electricity for contracted printing – generation, transmission and distribution (kWh)	7,586,605	10,550,184	11,177,056	12,397,145	2,198	2,438	2,830	3,438
Gas for contracted printing (kWh)	3,725,667	6,645,864	3,969,480	5,958,840	796	1,217	730	1,096
Vehicle mileage for contracted distribution – long haul (km)	8,899,521	12,713,005	18,267,831	19,542,464	9,030	9,668	15,054	16,045
Total Scope 3					15,259	17,878	22,586	23,254

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 2022. 2021 and 2020 GHG emissions used 2021 and 2020 conversion factors.

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.

4. Company car emissions have been re-stated for 2021, 2020 and 2019 as Reach sourced new mileage data and have retrospectively amended emissions. As a result, the Well-to-tank emissions for total UK Scope 1 and Scope 2 energy consumption and emissions have also been restated.

5. To reflect the amended totals associated with the difference in company car data, the Scope 1 intensity emissions per million pages emissions have also been restated.

6. 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.

7. 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 current Scope 3 records are not fully inclusive and it is a priority for the coming year to produce a comprehensive and complete carbon footprint for all of our Scope 3 emissions.

8. The Well-to-tank emissions for total UK Scope 1 and Scope 2 energy consumption emissions are reported on a market-based basis.

Environmental performance data (continued)

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 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), electricity purchased by Reach during the reporting period, and Scope 3, all other emissions from Reach's supply chain.

All of our ROI offices are leased; the only emissions sources outside of the UK offshore area are from business travel. 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.

Energy Efficiency Actions

Our energy efficiency actions took place principally at our print sites and include the following:

- HVAC control automation – we are time scheduling the air handling unit running times to save electricity. We additionally reduce the temperatures in our Watford site to save gas whilst remaining an effective working environment;

- we are ducting hot waste air back from the compressors to reduce the load of mechanical heating and therefore electricity usage;
- we continue to use LED lighting and are replacing existing lighting with LEDs where possible;
- we enforce energy-saving activities such as enforcing no lighting usage in areas where production is not taking place; and
- we have modified windows to improve the heat retention and therefore efficiency of the buildings.

Waste

	2022	2021	2020
Total hazardous waste from print sites (tonnes)	1,147	1,229	1,379
Total hazardous waste from print sites to landfill (tonnes)	19	24	38
% hazardous waste from print sites to landfill	1.69%	2.00%	2.80%
Total weight of non-hazardous paper waste recycled (tonnes)	9,744	9,959	10,627
% non-hazardous paper waste from print sites under our ownership recycled	100%	100%	100%
Weight of WEEE waste produced (kg)	30,986		
% WEEE waste from sites recycled	54.31%		
% WEEE waste from sites reused	44.45%		
% WEEE waste returned to site	1.24%		
% WEEE diverted from landfill	100%	100%	100%
% aluminium printing plates recycled	100%	100%	100%

Volatile Organic Compounds

	2022	2021	2020
Emissions of Volatile Organic Compounds (VOCs) (tonnes)	7.33	6.12	10.47

Water consumption

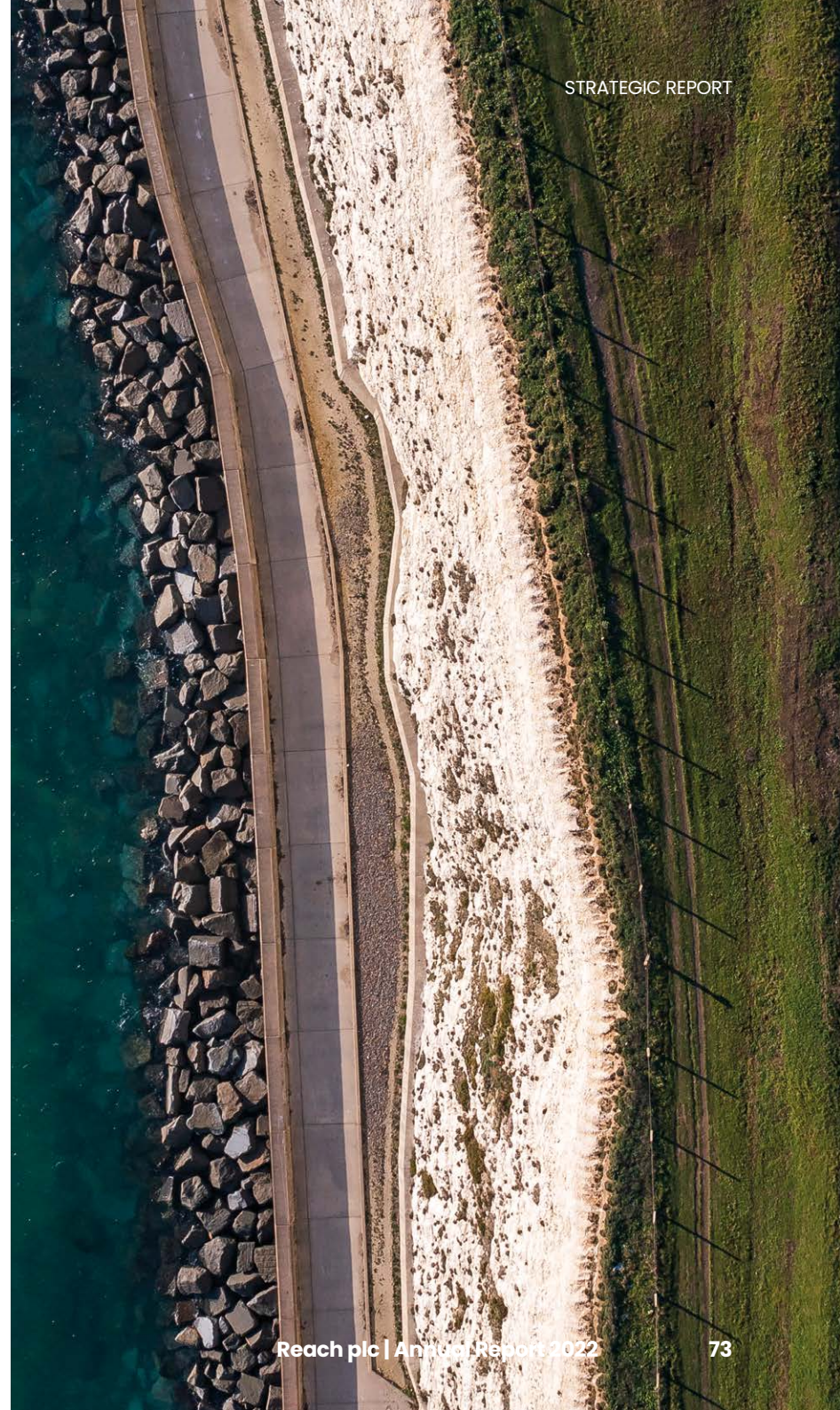
	2022	2021	2020
Total water consumption at all print and major publishing sites (m3)	24,857	31,180	35,458

PREPARING OUR BUSINESS FOR THE CHANGING CLIMATE

Climate change is one of the biggest challenges of our generation. It is happening now and is already causing irreversible damage to the planet and to modern ways of life. The UK Government has made this clear in its latest climate change risk assessment for the UK, which also states that all businesses and sectors in the UK will be affected by climate change. Its impacts will be felt largely through increasing damage to buildings and infrastructure from extreme weather events, and stringent new policy and regulations.

News publishing is currently going through a transformation from a largely print-based business to one that is principally digital. The effects of climate change – both risks and opportunities – will, however, be felt in both. Climate change will include physical risks leading to damage to assets and operations as well as risks related to the transition to a green economy; but it will also present opportunities, particularly those inherent in our strategy of moving to a principally digital business. At Reach we have taken the first steps necessary for understanding what the impacts could be on our business now and in the future, and what we need to do to ensure our business remains resilient in that uncertain future.

Looking outside ourselves, our industry has an important role to play in raising awareness of the facts about climate change, and supporting action to address its challenges. At Reach we contribute to climate action by equipping our brands' readership to make informed decisions on how we can all reduce our impact on the climate. As we explain in the environment section, pages 64 to 72, we do this by providing insight on the climate crisis through our campaigns and the stories we publish.



Preparing our business for the changing climate

Summary of our work in 2022

In 2022, we worked both on deepening our understanding of our impact on the climate, and on the impact climate change may have on us. This has included developing a climate roadmap to help us reach net zero emissions; starting to calculate our wider Scope 3 emissions; and beginning the process to assess and manage the risks and opportunities of climate change. Information on how we address our impact on the climate can be found in the environment section, pages 64 to 72. There is still work left to do to prepare fully for the climate challenges and our conclusions included identifying detailed plans for 2023.

So far, our work on risks and opportunities has focused on assessing the impacts of climate change on Reach, namely on our main assets and activities (including print sites, offices, distribution, raw materials, working from home, employee health and wellbeing, printing and digital technology). In 2022, we carried out a qualitative climate scenario analysis (CSA) to identify key risks and opportunities. We have identified three key risks – one

physical (disruption caused by extreme weather events damaging energy systems), and two transitional (carbon pricing and increased energy costs due to market volatility). We also identified a key opportunity, namely our strategy of becoming a more sustainable digital business.

In 2023, we will carry out a quantitative CSA on the risks and opportunities identified through the qualitative CSA. Through this we will begin to develop our understanding of the financial impacts of climate change on our business and the resilience of our strategy; we will also start considering metrics and targets for our climate-related risks and opportunities.

Consistency with TCFD

We began reporting voluntarily against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in our 2021 Annual Report. This year, with TCFD reporting now mandatory, we have expanded both our work in this area, and our disclosure (on a 'comply or explain' basis). We include

how we have formalised our governance structure, and details of our qualitative scenario analysis work.

In summary, we are fully consistent with three of TCFD's recommendations and partially with the other eight, as explained in the following table. The table also sets out what we plan to do to be fully consistent with the recommendations in due course. We are not yet consistent with all TCFD criteria as this is the first year when we have expanded our work on this area, we are on a continuous journey to implement all criteria.

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 from the UK's Financial Conduct Authority. Reach has taken into account all the guidance specified by the Listing Rule 9.8.6R(8). To align with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, our TCFD disclosure as set out below. Reach follows the 'Guidance for All Sectors' TCFD recommendations.

TCFD recommendation	Summary of disclosure	TCFD consistency	Next steps
GOVERNANCE			
a. Describe the Board's oversight of climate-related risks and opportunities (page 76)	- Board oversees climate risks and opportunities, led by Sustainability Committee - Work to improve Board's understanding of climate change	Full	Continue regular engagement and delivery of training on climate-related issues, risks and opportunities
b. Describe management's role in assessing and managing climate-related risks and opportunities (page 77)	- Oversight by ESG Steering Committee; management across the business involved in identifying and managing climate-related risks and opportunities - Climate work in 2022 involved management teams across the business	Partial: we need to allocate ownership of specific risks to individual managers	In 2023: further develop senior management roles and responsibilities for how specific climate-related issues are monitored and managed

TCFD recommendation	Summary of disclosure	TCFD consistency	Next steps
RISK MANAGEMENT			
a. Describe the organisation's processes for identifying and assessing climate-related risks (page 78)	Reach has identified and qualitatively assessed climate risks as part of the climate scenario analysis carried out this year	Full	Develop approach for continuing to review the risks across all parts of the business
b. Describe the organisation's processes for managing climate-related risks (page 78)	Climate in general now classed as an emerging risk, and managed through our risk management framework	Partial: we need to allocate ownership of specific risks to individual managers	In 2023: assign ownership of specific climate risks; update risk management framework (including management of climate risks)
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management (page 78)	Climate in general now classed as an emerging risk, and managed through our risk management framework; it will be monitored monthly	Partial: we need to allocate ownership of specific risks to individual managers.	Continue to review climate-related risks as part of our overall risk management framework
STRATEGY			
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term (page 80 and 81)	Qualitative CSA carried out, which considered two climate scenarios and the risks and opportunities they present over the short, medium and long term	Full	Risks identified will be reviewed regularly
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning (page 80)	Outputs of the CSA set out the likely impact of each risk and opportunity on our various businesses	Partial: we have done some aspects of criteria b (e.g. impact on business). However, we have not yet carried out a quantitative and in-depth CSA to estimate the financial impact of the key risks and opportunities on our business	In 2023: carry out a quantitative CSA and assess impacts on strategy and financial planning
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario (page 80)	Outputs of the CSA set out risks and opportunities likely to be present in the two climate scenarios considered	Partial: we have done some aspects of criteria c (e.g. considered multiple scenarios and time horizons to assess risks and opportunities). However, we have not fully assessed the resilience of our strategy in the two climate scenarios	In 2023: the quantitative CSA will help us understand the risks better and therefore enable us to begin assessing financial impacts and the resilience of our strategy, and consider mitigation and adaptation plans

TCFD recommendation	Summary of disclosure	TCFD consistency	Next steps
METRICS AND TARGETS			
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process (page 81)	- Scope 1, 2 and 3 GHG emissions monitored and reported annually - Project begun to calculate our wider Scope 3 emissions	Partial: we measure metrics for some environmental aspects. However, we currently have no specific metrics to assess each key risk and opportunity	In 2023: begin identifying specific metrics to monitor each key risk and opportunity, and consider setting near-term science-based targets
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks (page 81)	- Scope 1, 2 and 3 GHG emissions monitored and reported annually - Project begun to calculate our wider Scope 3 emissions - Qualitative CSA identified climate risks related to Scopes 1, 2 and 3	Partial: we monitor Scope 1, 2 and 3 emissions but we do not yet explicitly report climate risks related to Scope 1, 2 and 3. Additionally, we do not yet disclose our full Scope 3 emissions	In 2023: report the climate risks related to Scopes 1, 2 and 3; and continue to improve our Scope 3 reporting
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets (page 81)	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	Partial: we have done some aspects of criteria c. However, since we do not yet have specific metrics for each risk and opportunity, we do not have specific targets for them either	In 2023: consider setting targets for the metrics identified for each risk and opportunity by the quantitative CSA

Governance

Climate change has the potential to become a strategic risk affecting multiple areas of our business. It is therefore important for us to take action to limit potential negative impacts and capitalise on opportunities across our business and in line with our strategy. To help us make climate-related business decisions effectively, we have put in place governance structures and processes across the Company. We oversee climate-related issues at Board level, and assess and manage them at management level, as detailed in the diagram on the next page.

Board

Our CFO is the Board director responsible for climate change and environmental issues relating to the business; and our Board Sustainability Committee (the 'Committee') which is made up of all Board members, has ultimate responsibility for sustainability and climate-related issues. 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 2022 to review progress on these issues (at which time it was chaired by Helen Stevenson). In 2022, the Board approved the climate-related risks and opportunities set out on the next page.

Our Board Audit & Risk Committee is chaired by Anne Bulford and is made up of all independent non-executive directors, is responsible for risk management, including climate-related risks, and for reviewing the content and accuracy of our reporting. In 2022 the Audit & Risk Committee approved the inclusion of climate change as an emerging risk in our risk register.

During the year, our Board directors further developed their knowledge and understanding of climate-related issues through involvement in the climate scenario analysis work, and our work to develop a roadmap to net zero. Board directors have also taken part in sessions from external experts on climate risks to get a better understanding of the potential risks to the business.

We currently have not linked executive remuneration with climate-related issues.

Management

At management level, climate-related risks and opportunities are overseen by our ESG Steering Committee (the Committee). Chaired by our CFO, the 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 Committee reports to the Sustainability Committee, and, in 2022, worked with an external adviser to analyse climate-related risks and opportunities, widen our Scope 3 analysis and reporting, and develop a roadmap to net zero. This work was co-ordinated by the Company Secretariat team which ensured that all relevant stakeholders were engaged throughout the process.

The Committee is supported in its work by various teams across the business, particularly risk, operations and Group finance. Our risk team identifies, manages and monitors climate-related risk, while our operations team tracks actions and monitors impacts. The operations team includes 'Green Teams' at our print sites, who lead environmental initiatives. Once we start addressing financial impacts of climate risks and opportunities, Group finance will be responsible for overseeing and monitoring the potential financial effects of climate-related issues.

NEXT STEPS

Governance in 2023

- Board directors will continue their training on climate-related issues, risks and opportunities
- Based on the results of the quantitative CSA, we will further develop senior management roles and responsibilities for how climate-related issues are monitored and managed

TCFD Governance

Board

Board

This year, the Board reviewed and approved the Company's overall responsible business framework, which includes our environmental policy. The Board ensures that our framework is implemented through a programme of action plans and annual targets.

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. In 2022, the Committee reviewed the risk framework and included climate risks within it.

Management

Environmental, Social and Governance Steering Committee (previously the Corporate Social Responsibility 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 Working Group was created in early 2022 to address the requirements set out by the Task Force on Climate-Related Financial Disclosures. It is made up of colleagues from Group Finance, Internal Audit, Company Secretariat and Central Services.

Risk management

In 2022, we began the process of identifying climate-related risks and opportunities through a qualitative climate scenario analysis, or CSA. This involved engaging both the Board and the senior management team in a series of workshops to discuss the analysis of scientific evidence of climate risks and opportunities relevant to Reach, as discussed in more detail in the strategy section below. As part of the CSA work this year, we also considered the potential overall implications of current and proposed climate regulation.

As a result, for the first time this year we included the general risk of climate change as an emerging risk in our risk register, and as such it will be monitored through our risk management framework. This includes monthly monitoring by the senior leadership team.

During the year we committed to improving our risk management processes. To date this has included a review of our risk and audit roadmap; and investment to enhance our ability to manage risk through an efficient, data- and insight-led risk management model (see our risk management processes on page 83 for more on how we manage risk in general). The improvements to our risk management processes included further work to understand more fully the emerging risk of climate change and to begin embedding it into our risk management model. Our risk team is responsible for the risk management framework, including climate-related risks.

NEXT STEPS

Risk management in 2023

We will:

- Continue to develop our approach for reviewing and managing the climate-related risks across all parts of the business
- Assign ownership of specific climate risks based on the quantitative CSA we will carry out in the year



Strategy

At Reach, we are transitioning into a more data-led, digital business. To ensure the resilience of our strategy, we must be prepared for the challenges and opportunities posed by climate change. We took the first steps this year by carrying out a qualitative climate scenario analysis (CSA), following the approach recommended by TCFD. This showed that we are exposed to a number of climate-related physical and transition risks, but there are also several opportunities for us associated with the transition to a low-carbon economy, as detailed below. We believe that both the risks and opportunities identified could affect Reach's strategy, and will carry out a more detailed assessment of the effects in the next stage of our CSA work.

The CSA looked at climate-related impacts at a high level on our main asset types and activities (print sites, offices, distribution, raw materials, working from home, employee health and wellbeing, printing and digital technology). At this stage, we have not investigated the impacts on individual sites or specific brands.

Scenario methodology

We used a combination of desk-based research using publicly available information, and workshops with our internal stakeholders across key business functions – operations, finance and strategy – to ensure we captured all relevant risks and opportunities. The desk-based research looked at climate science publications by international and national organisations such as the Intergovernmental Panel on Climate Change, the International Energy Agency and the Climate Change Committee. These gave us the latest scientific insight on how the climate is projected to change across different scenarios.

Of the different climate scenarios envisaged by these organisations, we considered two, at opposite ends of the spectrum, to give us an understanding of a wide range of potential climate-related risks and opportunities. Either of these two scenarios may occur; they are not forecasts but potential pathways.

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 two scenarios we looked at were:

- **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 1.5°C 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.
- **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 4°C above pre-industrial levels. In this scenario, we expect to see severe physical risks.

When assessing each climate-related risk or opportunity we considered three different time horizons:

- **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), and, as far as practical, with the timeframes used in relevant climate science publications.

Through the analysis we identified risks and opportunities for each scenario and time horizon. We then prioritised them by assessing materiality using a risk matrix combining the assessment of likelihood and impact (see definitions below). Risks with a potential impact moderate or major which have a likelihood of occurring of high; and risks with a potential major impact and likelihood of occurring medium or high where considered most material.

- **'Likelihood'** is defined as the possibility that a climate-related event will occur in a given climate scenario and time horizon (e.g. an extreme weather event causing damage, or a new regulation). 'Likelihood' depends only on the evidence of climate science (i.e. it is independent of Reach's activities). The low, medium or high ratings for likelihood are assigned based on the best available information and existing scientific evidence. For example, a climate-related event that is certain to occur in a specific scenario is rated high, such as the implementation of carbon pricing which is a pre-requisite for a low-carbon scenario.
- **'Impact'** is defined as the extent to which a risk might affect us, and will depend on how prepared we are to respond to it. The ratings of negligible, moderate, or major are based on a range of possible impacts such as financial, operational downtime, reputational damage or negative impacts on strategic activities. The impact ratings for each risk were reviewed and agreed by relevant stakeholders across the business.

Risk description	Risk category	Climate scenario and most relevant time horizon*	Likelihood rating	Impact rating	Impact description	Mitigation actions
TRANSITION RISKS						
Increase in energy costs caused by volatility in the energy market (volatility caused by uncertainty and climate-related geopolitical unrest) The UK and major world economies have already made commitments to transition to low-carbon energy generation. This high demand could itself create problems for the energy supply and lead to volatility in the market	Market	Low Carbon Near term (now and up to 2030) High Carbon Near term (now and up to 2030)	High Medium	Moderate	Impact is likely to be moderate since we are already mitigating the effect of the current energy crisis, and these actions themselves will also help us reduce the impacts of any climate-related increase in energy costs. Main impacts identified: - Higher direct energy costs - Higher pass-through costs from raw materials supply chain	Already implemented: - Flexible energy contracts to help manage costs - Increase in energy costs factored into annual budget - Targets at all sites for reducing energy consumption Planned: - Exploring the feasibility of generating electricity by using solar panels in our manufacturing sites
Carbon pricing will increase the cost of input materials, electricity, transport and waste management Most countries are expected to establish carbon prices for power generation and for all industrial sectors. UK carbon prices are among the highest in the world, and the UK is set to impose additional costs on imports of carbon-intensive materials	Policy and legal	Low Carbon Medium term (between 2030 and 2050) High Carbon Medium term (between 2030 and 2050)	High We expect carbon prices to be introduced in the near term and to increase in the medium term Medium	Moderate	Impact is likely to be moderate since we are already reducing emissions. Main impacts identified: - Higher costs of direct emissions due to carbon pricing - Higher pass-through costs from supply chain due to carbon pricing	Already implemented: - Now using electricity from renewable sources for our direct operations - Recently developed a roadmap to net zero Planned: - Move to digital, carbon emissions may be lower in a digital-focused business than a business focused on print
PHYSICAL RISKS						
Increase in extreme weather events in the UK and around the world causing disruption to energy and related systems The frequency and/or intensity of extreme weather events is projected to increase in the UK and most parts of the world. In the UK, all energy-related infrastructure is at risk from the impacts of climate change	Acute	Low Carbon Medium term (between 2030 and 2050) High Carbon Medium term (between 2030 and 2050)	Medium High Based on climate projections. Extreme weather events are already occurring more frequently compared with earlier decades	Moderate	Impact is likely to be moderate, but the level will depend on which sites or regions are affected. Main impacts identified: - Downtime due to loss of energy supply - Downtime due to disruption of systems that require energy, e.g. telecoms, water supply, transport	Already implemented: - Back-up power generators at print sites - Contingency plans for print sites (printing load can shift between sites) - Flexibility for office-based workers to work from home if their office is inaccessible Planned: - Exploring the feasibility of generating electricity by using solar panels in our manufacturing sites. - Move to digital, carbon emissions may be lower in a digital-focused business than a business focused on print

* The first time horizon where likelihood of occurrence is either medium or higher is included in the table as being the most relevant time horizon to assess risk. However, the risk is also expected to be experienced in the different time horizons, but at a lower likelihood.

Our key climate-related opportunities

Our CSA showed that climate change also presents several opportunities, particularly in a scenario where we transition to a low-carbon economy. As with the risks, we assessed them using a combination of likelihood and impact to give an overall estimate of potential materiality, and from this, identified the most significant.

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. Reducing the quantities we print reduces our production and distribution costs, our energy consumption and potentially our direct carbon emissions (more likely if the UK meets its target of a 95% renewable energy sourced power grid by 2030). This would also lower our exposure to carbon prices. To analyse the magnitude of this opportunity, we still need to do further work.

NEXT STEPS

Strategy in 2023

- We will carry out a quantitative CSA on most material risks and opportunities and assess their impacts on strategy and financial planning; this will enable us to start considering the development of longer-term climate mitigation and adaptation plans
- The quantitative CSA will help us understand the risks and opportunities better and therefore enable us to assess the resilience of our strategy
- Risks identified will be reviewed regularly

Metrics and targets

Metrics and targets are of course essential for measuring and managing climate-related risks and opportunities. Since we began our analysis in 2022, we have completed only the qualitative work, therefore it is too early to set specific metrics and targets for each risk and opportunity. Through the quantitative CSA planned for 2023 we should be able to do this; in the meantime, the climate-related metrics we already report give some initial insight.

We calculate and report Scope 1, 2 and 3 GHG emissions every year (see page 71). The results help us understand both how we are affecting climate change and how we may be affected by risks associated with our emissions across our value chain. We already have several climate-related targets, including reducing our Scope 1 and 2 emissions by 75% by 2025 against a 2019 baseline, as set out in the table on page 70. This target helps us reduce our impact on the environment, while also reducing our vulnerability to any potential costs associated with carbon pricing. We also have a number of wider sustainability targets relating to waste and environmental management.

NEXT STEPS

Metrics and targets in 2023

- We will report the climate risks related to Scopes 1, 2 and 3
- We will work towards setting targets for the metrics identified for each risk and opportunity by the quantitative CSA
- We are developing a plan to reach net zero including setting near-term science-based targets and improving our Scope 3 reporting

Non-financial 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.

Focus area	Policies and guidelines	In summary	More information
Environment	Environmental Policy	Specific commitments in relation to the main areas where the Company has the potential to cause environmental impacts	Pages 64 to 81
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 and 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 58 to 61
	Health and Safety Policy Statement	Understanding the Group's commitment to the health and safety of our employees and others affected by our business activities	Pages 54 and 55
	Disclosure Policy	Awareness of how to make a disclosure of suspected wrongdoing	Page 53
Human rights	Anti-slavery Policy	Compliance with modern slavery regulations under the Modern Slavery Act 2015	Page 53 and on www.reachplc.com
Anti-bribery and anti-corruption	Anti-bribery Policy	Compliance with applicable anti-bribery and anti-corruption laws	Page 53
	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
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 53
	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	Page 52 and on www.reachplc.com
Non-financial key performance indicators		Understanding how we measure the Group's non-financial performance	Pages 36 and 37
Management of principal risks and uncertainties		Understanding the key risks that the Group faces	Pages 85 to 88
Business model		Understanding how we create value for stakeholders	Pages 32 to 33

Risk report

Overview of our risks in the year

Managing risk and uncertainty effectively is a key element to the successful delivery of our Customer Value Strategy. Risks do not stay the same. As both the internal and external environment change, the level of risk changes too. Some increase, some reduce, and new risks emerge. In the year we have seen the continued embedding of our strategy and the move to creating a more data-led digital business against the backdrop of a continuing economically uncertain period following the COVID pandemic, inflationary challenges, and supply chain challenges. All of these areas affect the risk environment and underline the importance of managing risk and uncertainty effectively.

During the year we have committed to improving our risk management arrangements and internal control environment. We have reviewed and revised our Risk and Audit Strategy and roadmap to reflect and respond to the changing internal and external environment noted above and the associated changing risk and assurance needs this brings to the Group. We have committed investment in 2022 and into 2023 and beyond to ensure we enhance our ability to manage risk through an efficient, data- and insight-led risk management model, underpinned by an effective internal control environment and focused data-led assurance and insight.

We have continued to focus on our principal risks with further work undertaken in the year to enhance how we mitigate and manage our principal risks, and we have completed deep dive reviews with the Audit & Risk Committee for several of our principal risks. These include cyber security, data protection, attraction and retention of talent and editorial legal risk. During the year, we also continued to develop a better understanding of the emerging risk of climate change and, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), have identified our top climate risks and opportunities, as set out on pages 80 and 81. In 2023, we will complete this project to ensure climate change is fully embedded in our risk management model.

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 the 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 issues;
- 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 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 table in the following page. 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 and how we manage them. These are detailed in our Governance Report.

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Managing risk and uncertainty effectively is a key element to the successful delivery of our Customer Value Strategy.

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Our roles, responsibilities and accountabilities

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



Our principal risks and uncertainties

We have considered all risks in the context of delivering our strategy, and the continuing economic uncertainty following the COVID pandemic, inflationary challenges, supply chain challenges, and the changing regulatory and compliance landscape. The continuing economic uncertainty has caused the following risks to increase – deterioration in the macroenvironment; deceleration of digital growth; and supply chain

disruption. The risk of a cyber security breach has also become more likely given the external environment. Throughout the year we have worked further to enhance the mitigating actions we have in place. The Board has undertaken a robust risk assessment and review of our principal risks in this context, which are set out in the table below.

During the year we have also focused on understanding our climate risk more fully. While we do not at this stage consider climate risk to be a principal risk we do consider climate risk as an emerging risk. We have continued to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and have identified our top climate risks and opportunities, as set out on pages 80 and 81. Further work will continue into 2023 to further understand these and fully embed climate risk into our risk management model.

Risk	Description	How we mitigate the risk	What we've done this year
STRATEGIC			
Deterioration in macroeconomic conditions Risk owner: 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 increased inflation pressure in relation to energy and newsprint costs. 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.
Deceleration of digital growth alongside acceleration in decline of print revenues Risk owner: 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 macro-economic 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 have an Investment Committee in place to approve business plans when reviewed against strategic goals. We focus on developing digital revenue streams through the Customer Value Strategy. We continue to take tactical measures to minimise print revenue declines and maintain profits, such as taking appropriate cash 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 Customer Value Strategy.	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 launched Curiously which aims to grow revenue from new audiences.



Increase



No change



Decrease

Risk	Description	How we mitigate the risk	What we've done this year
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 increasing focus on customer data as part of our strategy, 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 raising awareness of cyber security, provided cyber security training, enhanced segregation of our network, completed further work on the mitigations to reduce the impact of a ransomware incident, performed a series of penetration tests, undertaken cyber incident training, and run exercises to re-establish operations in the event of a failure.
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; and • 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.	A number of our print suppliers are seeing the longer-term trend of declining demand being exacerbated in recent times by the COVID pandemic and followed more recently by increases in the costs of materials and energy. This in turn increases the risk of supply chain disruption and price increases. During the year we have increased the monitoring of our key suppliers, reviewed our contingency arrangements and ensured there are contingency measures in place with our suppliers, and reviewed and enhanced our stock management processes.



Increase



No change



Decrease

Risk	Description	How we mitigate the risk	What we've done this year
OPERATIONAL CONTINUED			
Health and safety issue Risk owner: Chief Operations 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 mental health support, to all our employees.	During the year we reviewed our Health and Safety policy and framework to further enhance our current arrangements. We have continued to enhance our risk assessment processes for events and for work in both hostile and 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, considering the impact it can have on their wellbeing, so this year we invested in online safety. Addressing this issue and protecting our journalists will continue to be a priority for us.
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; and - volume and level of claims for historical legal issues (HLI) may continue to have significant cost implications.	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 - 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 and related investigations	Financing - During the year we extended our full loan facility by another year, reducing the immediate risk of any unexpected increases in interest rates or liabilities Commitments - We made significant payments to our pension schemes in the year and we remain committed to addressing our historical pension deficits - During the year we continued to deal with HLI claims in a professional and efficient manner, and will continue to do so



Increase



No change



Decrease

Risk	Description	How we mitigate the risk	What we've done this year
OPERATIONAL CONTINUED			
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; and • diversity and inclusion.	During the year we reviewed the effectiveness of how we recruit people, and restructured our approach to align it with our approach to diversity and inclusion, to ensure we are recruiting and developing staff from the widest possible pool of talent.
Damage to brand reputation Risk owner: 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 editorial employees on how to create content that complies with relevant legislation. We continually monitor upcoming legislative changes and emerging trends.	As we continue to embed our strategy, we continue to be aware of the risk created in a digital-led environment due to the 24/7 nature of our operations and the need to move with pace. During the year we enhanced our Editorial Risk Policy, including reviewing all relevant policies, raised awareness in this area, and enhanced our training arrangements.
REGULATORY			
Data protection failure Risk owner: Group General Counsel/Data Protection Officer 	A contravention of the General Data Protection Regulation (GDPR) could lead to monetary penalties, reputational damage and a loss of customer trust.	We have governance structures to direct and oversee our data protection strategy. We have a Senior Data Protection team and a Data Governance team to monitor and improve how we use customer data across the Company. Our Data Protection Officer and Data Protection Team promote and advise on compliance with data protection regulation, address rights requests, provide oversight and help mitigate the risk of compliance breaches. We have established data protection policies and processes to govern how colleagues carry out day-to-day activities involving the handling of personal data, and all our staff must undergo awareness training. 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 regulation.	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, implementing new workflow systems to improve effectiveness and efficiency, and ensuring all colleagues completed their mandatory data protection awareness training.

 Increase
  No change
  Decrease

Viability statement

The directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

The 2018 UK Corporate Governance Code requires that the directors assess the prospects of the Group 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 the directors to consider the investment required to drive growth in digital and the impact of declining print revenues. The assessment took into account the Group's current position and the principal risks and uncertainties facing the Group, including those that would threaten the business model, future performance, solvency or liquidity.

When approving the annual budget, projections for the next two years are also considered. The annual budget is used by the Remuneration Committee to set targets for the annual incentive plan. The annual budget and projections for the next two years are used for setting the cash flow target for the Long Term Incentive Plan. The directors also consider projections for the next 10 years as part of its strategic planning and in connection with the Group impairment review.

A number of key assumptions and items in the three-year projections are as follows:

- continued 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;
- deferred consideration of £7m (repayable in 2023);
- covenants under the financing facilities are met; and
- dividend payments in each year.

These, and other matters considered by the Board during the year, form the basis of the Board's reasonable expectations that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year assessment period.

Also, this assessment was made recognising the principal risks and uncertainties that could have an impact on the future performance of the Group and the financial risks described in the notes to the consolidated financial statements. For further information on principal risks, see pages 85 to 88.

Sensitivity analysis is applied to the cash flows to model the potential effects should relevant principal risks actually occur, individually or in unison. The Board also assessed the likely effectiveness of any proposed mitigating actions. This did not change the conclusions of the assessment.

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 7 March 2023.

Jim Mullen
Chief Executive Officer

7 March 2023

GOOD GOVERNANCE IS CRITICAL TO THE DELIVERY OF OUR STRATEGY



In the face of significant macroeconomic challenges, good governance is more important than it's ever been, ensuring the strong leadership and positive working culture needed to support delivery of our Customer Value Strategy.

As a Board, we closely monitor culture, practices and behaviour across the business – to make sure they're aligned with our purpose and our strategy, and we recognise that governance plays a key role in the culture we want throughout the business. We are pleased with the progress we've made in evolving a culture that's inclusive and open, where colleagues are able to be entrepreneurial, take advantage of development opportunities and are encouraged to fulfil their potential.

Here is a summary of the most important Board activities this year. You can read more detail throughout the Governance Report.

Nick Prettejohn
Chairman

Compliance with the UK Corporate Governance Code

The Board considers that, during 2022, the Company applied the principles and complied with the provisions of the FRC's 2018 UK Corporate Governance Code (2018 Code), other than provision 38. You can read more about our compliance with the 2018 Code on pages 137 to 139.

Playing an ongoing role in our strategy

The Board originally oversaw the implementation of our Customer Value Strategy in 2020 – challenging each stage and discussing with management to ensure our approach would enable us to thrive in good times, but remain resilient when conditions were more difficult. During 2022, a tough year for most businesses, we have focused on supporting the leadership team in developing and continuing to implement the strategy.

In November, on behalf of the Board, I attended Reach Leaders Live in Birmingham, our leadership conference – and the first in-person gathering of the leadership team since the start of the pandemic. It was great to hear our executive team share strategic updates, and discuss ideas, progress and challenges with the leadership team, while also taking part in group exercises around employee engagement, representation, our purpose and the future of the business.

The Board has been presented with strategic deep dives throughout the year, which we've debated and challenged. The impact of any decisions on all our stakeholders and the long-term sustainable success of the business remain at the forefront of our discussions. We particularly focused on bringing our content to a wider audience, which resulted in the Board approving two organic growth initiatives: our new youth content brand Curiously, and our expansion into the US.

These initiatives have also created career and training opportunities for our people.

You can read more about this in our section 172 statement on pages 101 to 103.

Continuing to enhance the Board and Executive Committee

For our strategy to be successful, we need a Board and Executive Committee made up of experts with diverse experience, and with a particular focus on digital.

We were pleased to welcome three independent non-executive directors to the Board during 2022. In September 2022, Wais Shaifta and Priya Guha were appointed to the Board. Wais has a varied ecommerce background with customer-focused expertise, having previously held executive roles in a number of online businesses. He has extensive experience driving growth and transformation for several digitally enabled brands. Priya has a unique mix of senior diplomatic and governmental leadership experience, alongside extensive experience of the technology sector. In 2021, Priya was awarded an MBE for services to international trade and women in innovation.

In December 2022, Denise Jagger was appointed to the Board, and took on the role of Senior Independent Director. Denise brings to the Board extensive plc experience, and she also has a broad range of M&A, finance raising, competition, regulation compliance, HR, and remuneration and benefits experience.

These appointments were in part to replace Senior Independent Director Helen Stevenson and Independent Non-Executive Director David Kelly, who retired from their roles at Reach, following nine and eight years of tenure respectively. Through the natural rotation of Board members, we will reduce to former levels. Simon Fuller also stepped down from his executive role of Group Chief Financial Officer in December 2022. I'm very grateful to Simon, Helen and David for all their hard work and dedication during their tenures and, on behalf of the Board, wish them all the best for the future.

I am proud of the progress made this year in improving the Board's diversity, which I firmly believe will assist in optimal decision-making and in supporting the development and execution of the business strategy. We have met our Board diversity targets and will strive to continually make improvements.

This year, more time has been given to Board meetings, providing greater opportunity for senior leaders to present and interact with the Board. Following several changes to the Executive Committee since the implementation of the strategy in 2020, and a period of remote Board meetings as a result of the pandemic, the Board has benefited from time spent in person. We discussed and debated strategic issues with Executive Committee members, and gained greater insight of the views and sentiments of their respective teams. As a Board we will continue to develop these relationships during 2023.

“

In the face of significant macroeconomic challenges, good governance at Reach is more important than it's ever been.

”

Overseeing the development of our responsible business framework

During the year, the Board was involved in overseeing the development of our responsible business framework, set out in the Strategic Report on page 45. This formalises and brings together the work we've been doing for a number of years in the area of sustainability and ensures alignment with our purpose.

As part of a materiality assessment, which led to the creation of four framework pillars, the Board supported the review and assessment of various policies across the business.

Developing our effectiveness as a Board

An important part of Board governance is to reflect on our own performance, and consider ways we can improve our own processes and behaviour to make sure we're operating effectively. In 2021, we carried out an externally facilitated Board evaluation. During 2022, a number of actions were undertaken to address the issues and recommendations that arose, covering succession planning, stakeholder engagement, Board communication and strategy. At the end of 2022, we then conducted an internal Board evaluation by way of a detailed questionnaire. You can find more detail about our processes, recommendations and actions on page 106, and we will report on progress against this year's recommendations at the end of the year.

The year ahead

Despite significant macroeconomic uncertainty, we've made progress against our strategy in 2022. In 2023, while we expect macroeconomic conditions will remain tough, we'll focus on the next stage of the strategy, as outlined on page 35 – making sure it is successfully implemented. The Board will also continue to supervise and support executives and the leadership team in all aspects of developing Reach's culture.

Nick Prettejohn
Chairman

7 March 2023

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, CFO, 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, Non-Executive Director of YouGov plc and a Trustee of the charities Opera Ventures and Prisoners Abroad.



Member of the Nomination Committee



Member of the Audit & Risk Committee



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.



Member of the Sustainability Committee



Member of the Remuneration Committee



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:

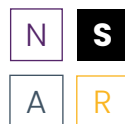
Non-Executive Member of KPMG's Public Interest Committee, Non-Executive Chair of Trustees of Great Ormond Street Children's Hospital Charity, and Governor of the Royal Ballet.



Denotes committee chair



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 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 UK Research & Innovation and the Digital Catapult, Adjunct Faculty at the Hult Ashridge Business School, Member of Royal Academy of Engineering International Committee and Trustee of TechSheCan.

**Q&A WITH PRIYA
ON PAGE 100 →**



Steve Hatch
Independent
Non-Executive
Director



Appointment date:
December 2015

Skills, experience and contribution:

As Vice President for Meta Northern Europe since 2010, Steve has current executive experience in leading a large digital media organisation. He offers the Board relevant and up-to-date insight into and advice on digital and traditional media, business transformation, ecommerce and the changing consumer landscape, which is key to the Company's strategy. In addition, Steve is a strong advocate for cognitive diversity in the workplace and has expertise in building diverse and inclusive teams. Steve's long-serving career in advertising and marketing, as well as extensive executive management experience and leadership, enables him to provide valuable insight and advice to the Board. Some of Steve's previous appointments include CEO at the WPP media company MEC, Managing Director of Media Edge, Board Strategist for Y&R Brands and Chair of CBI Tech Group.

Current external appointments:

Vice President of Meta Northern Europe and Member of Be the Business Advisory Board.



Barry Panayi
Independent
Non-Executive
Director



Appointment date:
October 2021

Skills, experience and contribution:

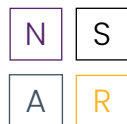
Barry is an established and recognised leader in the digital and data space, having spent most of his career in senior positions at a range of sectors focusing on data, insight and analytics capability development. Barry has current executive experience, having worked as Chief Data and Insight Officer 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



Appointment date:
September 2022

Skills, experience and contribution:

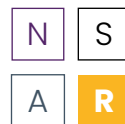
Wais brings a varied ecommerce background and customer focus expertise to the Board, having previously held executive roles in a number of online businesses. He has extensive experience driving growth and transformation for several digitally enabled brands, with a track record of leveraging data to drive 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:

Non-Executive Director and Chair of the Sustainability Committee of The Gym Group plc, Operating Partner of Samaipata, Independent Non-Executive Director of Planity and Governor of The Grange Academy School.



Olivia Streatfield
Independent Non-
Executive Director
and Colleague
Ambassador



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 Flamingo Horticulture Investments, 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 INTO University Partnerships.



Simon Fuller
Chief Financial
Officer



Appointment date:
March 2019

Resignation date:
31 December 2022

Skills, experience and contribution:

Simon is a Fellow Chartered Accountant with nearly 20 years' senior, listed company experience. He has spent the past 13 years working as a CFO or finance director at main or divisional board level, working with a wide range of senior internal and external stakeholders. Simon's broad skill set and experience enable him to contribute strategically and operationally, while also setting high standards of financial management. Some of Simon's previous appointments include CFO of McColl's Retail Group plc, a number of divisional finance director roles at Tesco, and various senior commercial finance roles at BT and COLT. Simon originally qualified as a chartered accountant with PricewaterhouseCoopers LLP in 2001.

Current external appointments:

Director of The Foundation Years Trust and the Regulatory Funding Company.



Member of the Nomination Committee



Member of the Audit & Risk Committee



Member of the Sustainability Committee



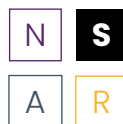
Member of the Remuneration Committee



Denotes committee chair



Helen Stevenson
Senior Independent
Director



Appointment date:

January 2014
(appointed Senior Independent Director
in December 2015)

Resignation date:

31 December 2022

Skills, experience and contribution:

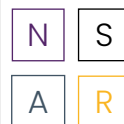
Helen has significant marketing and digital experience from a range of industries, having held a number of blue-chip, senior executive marketing roles during her career. Having served on the Board since 2014, including as Remuneration Committee Chair between 2014 and 2017, Helen provides the Chairman with a high level of support and insight as Senior Independent Director. Some of Helen's previous appointments include Chief Marketing Officer UK at Yell Group plc, Marketing Director for Lloyds TSB Group and European Marketing Director of Mars Inc. Helen has also served as Non-Executive Director of Skipton Building Society and the Department for Work and Pensions, and Senior Independent Director of Kin and Carta plc.

Current external appointments:

Non-Executive Chairman and Director of RM plc, Member of the Strategic Advisory Board of Henley Business School, Governor and Chair of the International Board of Wellington College, and Remuneration Committee Chair and Non-Executive Director at IG Group Holdings plc.



David Kelly
Independent
Non-Executive
Director



Appointment date:

December 2014

Resignation date:

31 December 2022

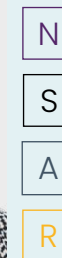
Skills, experience and contribution:

David has extensive experience in technology and product development, with a strong background in innovation, having held executive roles at companies such as Amazon, Lastminute.com and eBay. David is an experienced digital operating executive. Some of David's previous non-executive appointments include Chairman of Love Home Swap, Prezola, MBA & Company Group (Talmix), Pure360 and Zuto; Non-Executive Director of the Qliro Group and Basekit; and founder and CEO of mydeco.

Current external appointments:

Chairman of Simply Business, Camelot Global Lottery Solutions Limited, Parcel2Go and Explore Learning; Senior Independent Director and Chair of the Remuneration Committee of On the Beach Group plc; Independent Non-Executive Director of The Gym Group plc; and Non-Executive Director of Holiday Extras.

Appointments to the Board after 25 December 2022



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 Bellway plc, Redrow plc, SCS Upholstery plc, the British Olympic Association and Scarborough Building Society. 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 and Chair of the Remuneration Committee of CLS Holdings Plc, Non-Executive Director and Chair of the Remuneration Committee of Pool Reinsurance Company Ltd, Trustee of the National Trust, and Chair and Pro Chancellor of the University of York.



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 joins us from ITV plc, where he was Group Director of Finance, 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

Board in action

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

Director	Board	Nomination	Sustainability	Audit & Risk	Remuneration
Nick Prettejohn ¹	10/10	4/4	2/2	N/A	6/7
Anne Bulford	10/10	4/4	2/2	5/5	7/7
Simon Fuller ²	9/10	N/A	2/2	N/A	N/A
Priya Guha ³	3/3	2/2	1/1	1/1	3/3
Steve Hatch ⁴	10/10	4/4	2/2	4/5	7/7
David Kelly ⁵	10/10	4/4	2/2	4/5	6/7
Jim Mullen	10/10	4/4	2/2	N/A	N/A
Barry Panayi	10/10	4/4	2/2	5/5	7/7
Wais Shaifta ⁶	2/3	1/2	1/1	1/1	3/3
Helen Stevenson ⁷	10/10	3/4	2/2	5/5	6/7
Olivia Streatfeild	10/10	4/4	2/2	5/5	7/7

1. Nick Prettejohn was unable to attend a Remuneration Committee meeting due to conflicting meetings.
2. Simon Fuller left the Board in December 2022. Simon was unable to attend a Board meeting due to a family emergency.
3. Priya Guha joined the Board in September 2022.
4. Steve Hatch was unable to attend an Audit & Risk Committee meeting as he was on sabbatical from his role at Meta.
5. David Kelly left the Board in December 2022. David was unable to attend an Audit & Risk Committee meeting and a Remuneration Committee meeting due to conflicting meetings.
6. Wais Shaifta joined the Board in September 2022. At the time of his appointment it was noted that Wais had a pre-existing appointment so he was unable to attend a Board meeting and a Nomination Committee meeting.
7. Helen Stevenson left the Board in December 2022. Helen was unable to attend an ad hoc Remuneration Committee meeting and an ad hoc Nomination Committee meeting, both of which were scheduled at short notice, due to a prior commitment.

Strategy

Purpose

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

This core 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, we need to continue to focus on building our data capabilities, more effectively build audience engagement, and continue to power our strategy with a culture that helps our people deliver their very best.

For more information, see our strategy on pages 34 and 35 of the Strategic Report.

How the Board is kept informed

The lifting of COVID restrictions meant we could hold most of our Board and Committee meetings in person this year. The Board also held two dinners, where directors were able to discuss strategy, people – including talent management – and culture informally and outside the time confines of a strict Board agenda. The insights from these discussions were of great benefit when the Board came together to discuss these topics formally. The non-executive directors also met at the end of every meeting without the executive directors being present.

As well as eight scheduled Board meetings, the Board held two in-depth strategy awaydays during the year. Members of the Executive Committee also gave the Board regular presentations on the progress of the strategy and provided deep dives into particular focus areas within the business. This work has helped to keep the Board well informed and updated about the execution of plans this year and, in return, allowed it to provide its expertise and support to the executive directors and the wider leadership team.

8

Board meetings

2

In-depth strategy
awaydays

2

Board dinners

Delivering the strategy

Having approved the original implementation of the Customer Value Strategy in 2020, the Board continued to assess and monitor the progress of implementing that strategy this year.

The Board also spent time assessing how strategic priorities and initiatives were being developed, by looking at the current environment and by understanding why certain opportunities had been identified and the road map and timelines to achieve particular goals. To assess these initiatives, the Board received detailed proposals outlining the size of investment required, the technical feasibility, an analysis of competition and any financial and strategic implications. The Board remains focused on ensuring that any business case aligns with

the future direction of the business, while considering the effect decisions will have on our stakeholders.

The Board endorsed the development of the four strategic pillars this year, too: driving deeper customer engagement, growing new audiences, being the go-to place for local news and diversifying revenues. The launch of Curiously and our expansion into the US were approved by the Board, which recognised that these initiatives would enrich and reflect Reach's priorities. Executives from across the business have continued to provide the Board with regular updates on the progress of these initiatives this year – with culture, the right people and fresh, diverse talent being recognised as critical to success.

THE BOARD'S AWAYDAYS IN CARDIFF AND PLYMOUTH

After nearly two years of remote Board meetings because of pandemic restrictions, the Board was pleased to be able to visit hubs and meet colleagues face to face in 2022.

In April, the Board visited our Cardiff hub and, in June, Plymouth, both of which had been part of the extensive hub refurbishment project in autumn 2021. It was insightful for the Board to see first-hand how the move to the hybrid Home and Hub way of working had embedded, as people moved to a more agile way of working.

On both these awaydays, the Board was shown around the hubs and met with colleagues informally. The Board also hosted lunches with Reach leaders, providing an opportunity to gather their views about the future and gain valuable insights into the regions.

The Board has three site visits to hubs in other regions planned for 2023. This will again include engagement with colleagues, as well as a tour of the Oldham print site, providing an opportunity for directors to experience the manufacturing process of our printed products at one of our three owned print sites.

“Walking around and talking to colleagues it was clear how in tune they were with the local community. The office was buzzing with energy and hearing what was happening at that very moment and how we were responding was a privilege. These visits are an invaluable way to understand how our teams work together and hear how the stories that matter in the region are formed.”

Barry Panayi
Non-Executive Director

Financial

At every meeting, the Board reviews and discusses financial performance, including the latest forecasts and analyst research and market expectations.

This financial performance review considers all key divisions and revenue sources, including the strategic transition from a predominantly print business to an increasingly digital one.

The challenging macroenvironment and inflationary pressures have also made it crucial for the Board to stay informed on areas such as newsprint pricing, supply chain risks and contract negotiations, as well as being part of discussions around operational efficiencies and newspaper cover pricing. These discussions have been held at the main Board meetings and supplemented by deep dives – such as on contingency planning – at Audit & Risk Committee meetings.

Through these deep dives and performance reviews, plans have been honed, investment priorities agreed and any trade-offs managed by the Board. The three-to-five-year planning horizon focuses on becoming a sustainable, profitable, data-focused business – by successfully implementing and evolving the Customer Value Strategy.



Monitoring our culture

While the Board sets the culture and tone from the top, everyone in the business is responsible for making sure the right culture is embedded within everything we do.

For the Board, part of supporting the creation of long-term value for shareholders and stakeholders is developing a culture that encourages and creates opportunities for individuals and teams to thrive – and to realise their full potential.

Throughout 2022, the Board used a number of indicators and measures to monitor and assess the Group's culture, and we describe some of those here.

Employee engagement surveys and experience

The Board receives quarterly reports on engagement survey results, which contain a number of 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 trainings;
- engagement forums, like 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.

Through this feedback, we know that the area that concerns our people most is attracting and retaining talent. So, now we are recruiting for a new Head of Talent and restructuring the learning team to ensure we can appropriately support the business.

The Board continues to encourage improvements in systems and processes that benefit the health and wellbeing of our people.



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 and Group Head of Diversity and Inclusion, 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.

Olivia reports her observations and the matters raised by colleagues to the Board, to make sure they're considered and factored into key decisions. Olivia continues to participate in colleague forums and Inclusion Champion meetings, which has been received positively by our people.

All our Board members this year met with colleagues in person, as part of visits to our Cardiff and Plymouth hubs.

Diversity and inclusion

The Group Head of Diversity and Inclusion presents regular updates to the Board. This year, these included updates on development and engagement including training sessions and programmes, Inclusion Networks and Champions, the outcomes of the second Reach Inclusion Week, and events and campaigns for Black History Month.

The Board also received regular updates on participation rates in the Be Counted initiative, which was launched in 2021. This initiative has provided a rich source of information and insight into the demographics of our colleagues and helped identify trends, opportunities and challenges in creating a diverse and inclusive culture at Reach.

Socioeconomic background data collected through Be Counted has been analysed in depth and fed into the Company's social mobility action plan. This plan was developed in 2022 and presented to the Board, promoting a vision for everyone from all financial, geographical and educational backgrounds to have the opportunity to thrive at Reach.

Talent

The Nomination Committee receives talent assessment updates about the Executive Committee and their 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.

Industrial action

The Board received regular reports on the industrial action that occurred this year, when a number of our unionised journalists took part in industrial action over pay and cost-of-living challenges. The Board stayed informed about the open and constructive dialogue the business was having with the unions and editorial teams.

Leaders Live conference

In November 2022, Jim Mullen and his executive team hosted Reach leaders at the first face-to-face event of the Group leadership team since March 2020. Our Chairman, Nick Prettejohn, attended and actively participated in the event, gaining valuable insight into leaders' views about the actions needed to deliver our strategy and help our people thrive. Nick commented that it was great to be reminded of the creativity and passion for our purpose that runs through the business.

OVERSEEING CYBER SECURITY

Cyber security is not only an IT issue, it's a critical business issue. This has become even clearer in the past 12 months as we've seen increased risk in the macroenvironment, such as the conflict in Ukraine. During the past year, the Board, together with the Audit & Risk Committee, has continued to oversee the steps taken and measures put in place to mitigate the risk and impact of a cyber attack.

Reach's cyber security programme aims to:

- mitigate any immediate risks identified;
- build a capability to detect a cyber breach rapidly and limit its spread and impact;
- build a best practice cyber security function; and
- embed security by design alongside data protection in all projects, including all elements of the strategy.

Progressing this work in 2022, we saw governance, awareness and penetration testing become key focus areas, forming part of the everyday routine within the business.

To measure the progress and success of embedding the programme, cyber security experts ran targeted penetration tests during the year to examine the business's detection and response capabilities. The results – and recommendations for improvement – were discussed and debated with the Board, giving

the Board the insight it needed to be satisfied that operational processes continue to mature and deliver maximum value.

Throughout the year, the Board also received updates on the development of Reach's cyber security awareness programme for all colleagues. This programme recognises that colleagues play an important part in making sure Reach maintains robust cyber security posture.

Cyber security awareness training is a key part of our cyber security function, and will remain so, through:

- incident command training;
- newsletters;
- end-point detection and response, which provides improved visibility, rapid investigations, automated remediation and contextualised threat hunting across Reach; and
- supplier risk management, to identify, analyse and mitigate the risks associated with working with other organisations.

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

For more information on cyber security, see our principal risks on page 86.



Q&A WITH PRIYA GUHA, ONE OF OUR NEWLY APPOINTED DIRECTORS



What attracted you to joining the Reach Board? How does it compare to other roles you've held?

I was drawn to the essential part that Reach plays in providing reliable, well-sourced information to its readers, ranging from the national to the hyper-local. Given my background in technology, I was also interested in the key part that digital growth and investment plays in the Reach strategy, and I'm looking forward to bringing my expertise to this area.

I've worked with companies and on boards of a similar size to Reach, but this is my first role for a listed company. The Reach Board and its Committees operate very cohesively, and every director is across all the issues, which means we are able to have a focused strategic Board discussion, with deeper engagement on core issues at committee level.

What are your views on the opportunities and challenges coming up for Reach?

We expect to be facing into continued macroeconomic headwinds during 2023. However, in the short period I've been on the Board, I've already seen the benefits of the Customer Value Strategy in supporting stronger digital revenue growth and of other new initiatives in consolidating our position as the largest commercial news publisher in the UK and Ireland.

I also have international experience, including having worked in the US for five years, so can bring some global perspective to the Board. It's exciting to be part of a company breaking into the US market and bringing new audiences into our readership.

We saw that the pandemic increased people's demands for hyper-local news and information, so the work Reach is doing to develop products, such as InYourArea, is a big opportunity for the business.

What do you see as the upcoming priorities for the Sustainability Committee? How do you feel your background and experience will benefit your role as Chair?

Now that the Sustainability Committee has been established for more than a year – and has undertaken a materiality assessment and agreed a responsible business framework – I will continue to progress the overall Environmental, Social and Governance (ESG) agenda, bringing in more structure and prioritisation.

We will also continue to develop our plans for the pathway to net zero and for expanding our Scope 3 emissions reporting. I look forward to ensuring that, through the oversight of the Sustainability Committee, Reach continues to uphold high standards of governance.

As for my personal experience, I've been an advocate for inclusion throughout my career, and focused on ensuring organisations are translating inclusion into improved performance, both of which are a core part of Reach's approach to ESG matters. I have 20 years' experience in government in policy issues including climate change.

Section 172 statement

Under the UK Companies Act 2006 (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 factors that are relevant.

We consider the interests and views of all our different stakeholder groups, as outlined in the table on pages 102 and 103, 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 take will affect long-term performance, and 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 by 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 44 to 72 of the Strategic Report.

Principal decisions in 2022

Here are two examples of our principal decisions in 2022 and how we considered section 172 matters.

TWO NEW INITIATIVES

Each year, the Board reviews the Company's strategy and its business areas. In 2022, the Board considered how effectively the business had delivered against the four pillars of the Customer Value Strategy (CVS) so far, and reviewed and considered several strategic growth initiatives and propositions. The Board approved two organic growth initiatives: our new content brand Curiously and entry plans into the US market.

In deciding to approve these, the Board also looked at expanding the business by making acquisitions instead. It determined, though, that minimising capital outlay and the normal risk associated with acquisitions would benefit all stakeholders. It would do this by reducing the risk of complications and by

developing these initiatives on a test-and-learn basis, so driving incremental insight and market analysis. Developing these initiatives organically also helps us understand what works for our customers and advertisers, and makes sure that content continues to have a positive effect on our communities.

For our people, the Board saw these initiatives as a way to create career and training advantages and opportunities. For our customers, Curiously would create culturally relevant youth content, widening our reach to include and attract an underserved audience of 16- to 34-year-olds. Meanwhile, our US plans would bring content to a wider demographic and audience outside the UK.

APPROVING THE 2023 BUDGET

As part of approving the 2023 budget, the Board had to consider the Company's financial position and liquidity headroom. It did this by considering macroeconomic factors, including the inflationary pressures caused by higher energy, external production and distribution costs, together with inflation across supplier contracts.

In deciding to approve the 2023 budget and management's proposed mitigating actions, the Board received and considered information about the effect on all our key stakeholders. In particular, the directors considered the impact of any redundancy proposals on colleagues whose roles may be impacted. We will work hard to support our colleagues through this process.

As well as reducing the number of employees, we are looking at other cost reduction plans, including lowering external contract spends, simplifying our operating model (for example, logistics), reducing raw material costs through changes to our supply chain, and focusing any investment income on higher-returning projects (for example, microgeneration of energy through solar installations).

While we've had to take difficult decisions, the Board is safeguarding our strategy to deliver for shareholders' needs over the long term and to deliver sustainable and profitable growth – all while considering and meeting our stakeholders' expectations around pension commitments, dividend payments and fair contract negotiations with suppliers.

Engaging with our stakeholders

Understanding the priorities of those we do business with means the Board can have regard to their interests in discussions and decision-making processes.

	How the Board engaged in 2022	Outcomes and impact
Our people	- Site visits to Cardiff and Plymouth hubs, where the Board met with colleagues on an informal basis and hosted lunches with Reach leaders - The Audit & Risk Committee conducted a deep dive on attracting and retaining talent, and the cause and extent of employee churn within the business - More time has been given to Board meetings, providing greater opportunity for senior leaders to present and interact with the Board. 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 - Received regular updates on HR matters, diversity and inclusion, and employee engagement survey results	After nearly two years of remote Board meetings, reinstated 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. Following the deep dive into the cause and extent of employee churn, the Company implemented a number of actions to address the risks. These included a revised exit interview process and questions, and improved talent identification and succession planning processes, both of which provide solid data with which to speak to business areas. Through regular updates from the Head of Diversity and Inclusion, the Board endorsed the inclusion and social mobility agenda for 2022. Reach has been ranked as the 29th most inclusive employer in the Inclusive Top 50 UK Employers List 2022/23.
Customers	- Received an overview of customer division and focus for 2022, given that the 10m customer registration target had been met ahead of the original end-of-2022 target - Reviewed the four pillars of the CVS and considered possible strategic growth initiatives and propositions - Reviewed audience engagement and effect of the CVS on revenues, and considered challenges and opportunities arising from 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. In 2022, the Board reviewed and approved the Company's expansion plans into the US market, and the launch of Curiously.
Communities	- The Sustainability Committee received a presentation on the positive social impact that the Group's national and regional brands have on communities across the country, through campaigns, lobbying and forcing change - The Audit & Risk Committee and Sustainability Committee monitored compliance with and progress on the journey to net zero and climate-related reporting, including TCFD	Endorsed the priority actions for 2023 and the proposed five-year climate strategy roadmap and the journey to net zero. The Board deepened its understanding and awareness of ESG factors to help inform its decisions.
Advertisers	- Received regular updates from executive directors on marketplace trends, as part of the financial performance - Received analysis of the effect of Her Majesty The Queen's death on advertising revenue following the advertising blackout - Received presentations on how Reach is looking to drive increased engagement that will result in higher-yielding advertising	The Board provided general macro experience and knowledge of the wider economy, as it relates to the advertising market, present and future. Allowed the Board to understand the opportunities and the challenges, and to interrogate the revenue impact of the strategy.

	How the Board engaged in 2022	Outcomes and impact
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 - Gathered the views of suppliers through surveys completed as part of the materiality assessment, to determine the material sustainability issues for Reach - Received updates on newsprint paper supply	The materiality assessment has informed our purpose-driven approach to sustainability and sustainability reporting. We moved some of our suppliers for paper to North America to secure more stable pricing. This is monitored on an ongoing basis to make sure the benefits outweigh the risks, including shipping risks, together with any effect on our carbon emissions.
Shareholders	- The first in-person Annual General Meeting (AGM) since 2019 was held in May 2022, providing an opportunity to interact with retail shareholders and for them to ask questions - The Chairman and Committee Chairs held meetings with institutional shareholders to discuss topics such as governance, risk and remuneration - The CEO and CFO held investor roadshows and results 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 our strategy and financial performance and to understand shareholder views and perceptions.
Pension funds and members	Received regular updates on the pensions triennial review, alongside lawyers or advisers for support	Our focus has been on working with the Trustees to deliver on our funding obligations in a manner that enables us to balance the interests of all of our stakeholders. The triennial valuation for funding of the defined benefit pension schemes as at 31 December 2019 has been agreed for all but one of these schemes. Engagement with the Pensions Regulator on the funding of one of the schemes continues. In the meantime, we continue to make payments per the existing schedule of contributions.
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 into 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 have an effect on 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 a number of changes to the Board in 2022, which the Nomination Committee (Committee) oversaw to ensure the combined skills and experience of the directors remains balanced and effective. We appointed Priya Guha and Wais Shaifta to our Board in September 2022, who both bring valuable technology and digital expertise and insight. Helen Stevenson and David Kelly left the Board in December 2022, given they were approaching their nine-year tenure.

We then appointed Denise Jagger to the Board in December 2022, who has taken over the role of Senior Independent Director from Helen, and brings to the Board extensive plc experience. These appointments bring diversity representation on the Board to 40% female, with two people of colour, surpassing the commitments we made when we joined the 30% Club

in 2021. We are also working towards these targets for the Executive Committee. We outline more about our approach to improving diversity on page 107.

Talent pipeline and executive succession planning were also a key focus in 2022. It was announced in October 2022 that Simon Fuller would step down from his role as Chief Financial Officer on 31 December 2022, and would be succeeded by Darren Fisher, who joined us from ITV plc in February 2023.

Following last year's externally facilitated Board evaluation, this year we performed an internal evaluation. We discuss the results and progress made against last year's recommendations on page 106. I am also pleased we were able to make site visits to our Cardiff and Plymouth hubs this year. As part of these visits, we met with colleagues informally and held lunches with Reach leaders, which provided an opportunity to gather their views about the future and gain valuable insights into the regions.

We will focus on embedding the new Board members during 2023, which will involve reviewing and improving the induction process. Executive and senior management succession and talent will remain a keen area of focus, to develop a strong and diverse pipeline of future leaders.

Nick Prettejohn
Nomination Committee Chair

7 March 2023

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 and that appropriate succession plans are 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 four times during the year 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. The focus for 2022 was the recruitment of non-executive directors to replace Helen Stevenson and David Kelly, who were approaching their nine-year tenure. Priya Guha and Wais Shaifta were appointed as non-executive directors in September 2022 and Denise Jagger was appointed as Senior Independent Director in December 2022. Read more about their skills and experience on pages 93 to 95.

More details of the search process, and the skills and experience that Priya and Wais bring to the Board, can be found on page 109.

Executive director succession planning was also a focus area. It was announced in October 2022 that Simon Fuller would step down from his role as Chief Financial Officer on 31 December 2022, and would be succeeded by Darren Fisher, who joined us from ITV plc in February 2023.

The Committee regularly reviews Board and Committee succession plans. The role of Sustainability Committee Chair was formally handed from Helen Stevenson to Priya Guha in December 2022. Emergency and short-term succession plans for Board and Committee roles were also 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.

During the year, the Committee endorsed changes in the Executive Committee structure. These included a change in role for the Deputy Group Editor-in-Chief, who became Chief Digital Publisher in June 2022, reflecting the increased digital focus of the organisation.

The Committee also received a presentation on the performance of the Executive Committee and other senior managers, and reviewed the Executive Committee and senior management pipeline. A detailed update on development offerings and programmes was also provided – including coaching sessions for leaders, presentation design and delivery training for senior managers who regularly report to the Board and Executive Committee – and management training.

Board Diversity and Inclusion Policy

A Board Diversity and Inclusion Policy (Policy) was introduced in 2021, which is available on the Company's website at www.reachplc.com/corporate-governance/policies. The Committee updated it 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.

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 where 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. Read more about D&I as part of our strategy on pages 58 to 61.

Committee membership and attendance

Nick Prettejohn, Chair	4/4
Anne Bulford	4/4
Priya Guha	2/2
Steve Hatch	4/4
David Kelly	4/4
Jim Mullen	4/4
Barry Panayi	4/4
Wais Shaifta	1/2
Helen Stevenson	3/4
Olivia Streatfeild	4/4

“Executive and senior management succession and talent remains a keen area of focus, to develop a strong and diverse pipeline of future leaders.”

Evaluating performance

Performance is measured annually through a formal annual review of the Board, its Committees and the Chairman. Last year, the Board undertook an externally facilitated evaluation, as detailed in the 2021 Annual Report. This year, it was determined the review would be conducted internally and be led by the Chairman, Nick Prettejohn.

A detailed questionnaire was completed by all Board members, as well as by regular Committee attendees from senior management and by external advisers. The questionnaire sought input on a range of matters, including Board oversight of purpose, values, strategy and risk, and composition and diversity of the Board, as well as themes and issues that had emerged from the external evaluation in 2021.

The evaluation confirmed that the Board's role in establishing the Company's strategy was clear and has been revisited regularly during the year. While good progress had been made during the year on workforce engagement through the awaydays to Cardiff and Plymouth, the Board determined that there was opportunity for more interaction with colleagues and this would be a key focus for 2023. Through the recruitment of the three new non-executive directors during 2022, the Board recognised that it now had a diverse range of skills and experience that had strengthened its agility for the future.

The next table sets out actions undertaken as a result of the 2021 evaluation, and also actions to be taken in 2023 as a result of the 2022 evaluation.

Issues and recommendations from 2021 evaluation	Actions undertaken in 2022
Succession planning Prepare for the transition of the Senior Independent Director. Continue the Board's engagement activities with key talent across the Group. Consider the skill sets needed for the Board over the medium term.	Recruitment process for an externally appointed Senior Independent Director – Denise Jagger was appointed in December 2022. Key talent and future leaders regularly presented to the Board and Committees. Board lunches with leaders held in Plymouth and Cardiff. Succession planning regularly discussed and reviewed by the Nomination Committee. All directors performed a skills self-assessment. More details can be found on page 108.
Stakeholder engagement Ensure that successes in the area of Environmental, Social and Governance (ESG) are effectively communicated to shareholders and wider stakeholder groups.	An independent materiality assessment was undertaken, and our responsible business framework put in place to formalise our approach to sustainability-related disclosures. More details can be found on page 45.
Board communication Consider the ways in which meeting dynamics could be further enhanced. Implement ways in which more concise reporting can be delivered to the Board and its Committees.	More time has been given to Board and Committees to allow for full discussion and rigorous debate and challenge. A mixture of virtual and in-person meetings has been introduced for the Committees on different days. Executive Committee members and other Board paper writers received training on writing papers. Board papers were externally reviewed and improvements suggested. Templates and guidance were issued for Committee papers.
Strategy More time to be dedicated to the long-term strategic direction of the Company, ensuring alignment with organisational culture, purpose and behaviours.	Two focused off-site strategy days continued to be part of the Board's annual activities, and more time was allocated to other Board agendas for discussions on strategic initiatives.
Issues and recommendations from 2022 evaluation	Actions to be undertaken in 2023
ESG Having established the responsible business framework in 2022, further develop and articulate the Company's approach to ESG.	Deeper engagement with colleagues on ESG matters. Continue to work towards setting a net zero carbon emissions target and increasing the reporting of Scope 3 value chain emissions.
Market developments More information about market developments and how the Company is performing relative to competitors to be provided to the Board.	Management to consider and determine ways in which the Board can regularly be provided with a more systematic view of current trends and market position.
Training Offer the Board more training and deep dive sessions on topics requested by the Board, both from an internal and external perspective.	Financial training to be arranged for the Audit & Risk Committee and climate-related training for the Sustainability Committee. Other training to be considered during the year.
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.	Lessons learnt on specific past decisions to be included on future Board agendas and outcomes to be fed back to the business.

Diversity

Valuing D&I is integral to the priorities of the Company. While the Board Diversity and Inclusion Policy is applicable 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, reflecting our audience and their communities. This will continue to be a key consideration when appointing new non-executive directors in the future.

At year end, the Board had four female members (of 10 in total), which exceeds the 33% target for FTSE 350 boards set by the Hampton-Alexander Review, as well as the target of the 30% Club.

The Board aims to retain or improve this level in the future and looks to improve on other areas of diversity too. The Committee keeps the Board composition and size under review to retain 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 2022, there were two women on the Executive Committee (2021: two). There are 89 direct reports to the Executive Committee for the purposes of Hampton-Alexander reporting, of whom 41 were female. Information on senior management initiatives on D&I can be found on pages 58 to 61 of the Strategic Report.

The percentage of women within the Group overall decreased slightly to 39.1% (2021: 39.9%), with women occupying 39.4% of senior managerial roles across the Group (2021: 37%).

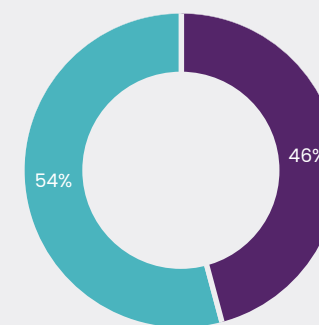
In 2021, Reach plc joined the 30% Club. As part of that, we committed to 30% representation of women on the Board, including one person of colour by 2023; and 30% representation of women on the Executive Committee, including one person of colour by 2023. By committing to these targets, the Board also voluntarily commits to meeting the Parker Review requirements by 2024. At the end of 2022, these targets had been met for the Board.

To develop the D&I strategy, our Be Counted initiative was launched in 2021, to capture colleague demographic and diversity data. 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 Board also regularly reviews the Inclusion Index, which is derived from the D&I drivers in the Group's monthly engagement survey and the development and progress of Inclusion Action Plans. Of the 2022 annual bonus, 10% was linked to the achievement of D&I objectives. For more information on the 2022 and 2023 annual bonus objectives, please see pages 122 and 126 of the Remuneration Report.

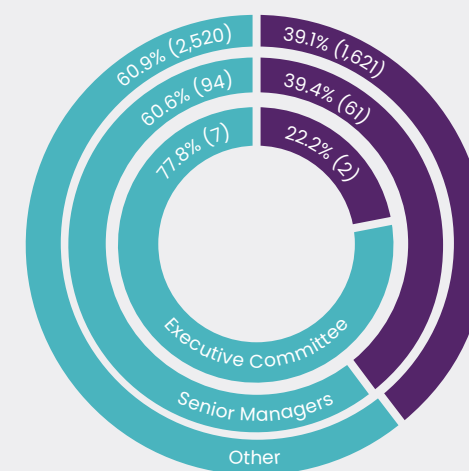
The Board also endorses diversity initiatives and programmes such as Playing your Part, Inclusion Networks and talent management programmes. The Board participated in Playing your Part in 2022 and held an externally facilitated workshop focusing on the role of the Board in providing oversight of diversity, equity and inclusion.

Gender split of direct reports to the Executive Committee



Female = 41
Male = 48

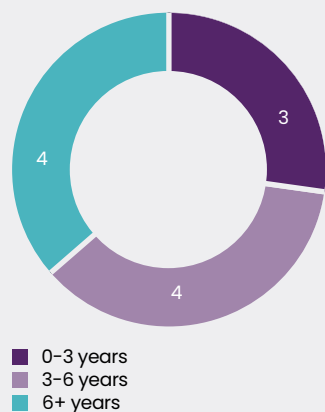
Gender split of Group employees



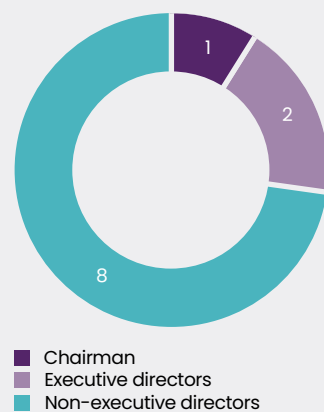
Female = 1,684
Male = 2,621

Board composition as at 25 December 2022

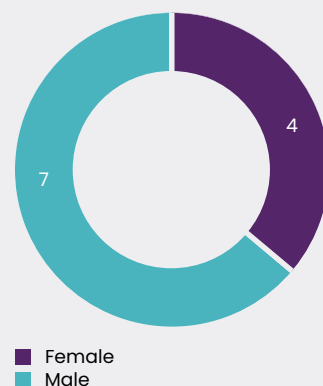
Board tenure



Board composition



Board gender diversity



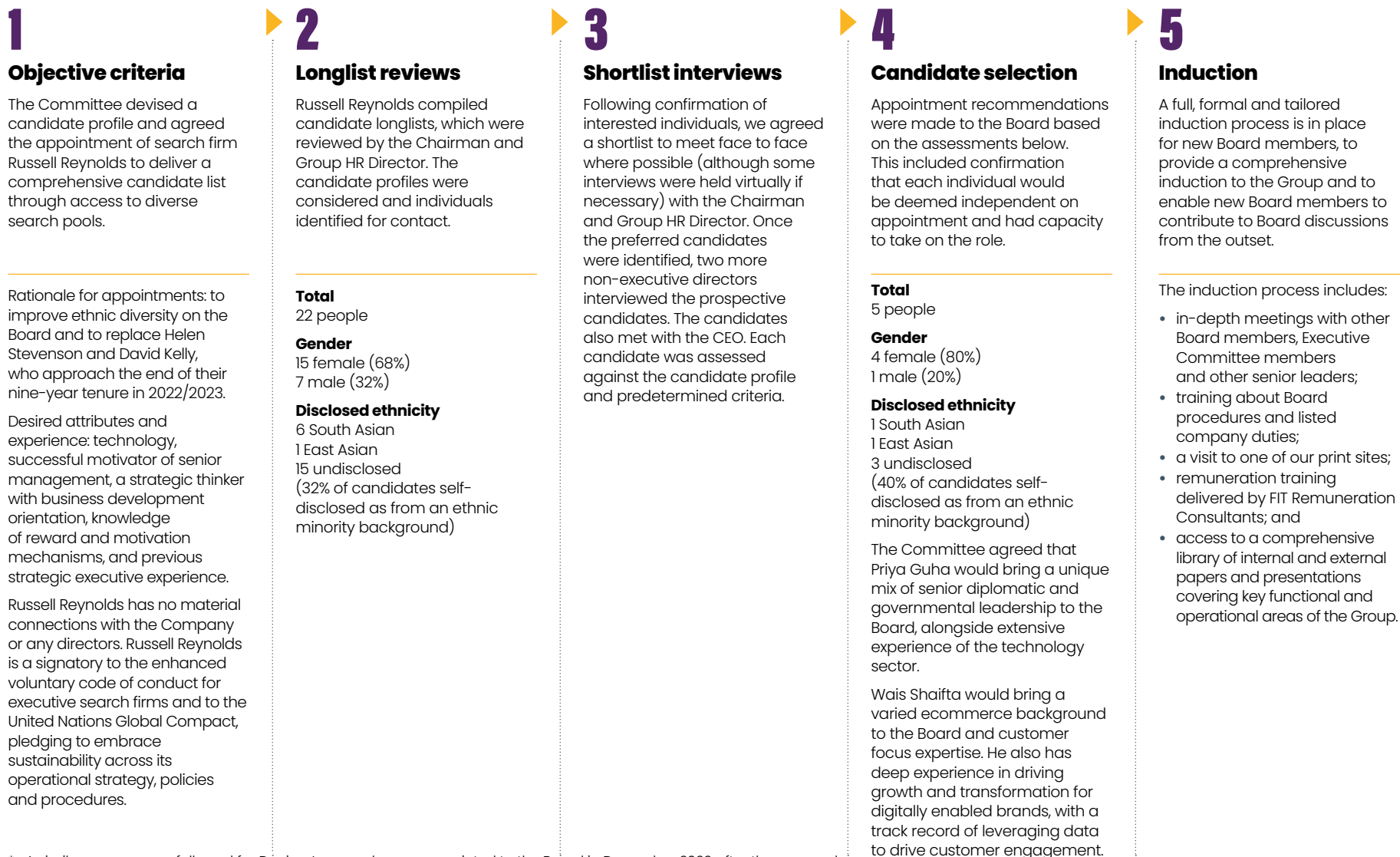
Board skills and experience

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 opposite. This represents where the Board as at 7 March 2023 consider they have considerable or expert knowledge in the listed area.

Non-executive director recruitment, appointment and induction process



* A similar process was followed for Denise Jagger who was appointed to the Board in December 2022 after the year end. The longlist and shortlist created for the appointments above were extended and revisited to cover slightly different requirements. The Committee agreed that Denise would bring significant plc experience to the Board.

Sustainability Committee Report

TO EMBED, REVIEW AND CHALLENGE



Priya Guha, MBE
Sustainability
Committee Chair

We established the Sustainability Committee (Committee) in late 2021 to recognise the increasing importance our Board and our stakeholders place on Environmental, Social and Governance (ESG) matters. 2022, then, marks our first full year as a Committee. I took over as Chair from Helen Stevenson at the end of 2022, and I would like to thank Helen for her work leading and supporting the Committee.

Our focus this year was to oversee an extensive materiality assessment, which was used to inform and frame the responsible business framework, formalise our purpose-driven sustainability approach and focus our sustainability-related disclosures. You can read more about the process on the next page and find the Responsible business section on pages 44 to 81, which reports against the approved framework.

We have also overseen the expansion of Scope 3 greenhouse gas (GHG) emissions reporting, and the development of a five-year roadmap detailing the steps Reach needs to take to set a net zero commitment date and progress towards net zero.

The Committee is pleased with the progress made during 2022 but recognises that there is more that could be done regarding ESG and reporting in this area. We will keep this under review in 2023, with the Committee considering whether any more measures and targets could be adopted as the business evolves its operational strategy and approach to sustainability.

Meanwhile, in 2023, the Committee is looking forward to receiving climate-related training to keep our expertise up to date with the fast-moving regulatory landscape.

Priya Guha, MBE
Sustainability Committee Chair

7 March 2023

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 of, and review of, relevant internal reporting regarding the implementation of the sustainability strategy;
- keep 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.

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.

Materiality assessment and responsible business framework

As reported last year, the Committee oversaw an extensive materiality assessment to gain a deeper understanding of our stakeholders' sustainability focus areas and to assess the ESG-specific opportunities and risks that Reach could face in the future. This was conducted through quantitative research and surveys, and qualitative interviews. A material areas hierarchy was put together based on the main themes of each of the key stakeholders involved in the assessment – the Board, senior leadership (including the Executive Committee and other leaders within the business) and investors. This was used to inform and frame the responsible business framework. The outcomes of the materiality assessment were formally presented to the Board, and were debated and challenged as appropriate.

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The responsible business framework has formalised the Company's approach to sustainability-related disclosures and is unique to our business.

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Later in the year, the Committee reviewed and recommended for Board approval the responsible business framework, which has formalised the Company's sustainability approach and key sustainability-related disclosures. The wider senior leadership team was also involved in developing the responsible business framework, and the materiality assessment outcomes were tested as part of this engagement. Key issues have been grouped into four pillars, creating a purpose-led framework that is unique to our business. Some of the KPIs are reported in the Responsible business section on pages 48 to 72, and additional KPIs have been identified and will be considered for future reporting.

For more information on our new responsible business framework, see page 45.

Task Force on Climate-related Financial Disclosures

The Committee has also been provided with regular updates on the progress made on climate strategy and Task Force on Climate-related Financial Disclosures (TCFD) reporting, including the results of the gap analysis and peer benchmarking exercise, and qualitative climate scenario analysis.

In 2023, the Company will conduct a quantitative climate scenario analysis on the priority risks identified from the qualitative assessment. There will also be significant focus on identifying key metrics and targets to monitor the priority climate-related risks that have been identified from the qualitative climate scenario analysis.

Our TCFD report can be found on pages 73 to 81.

Setting our target for net zero

Currently, we are on track to achieve our five-year target of 75% reduction by 2025 for total Scope 1 and Scope 2 greenhouse gas (GHG) emissions.

In 2022, we expanded our reporting on Scope 3 GHG emissions, to make sure we are tackling all areas under our control and those we can influence, to enable us to set a net zero target. Progress on Scope 3 emissions reporting was regularly provided to the Committee this year, and this reporting can be found on page 68.

Committee membership and attendance

Priya Guha, Chair from 31 December 2022	1/1
Helen Stevenson, Chair to 31 December 2022	2/2
Anne Bulford	2/2
Simon Fuller	2/2
Steve Hatch	2/2
David Kelly	2/2
Jim Mullen	2/2
Barry Panayi	2/2
Nick Prettejohn	2/2
Wais Shaifta	1/1
Olivia Streatfeild	2/2

The Committee has also overseen the development of a five-year roadmap detailing the steps Reach needs to take to set a net zero commitment date and progress towards net zero. This has been developed by undertaking an activity audit, peer benchmarking, stakeholder interviews and a series of cross-functional workshops. More information can be found on page 68.

Our approach to providing a pathway to a net zero commitment follows the Paris Agreement and IPCC guidelines to eliminate GHG emissions by 2050. For areas where we cannot avoid or reduce emissions, we will aim to remove the equivalent GHG emissions using the most robust verifiable schemes.

Audit & Risk Committee Report

AUDIT, RISK AND INTERNAL CONTROLS



Anne Bulford, CBE
Audit & Risk
Committee Chair

During the year, the Audit & Risk Committee's (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.

With the appointment of a new Director of Risk and Internal Audit this year, the Committee reviewed and endorsed a revised risk and audit strategy and vision.

The revised strategy responds to the changing internal and external business environment and will allow us to manage risk through an efficient data – and insight-led risk management model – and ensure this is underpinned by an effective internal control environment and focused data-led assurance and insight.

The internal control environment has been reviewed in depth, and this year the Committee received regular updates on ongoing work to strengthen controls and governance arrangements. This has also involved ensuring there are mechanisms in place to make sure the internal control environment is easily understood and consistently applied at all levels within the Group.

In 2022, we continued to spend time on broader risk management-related matters outside the financial reporting cycle, too. We undertook detailed reviews into a number of key risk areas by conducting deep dives. These included making sure comprehensive measures were in place to manage and mitigate editorial risk by ensuring decisions on risk are taken at the correct level – and that training, legal policies and legal support are in place. The Committee also reviewed the extent and cause of employee churn within the business to assess potential organisational risk. In 2023, the Committee will focus on overseeing the updated risk and audit strategy being embedded and the continued improvement of the internal control environment.

Anne Bulford, CBE
Audit & Risk Committee Chair

7 March 2023

The Board has confirmed that 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 92 to 95.

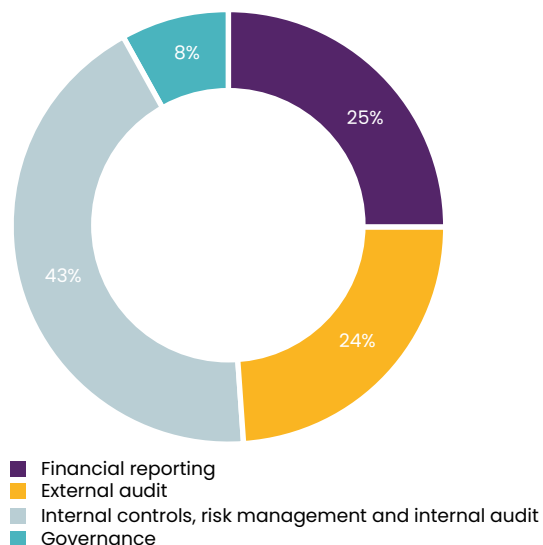
Anne Bulford, the Committee Chair, is considered by the Board to have recent and relevant financial experience for the purposes of the FRC's 2018 UK Corporate Governance Code (2018 Code).

At the invitation of the Committee Chair, the Chairman, CEO and CFO, along with the Group Finance Director 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.

Committee Membership

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

How we used our meetings in 2022



In addition to planned activities and work, the Committee:

- undertook a detailed review and scrutiny of wider risk areas, with deep dives into cyber risk, data protection, attraction and retention of talent, and editorial legal risk;
- reviewed and endorsed a revised risk and audit strategy and vision, following the appointment of a new Director of Risk and Internal Audit; and
- reviewed the internal control environment in depth and received regular updates on ongoing work to strengthen controls and governance arrangements.

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 2022 year-end audit; and
- fully discussed the Annual Report at the Committee meeting in February 2023.

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, because this enables the directors 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 158 and 159 and the viability statement is set out on page 89 of the Strategic Report.

Committee membership and attendance

Anne Bulford (Chair)	5/5
Priya Guha	1/1
Steve Hatch	4/5
David Kelly	4/5
Barry Panayi	5/5
Wais Shaifta	1/1
Helen Stevenson	5/5
Olivia Streatfeild	5/5

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This year we continued to identify, evaluate and manage our risks, including those exacerbated by the current economic uncertainty.

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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 on 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 and ensuring the function has the necessary resources and is able to meet appropriate professional standards for internal auditors.

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

Interactions with the FRC

In October 2021, the Company received a letter from the Financial Reporting Council (FRC) regarding a thematic review of IAS 37 Provisions, Contingent Liabilities and Contingent Assets in respect of the 2020 Annual Report. The Company included disclosures in its 2021 Annual Report to address the matters raised. We then received follow-up questions from the FRC, which the FRC confirmed in June 2022 we had answered satisfactorily.

External auditors

Auditors' appointment and independence

PwC was appointed by shareholders as the Group's statutory auditors 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. PwC notified the Company that the lead audit partner for the 2019 and 2020 audits was transferring to a different role. The new lead 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 3 May 2023.

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 2022 audit will be carried out in the coming months.

An example of the auditors demonstrating their effectiveness this year, was through debate and challenge with respect to the rate of digital growth in the Group's final budget and projections from 2023 to 2032. This was included in the value in use calculations used to support the carrying values of assets in the consolidated and parent company balance sheets.

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 is 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 to avoid a conflict of interest. The policy is in line with the recommendations set out in the FRC Guidance on Audit Committees and the FRC's 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
£25,000 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 25 December 2022 can be found in note 6 to the consolidated financial statements. In 2022, 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 £139,000 totalling 10% 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. The Committee considered the following significant issues in relation to the 2022 financial statements:

The Committee considered the following significant issues in relation to the 2022 financial statements:

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	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 2023, and then high level projections for the period 2024 to 2032. 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 1% (2021: 0%) from year 10; • capital expenditure has been based on expected run rates 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 10.8% (2021: 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 (2021: 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 £65.1m (2021: nil). The impairment review is highly sensitive to reasonably possible changes in key assumptions. The Committee noted that the Company has distributable reserves of £111.8m (2021: £177.4m), which provides headroom relating to the Company's ability to pay dividends. 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 £65.1m 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 85 to 88 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.

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	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 has over the past few years reduced the number of cash-generating units as the interdependency of revenues has increased. 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 has 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.
Pensions	At each reporting date, the Group's actuaries, 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 is in note 21 in the notes to the consolidated financial statements. Disclosure of the valuation, the approach to setting assumptions and the sensitivity of the valuation to changes in the key assumptions are disclosed also 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 85 to 88 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. Disclosures relating to the latest position are set out on page 42 of the Strategic Report and in note 26 in the notes to the consolidated financial statements. The external auditor's 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 85 to 88 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.

Risk management

The Board is responsible for ensuring sound internal control and risk management systems are in place. During 2022, 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 by 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, probability of their occurrence, management accountability, and mitigating controls and actions. During 2022, 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.

The Committee also reviewed and endorsed a revised risk and audit strategy and vision, following the appointment of a new Director of Risk and Internal Audit. The revised strategy responds to the changing internal and external business environment and will allow us to manage risk through an efficient data and insight-led risk management model – and ensure this is underpinned by an effective internal control environment and focused data-led assurance and insight.

The Committee undertook a more detailed review of a number of key risk areas during the year, including cyber security, data protection, attraction and retention of talent, and editorial legal risk.

The way the Company manages risk is set out in the Strategic Report on pages 83 and 84, with the key risks facing the Group and the associated mitigating actions described on pages 85 to 88.

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 are reasonable in the circumstances.

The changing internal and external environment has led us to commit to improving our internal control environment. We have reviewed and revised our Risk and Audit Strategy and roadmap to reflect and respond to the changing internal and external environment and the changing risk and assurance needs this brings to the Group. We committed investment in 2022 and into 2023 and beyond to ensure we enhance our ability to manage risk through an efficient, data- and insight-led risk management model, underpinned by an effective internal control environment and focused data-led assurance and insight.

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 a number of 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, financial reporting 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 are 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 clearly 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

A number of 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.

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 a review of the principal and emerging risks and uncertainties.

As usual this year, the Committee reviewed reports from internal audit, which provide 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 those 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 85 to 88 of the Strategic Report. The Committee has considered 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 are operated through the structure described here during 2022:

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 is 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 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 2022 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 each and every Board member.

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 resource, 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 53 of the Strategic Report.

FOCUS ON COLLEAGUES



Olivia Streatfeild
Remuneration
Committee Chair

Our report is split into two parts: our Annual Statement, including this foreword and our 2022 Remuneration at a glance summary on page 122, and the Annual Remuneration Report.

I thank our shareholders for their support on remuneration matters at our 2022 Annual General Meeting (AGM), when our 2021 Directors' Remuneration Report was approved by 92.47% of shareholders voting.

Supporting the focus on employees' reward

Attracting, engaging and retaining our colleagues and their passion for our business are crucial to Reach's long-term sustainability.

The Remuneration Committee has accordingly supported our management team in its effort to provide appropriate pay for our colleagues throughout the business, balanced by the need for affordability.

We noted in particular in 2022 and early 2023:

- the April 2022 firm-wide salary review outcome, in which the most normal increase across the business was 3% (subject to a minimum of £750 full-time equivalent (FTE) uplift and higher increases required to maintain our status as a Real Living Wage employer); and
- the combined £400 cost-of-living payments made to all colleagues earning £50,000 or less in December 2022 and January 2023.

In addition, it is our intention that 2023 salary reviews will be targeted at our less well-paid staff. Our CEO and executive team will not take an increase in 2023.

2022's performance and pay outcomes

While good progress was made in 2022 on growing an increasingly engaged digital audience, our performance on our core Operating Profit metric did not achieve the targets that we set at the beginning of 2022.

Against this backdrop – and despite achieving target for important metrics on digital customers and diversity and inclusion – the outcomes for the annual bonus plan for 2022 for our executive directors was nil.

Our 2022 financial year end was also the end of the three-year Long Term Incentive Plan (LTIP) performance period (financial years 2020, 2021 and 2022) for the LTIP awards granted in March 2020. Performance measures were based 60% on the Company's total shareholder return (TSR) performance (relative to the performance of the constituents of the FTSE SmallCap excluding Investment Trusts), and 40% on the Company's Cumulative Net Cash Flow.

“

Attracting, engaging and retaining our colleagues and their passion for our business are crucial to Reach's long-term sustainability.

Olivia Streatfeild
Remuneration Committee Chair

”

The threshold level required for Cumulative Net Cash Flow was not attained, and no part of that element of the March 2020 LTIP will vest. However, reflecting a Reach TSR performance that grew modestly over the three-year performance period – and in an overall period of volatility for the market – a positive vesting outcome was achieved under the TSR performance measure for the 2020 LTIP awards. This allowed 77.39% vesting of the TSR element and vesting of 46.43% of the total award.

Despite this positive outcome for the 2020 LTIP, our CEO has asked that his March 2020 LTIP not vest and that his award be cancelled. This was agreed by the Board. Accordingly, rather than the vesting attained for the 2020 LTIP – which would be worth £347,908, when valued using the average share price for the last three months of our financial year – the CEO's outcome is nil.

As a Committee, we recognise the leadership our CEO has demonstrated through this action, at a challenging time for the business.

Appointment of our new Chief Financial Officer

As announced in 2022, Darren Fisher accepted the role of Chief Financial Officer (CFO) of Reach and joined the business on 1 February 2023. His remuneration arrangements on appointment were determined by the Remuneration Committee according to the Directors' Remuneration Policy and market conditions for the role.

Details of Darren's remuneration arrangements, together with a summary of the remuneration treatments applied to Simon Fuller when he stood down as our CFO, are set out on pages 127 and 128.

The only exercise of discretion by the Committee in 2022 related to agreeing the exit remuneration terms for Simon Fuller as permitted under the Directors' Remuneration Policy.

Applying our Remuneration Policy in 2023

Our intention is to continue to operate our Remuneration Policy in 2023 in a way that is closely aligned with how we applied our policy in 2022.

We are, however, making two changes in how we apply our policy for 2023:

- for our annual bonus in 2023, we are simplifying the bonus plan throughout the organisation, so that the 2023 annual bonus is measured solely against Group Adjusted Operating Profit targets. We believe this approach will benefit our shareholders in this challenging environment, because it provides a straightforward and consistent position across the organisation for every colleague promoting cohesion and simplicity;
- we know that applying this position for the executive directors means that we will not have annual bonus metrics linked to our Customer Value Strategy or Diversity and Inclusion this year. Accordingly, in order to ensure we are still recognising these important elements of our business performance, we will consider a range of underpins for these items in our overall review of 2023 performance which will be made before any 2023 annual bonus outcomes are confirmed; and
- secondly, we have revised the mix of performance measures for 2023 LTIP awards. The weighting of LTIP metrics relating to our Customer Value Strategy has been increased to 25% (2022: 10%) by adding a new digital measure, revenue per thousand page views (RPM) to our existing Overall Digital Average Revenue per user (ARPU) metric (defined on page 126). We have also retained relative TSR as the largest metric at 75% weighting (2022: 70%). We have previously also used three-year Cumulative Net Cashflow for LTIPs (2022: 20%). However, for 2023 LTIPs the Company's preference is to simplify our approach (mirroring the outlook on our 2023 annual bonus) and to have two metrics only which focus on the growth of our Customer Value Strategy and on direct alignment to shareholder experience via TSR.

Committee membership and attendance

Olivia Streatfeild	7/7
Anne Bulford	7/7
Priya Guha, from 1 September 2022	3/3
Steve Hatch	7/7
David Kelly	6/7
Barry Panayi	7/7
Nick Prettejohn	6/7
Wais Shaifta, from 1 September 2022	3/3
Helen Stevenson	6/7

Matters to be approved at our 2023 AGM

At the 2023 AGM, shareholders will be asked to approve the Directors' Remuneration Report, which is the normal annual advisory vote on the report. I hope that our shareholders will remain supportive of our approach to executive pay at Reach and vote in favour of the resolution on the Directors' Remuneration Report. The Committee welcomes all input on remuneration matters and, if you have any comments or questions on any element of the Directors' Remuneration Report, please email me – care of Lorraine Clover, 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
7 March 2023

2022 Remuneration at a glance

2022 Single total figure of remuneration for 2022 executive directors (£'000)

2022 executive directors (£'000)	Salary	Taxable benefits	Pension benefits	Single-year variable	Multiple-year variable	Total
Jim Mullen	501	22	38	–	–	561
Simon Fuller	391	22	38	–	217	668

Summary of Remuneration Policy

Pay element	Overview of policy	Remuneration in respect of 2022	Implementation of policy in 2023
Base salary	Reviewed annually, considering salary increases across the Group. Increases not normally to exceed workforce increases See 2020 Annual Report	CEO, Jim Mullen = £500,752 CFO, Simon Fuller = £390,679 Salary rates were increased from 1 April 2022 by the business-wide employee level increase for 2022 (3%) See page 125	Salary review date is 1 April 2023. The CEO will not take an increase in 2023 New CFO Darren Fisher's salary will be £360,000 See page 135
Benefits	Benefits typically consist of provision of a company car or car allowance, private medical cover, permanent health insurance and life assurance See 2020 Annual Report	In line with policy See page 125	No change to benefits for 2023 See page 135
Pensions	All executive directors to be at 7.5% salary contribution level by 1 January 2023, 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) See 2020 Annual Report	CEO at 7.5% of base salary Former CFO's pension contribution rate was transitioning to 7.5% of base salary by 1 January 2023 (2022: 9.375% from 1 April 2022 salary review and prior to 1 April 2022 11.25%) See page 126	CEO unchanged For new CFO Darren Fisher, 7.5% of base salary See page 135
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 include Group profits) 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 restricted share awards vesting after three years Clawback provisions apply See 2020 Annual Report	Annual bonus for 2022 confirmed as nil See page 126	Maximum annual bonus opportunities remain at 125% of salary for CEO and 100% of salary for the CFO Weightings on performance measures for 2023 are revised so that the bonus is fully assessed on Group Adjusted Operating Profit for 2023. This metric is being applied on a consistent basis for bonus plans throughout the business in 2023 but, for the executive directors, the Remuneration Committee will also consider progress against a wider range of factors (including Customer Value Strategy, Diversity and Inclusion and cash management) before confirming any outcomes See page 135
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 See 2020 Annual Report	Awards of 175%/150% of salary made to the CEO/CFO Performance to be measured over the period December 2021 to December 2024 against Relative TSR (70% weighting), Cumulative Net Cash Flow targets (20%) and ARPU (10%). Please see page 126 for a definition of ARPU 2020 LTIPs vested by reference to performance measured to December 2022. Please see pages 120, 121 and 125. However, the CEO is waiving the vesting of his 2020 LTIP See page 127	Awards of up to 175%/150% of salary to be made to the CEO/CFO respectively Performance to be measured over the period December 2022 to December 2025 against Relative TSR (75%) and Customer Value Strategy metrics (25%) See page 136

Introduction

This Annual 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.

Annual Remuneration Report

The following section provides details of how our Remuneration Policy was implemented during 2022.

The 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 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 seven times during the year, and details of members' attendance at meetings are provided on page 96 of the Governance Report and page 121 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 LTIP 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, which employ a blend of financial, non-financial and shareholder return targets; (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 market-standard 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. With our use of bonus deferral, maximum cash outcomes under our annual bonus are capped at 50% of base salary.

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 our LTIP 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 LTIP. These metrics measure how we perform against key aspects of our strategy. We have used shares to reward all staff.

Each year, the Committee receives and considers an annual report summarising two aspects of Group-wide remuneration: the base salaries, benefits and pension arrangements received by each category of Group staff; and the bonus potential and performance metrics used in each of the annual bonus schemes operating across the Group.

The Company has regular and detailed engagement with workers' appointed representatives regarding pay levels and structures across the organisation at many levels. The focus of these engagements remains agreeing staff pay levels that are appropriate and in the interests of all stakeholders. The members of the Committee (as full Board members) receive feedback reports from 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.

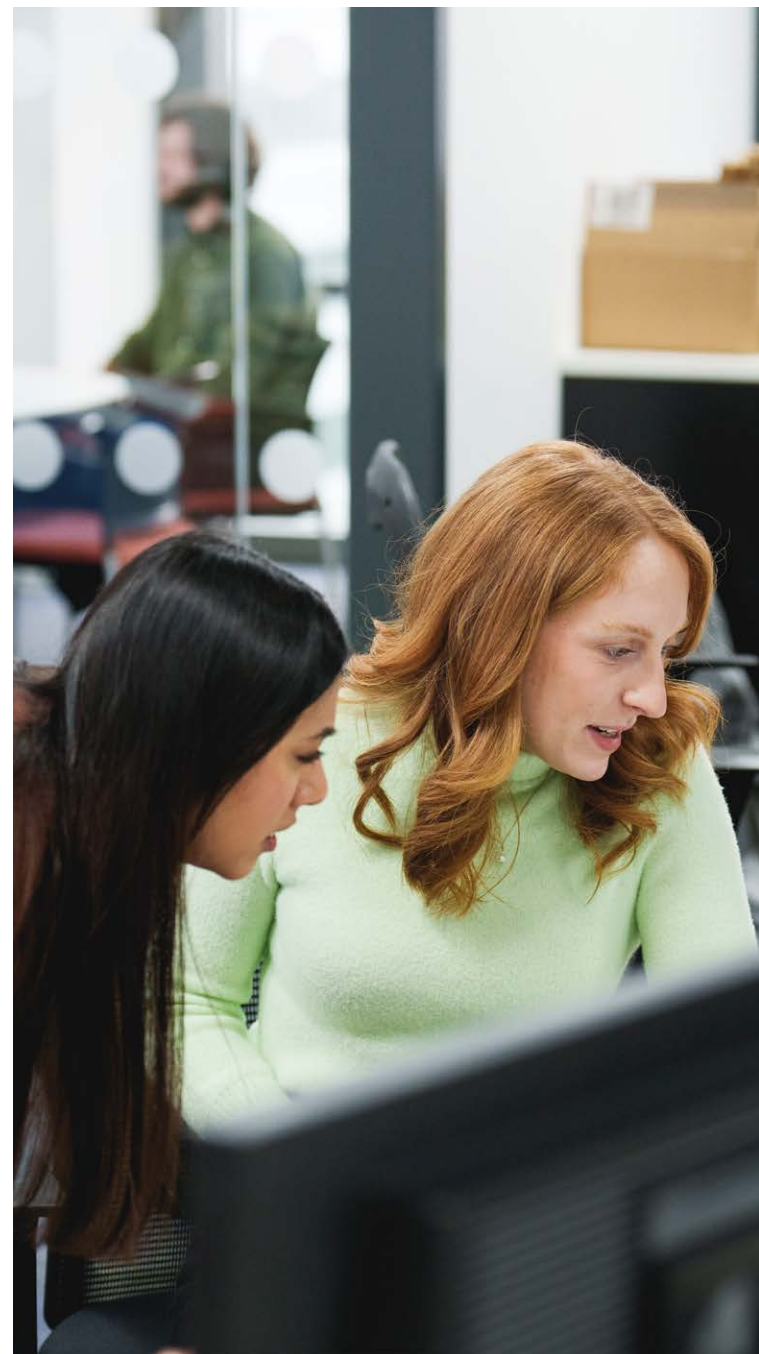
Before and after the 2022 AGM, the Company engaged with some of its leading shareholders with regards to the design of performance metrics for annual bonus and LTIP. These engagements confirmed those shareholders' support for the approach the Company has been taking.

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 2022. 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 2022 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 2022 were £76,196 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 2021 Annual Remuneration Report at the 2022 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 Annual Remuneration Report	239,922,305	92.47	19,527,586	7.53	259,449,891	1,619,257

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 2022 and 2021.

	Salary £'000		Taxable benefits £'000		Pension benefit £'000		Total fixed remuneration £'000		Single-year variable £'000		Multiple-year variable ¹ £'000		Total variable remuneration £'000		Total £'000	
	2022	2021	2022	2021	2022	2021	2022	2021	2022 ²	2021	2022 ³	2021	2022	2021	2022	2021
Executive																
Jim Mullen	501	488	22	25	38	37	561	550	-	434	-	1,085	-	1,519	561	2,069
Simon Fuller	391	381	22	25	38	45	451	451	-	271	217	1,560	217	1,831	668	2,282

1. The multiple-year variable values for 2021 shown above have been restated from the figures shown in the 2021 Annual Report to reflect actual share prices at the dates of vesting in 2022. These share prices were £1.79 on 11 March 2022 for the CFO's award and £1.07 on 4 December 2022 for the CEO's award. The disclosed multiple year variables in the 2021 Annual Report for this item were £3,105k for the CEO and £2,669k for the CFO.
2. Annual bonus for 2022 was nil.
3. The CEO has asked that his March 2020 LTIP not vest and that his award be cancelled.

Salary (audited)

The salary review date in the year was 1 April 2022 and, from that date, the executive directors' salaries were increased by 3%, being the business-wide increase in salaries that applied for 2022.

	Salary until 31 March 2022	Salary from 1 April 2022	% increase
Jim Mullen	£489,733	£504,425	3.00%
Simon Fuller	£382,082	£393,545	3.00%

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	£2,366
Simon Fuller	£20,000	£2,366

Pensions (audited)

For Jim Mullen, this item applied a 7.5% pensions contribution rate throughout the year to his paid salary (see page 122).

For Simon Fuller, until 31 March 2022, a pension contribution rate of 11.25% applied to his then salary. From 1 April 2022, a pension contribution rate of 9.375% applied to his adjusted salary (see page 122).

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)

Details of the 2022 annual bonus metrics and targets are summarised below. As noted in the Committee Chair's introduction on page 120, despite attaining a number of the metrics for 2022's annual bonus as shown below, as the threshold level of Group Adjusted Operating Profit was not attained, this acted as a gateway and so it is not appropriate to pay any element of the annual bonus for 2022. Accordingly, outcomes are nil.

Measure	Weighting (% of bonus)	Threshold	Target	Stretch	Actual	Total payout (% of maximum)
Group Adjusted Operating Profit	50%	£142.0m Nil	£146.7m (25%)	£154.0m (50%)	£106.1m	Nil
Digital revenues: Overall Digital Average Revenue Per User	20%	£4.08 (4%)	£4.29 (10%)	£4.50 (20%)	£3.50	Nil
Customer registrations (people)	10%	11.0m (2%)	11.5m (5%)	12m (10%)	12.5m	Nil
Customer retention	10%	42%	44%	46%	44%	Nil
Diversity and Inclusion	10%	See details below			Materially achieved	Nil
Total						Nil

Diversity and Inclusion objectives

Outcome

Three objectives were set, each having a 3.33% weighting:

- Continue to develop and drive 'whole people' conversations through manager and employee 1:1 meetings (performance reviews) 100%
- All people managers to complete a total of 80% of the required teams' 1:1 meetings by the end of 2022 100%
- Develop and deliver Inclusion Action Plans at leader and senior people manager level 100%
- Three priorities per plan to be drafted and approved by the end of Q1 and two-thirds of all priorities achieved, with outputs evidenced by the end of Q4 100%
- 35% of all external recruits to be from diverse backgrounds and 50% of all external recruits to be female (or identifying as female) Attained on diverse backgrounds

Overall Digital Average Revenue per user (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). Customer retention considers the percentage of registered users with continuing engagement activity on a rolling four-week period after initial registration.

2020 LTIP awards (audited)

Details of the performance metrics applying for the 2020 LTIP awards, the performance period for which ended in December 2022, are summarised below. As noted in the Committee Chair's introduction on page 121, despite the partial attainment of the TSR metric as shown below, Jim Mullen has elected to waive the vesting of his 2020 LTIP award. Accordingly, vesting outcomes for Jim Mullen are shown as nil in the single total figure table on page 125.

Vesting of the 2020 LTIP award was dependent on achieving relative TSR (60% weighting) and Cumulative Net Cash Flow performance measures (40% weighting), as follows:

TSR performance relative to constituents of FTSE SmallCap (ex. IT)	% of award that can be exercised
Upper quartile or above	60%
Between median and upper quartile	Straight-line vesting between 12% and 60%
Median	12%
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 at the 67.9th percentile, which warranted 77.39% vesting of the TSR shares.

Cumulative Net Cash Flow over the performance period	% of award that can be exercised
£390m (or above)	40%
Between £340m and £390m	Straight-line vesting between 8% and 40%
£340m	8%
Below £340m	Nil

Cumulative Net Cash Flow was measured over financial years 2020, 2021 and 2022. However, the Cumulative Net Cash Flow attained was £292.1m and so was below the £340m threshold. Accordingly, there was nil vesting of the Cumulative Net Cash Flow shares.

Cumulative Net Cash Flow for the 2020 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.

Total vesting was therefore 46.43%, representing partial vesting under TSR and nil vesting under Cumulative Net Cash Flow.

The value shown for Simon Fuller represents the following:

	LTIP shares awarded	% vesting	Share price	Value for single figure table
Simon Fuller	488,299	46.43%	£0.9577	£217,145

The share price used for this calculation, in accordance with the UK Directors' Remuneration Report Regulations, is the average share price for the past three months of the 2022 financial year, which is £0.9577. The share price at the time of award of the 2020 LTIPs on 27 March 2020 was £0.969 being the average three-day share price immediately preceding the grant. Share prices decreased from the date of the award and accordingly no part of the value shown relates to share price appreciation.

The 2020 LTIP award did not accrue the benefit of dividends paid in the period to vesting.

Payments for Loss of Office (audited)

We announced on 11 October 2022 that Simon Fuller would step down as our CFO with effect from 31 December 2022. The remuneration-related arrangements for Simon's leaving the Company are fully in line with our Directors' Remuneration Policy, so that:

- fixed pay reflects contractual entitlements (base pay, benefits and pension) for the notice period only (ending 10 October 2023). This will include a period of garden leave from 1 January 2023. The period of garden leave can be terminated by Simon giving no less than two weeks' notice of starting a new employment at which point his payments will cease;
- Simon is permitted to:
 - participate in our annual bonus plan for the period for which he continued to work for the Company. This was the 2022 financial year, for which the annual bonus outcome was nil;
 - retain his unvested LTIP share plan awards. The vesting of these remains subject to full application of the performance conditions over the original performance periods, and any vested shares will be reduced on a time-pro-rated basis in accordance with the LTIP rules, and remain subject to relevant holding periods; and
 - retain his share awards of restricted shares (representing deferral of annual bonuses), although the three-year deferral periods for these awards will not be accelerated.

Appointment of our new Chief Financial Officer

The remuneration package on appointment for our new CFO, Darren Fisher, is summarised in '2022 Remuneration at a glance' on page 122. In addition, on resigning from his former employer, ITV plc, Darren forfeited certain ITV share plan awards and bonuses. To secure Darren's appointment, it was necessary to buy out these items on a like-for-like basis, as permitted by the Reach Directors' Remuneration Policy.

Where the forfeited ITV awards are replaced by awards of Reach shares, these will have an equivalent value to the ITV shares forfeited and the replacement awards will vest at the original vesting dates of the forfeited ITV awards, subject to Darren's continued employment with Reach up to those vesting dates, as is usual. Full details of all buy-out elements will be disclosed in the Directors' Remuneration Report for 2023.

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 2021. During 2022 the Company took independent benchmarking advice regarding Chairman and non-executive director fee levels in comparably sized PLCs, including as part of the process of recruiting new non-executive directors to the Board. Having considered this advice carefully, the following revisions to fee levels were made:

- from 1 July 2022, the Chairman's fee was increased by 3% in line with normal rate of increase for employees' salaries within Reach in 2022. The Chairman's fee had been at its previous level (£180,000) for six years since 2016, at which time the Chairman's fee was reduced from £190,000. The Chairman's fee level following this increase was £185,400;
- from 1 July 2022, the non-executive directors' base fee was increased from £45,000 to £52,000. The non-executive directors' base fee had also been at its previous level for six years since 2016. Fees for chairing a board committee or for serving as Senior Independent Director will remain unchanged. The fee levels for these roles were likewise set in 2016; and
- looking ahead, the Company's preferred way to consider the appropriateness of any future reviews for non-executive directors' fee levels is to have regards to the normal rate of increase for employees' salaries within Reach in any year.

	Base fee £'000		Other fees £'000		Total £'000	
	2022	2021	2022	2021	2022	2021
Anne Bulford	49	45	13	13	62	58
Priya Guha ¹	17	–	–	–	17	–
Steve Hatch	49	45	–	–	49	45
David Kelly ²	49	45	(2)	8	47	53
Barry Panayi ³	49	10	–	–	49	10
Nick Prettejohn	183	180	–	–	183	180
Wais Shaifta ¹	17	–	–	–	17	–
Helen Stevenson ⁴	49	45	25	15	74	60
Olivia Streatfeild ⁵	49	45	13	6	62	51

1. Priya Guha and Wais Shaifta joined the Board on 1 September 2022

2. David Kelly repaid £2,000 in overpaid fees as referenced in the 2021 Annual Report

3. Barry Panayi joined the Board on 13 October 2021

4. Helen Stevenson's other fees include the fee as Senior Independent Director and as Sustainability Committee Chair from 13 October 2021

5. Olivia Streatfeild was appointed Remuneration Committee Chair on 1 July 2021

The non-executive director fee rates below were in place during 2022.

	From 1 July 2022	From 1 January 2021
Chairman base fee	£185,400	£180,000
Non-executive director base fee	£52,000	£45,000
Additional fee for Senior Independent Director	£12,500	£12,500
Additional fee for chairing Audit & Risk Committee	£12,500	£12,500
Additional fee for chairing Remuneration Committee	£12,500	£12,500
Additional fee for chairing Sustainability Committee	£12,500	£12,500

LTIP interests awarded in 2022 (audited)

On 11 April 2022, Jim Mullen and Simon Fuller were granted awards under the LTIP. To the extent that performance conditions are met, these awards will vest on 11 April 2025. The three-year period over which performance will be measured will end in December 2024. 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	11 April 2022	399,974	£882,743	175
Simon Fuller	11 April 2022	267,474	£590,315	150

1. The base price for calculating the level of awards was £2.207, the three-month average share price to the date of grant. This is a change from past practice where the three-day average share price to the date of grant was used. The share price on 11 April 2022 was £1.686, and so using £2.207 reduced the number of shares in 2022 LTIP awards.

Vesting of LTIP awards granted (as nil-cost options) in 2022 is subject to three performance conditions: relative TSR, representing 70% of each award; Cumulative Net Cash Flow, representing 20%; and three-year ARPU for the remaining 10%. More details of the targets applying to these awards are included in the tables below.

Relative TSR condition (70% weighting)

TSR performance relative to constituents of FTSE 250 (ex. IT)	% of award that can be exercised
Upper quartile or above	70% (100% of this part)
Between median and upper quartile	Straight-line vesting between 14% and 70%
Median	14% (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.

Cumulative Net Cash Flow condition (20% weighting)

Cumulative Net Cash Flow over the performance period	% of total award that can be exercised
£330m or above	20% (100% of this part)
Between £285m and £330m	Straight-line vesting between 4% and 20%
£285m	4% (20% of this part)
Below £285m	Nil

Cumulative Net Cash Flow for the 2022 award is defined consistently with past years – please see page 127, which outlines the 2020 Cumulative Net Cash Flow definition. The condition is measured over financial years 2022, 2023 and 2024.

The Committee may adjust the Cumulative Net Cash Flow condition as it considers appropriate, including, but not limited to, where the Company or Group has bought or sold businesses or companies to maintain the same level of difficulty, and for items that are wholly outside management control.

ARPU condition (10% weighting)

ARPU is defined consistently with the definition for this measure on page 126, with the targets for 2022 LTIP awards being by reference to ARPU for 2024. In line with other conditions, 20% will vest for achieving threshold and full vesting for achieving maximum target.

The Committee regards ARPU targets for the 2022 LTIP awards as commercially sensitive at the current time, and accordingly will not be disclosing this target on a prospective basis. This information will be disclosed when it is appropriate to do so, and not later than the publication of the Directors' Remuneration Report for the year of vesting.

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 2022, he received fees of £40,000, which he retained.

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 both 2021 and 2020. Over time, five years' worth of data will be shown.

The CEO's remuneration includes base salary paid in 2022, 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. The annual bonus is the amount payable in respect of 2022 compared to the amount paid in respect of 2021. The base salary data for part-time employees has been pro-rated up to the full-time equivalent. The CEO's base salary was reduced by 20% between 1 April 2020 and 15 October 2020. This compares to a reduction of 10% for employees between 1 April 2020 and 1 July 2020, which was repaid in 2021. This means that percentage changes for the directors and for employees between 2020 and 2021 are distorted.

	Jim Mullen CEO	All other employees ⁴	Simon Fuller CFO	Nick Prettejohn Chairman	Anne Bulford (Non-Executive Director) ⁵	Steve Hatch (Non-Executive Director)	David Kelly (Non-Executive Director)	Barry Panayi (Non-Executive Director) ⁶	Helen Stevenson (Senior Independent Director)	Olivia Streatfeild (Non-Executive Director)
2022¹										
Salary	2.7%	6.3%	2.6%	1.7%	6.9%	8.9%	(11.3%)	390.0%	23.3%	21.6%
Taxable benefits	(12.0%)	10.7%	(12.0%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual bonus ²	(100%)	(100%)	(100%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2021										
Salary	13.2%	3.8%	14.1%	11.8%	13.7%	12.5%	3.9%	n/a	17.7%	27.5%
Taxable benefits	13.6%	(0.3%)	13.6%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual bonus ³	100%	100%	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2020										
Salary	(14.8%)	4.2%	(11.6%)	(10.6%)	112.5%	(11.1%)	(12.1%)	n/a	(12.1%)	(11.1%)
Taxable benefits	nil	2.9%	4.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual bonus ³	(100%)	(100%)	(100%)	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, where changes in committee chair responsibilities and base fee reviews explain differentials in annual fee rates for non-executive directors. In addition, the voluntary salary reduction in 2020 for all directors impacts differentials for 2020 and 2021
2. The annual bonus for 2022 was nil
3. The annual bonus for 2020 was cancelled
4. There are no other employees of the listed parent and, as such, the all employees (of the Group) measure is a more appropriate comparable
5. 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)
6. 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)

Priya Guha and Wais Shaipta were appointed as non-executive directors on 1 September 2022. They are not included in the table above for 2022 because they have no prior year data for the purposes of a comparison.

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 (restated) ²	Option B	59:1	53:1	41:1
2022	Option B	18:1	16:1	10:1

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
2. The 2021 ratio figures are updated for the revised 2021 CEO single figure total disclosures on page 125 in which the actual value of shares vesting from 2019 LTIPs has replaced the estimates of value for that item included in the corresponding single figure total disclosure made last year

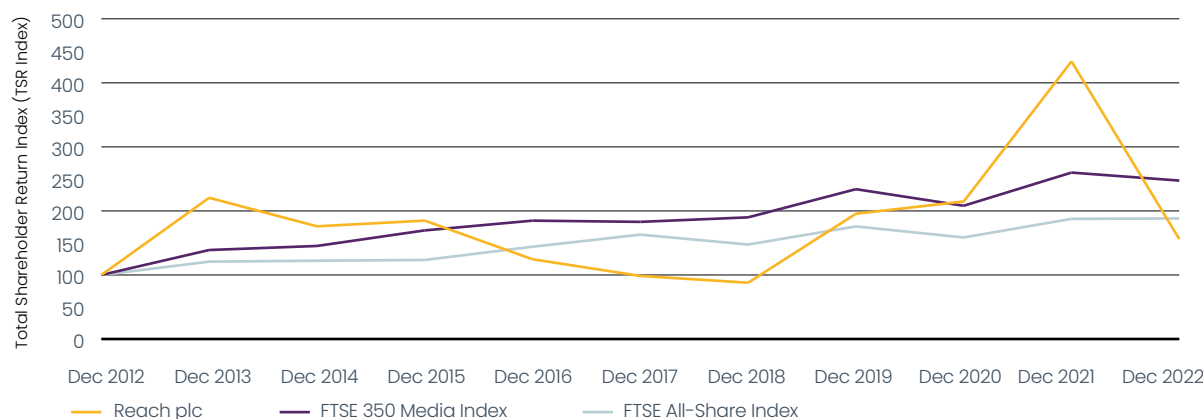
The ratios are calculated using Option B methodology set out in the remuneration regulations. This was considered the optimum approach utilising data compiled for annual gender pay reporting because it provides a robust set of data from which to identify representative employees in the organisation at median, lower 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 2022 and where the individuals were also in employment at full year December 2022. The total compensation figure was then calculated and checks made to ensure that 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 2022 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 2022 is significantly lower than that reported for 2021. This is mainly because no bonus was paid for 2022 and there was no LTIP vesting for our CEO in relation to the 2022 performance year, both of which were recorded for 2021.

Given the CEO pay ratio will mean including 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.

10-year TSR chart



Source: Refinitiv Eikon

Supporting data compensation figure	25th percentile	Median	75th percentile
Total employee pay and benefits figure	£31,923	£34,208	£54,599
Salary and wages component of total employee pay and benefits figure	£30,040	£32,474	£50,642

The 2022 total employee pay and benefits figure includes the all employee share award which vested in December 2021 and the value of which was delivered from 2022.

Review of past performance

The following chart illustrates the Company's performance compared to the FTSE All-Share Index – which is considered the most appropriate form of 'broad equity market index' against which the Company's performance should be measured – and to the FTSE 350 Media Index as the main comparator group for the Company's shares. Performance, as required by legislation, is measured by TSR.

Chief Executive Officer's single figure of remuneration

	2013	2014	2015	2016	2017	2018	2019(a) ¹	2019(b) ²	2020	2021	2022
Single figure of remuneration (£'000)	710	1,678	2,260	749	893	949	780	323	485	2,069 ⁴	561
Annual bonus outcome (% of maximum)	30.0%	45.8%	34.6%	34.6%	39.7%	38.3%	67.65%	67.65%	nil ³	70.83%	nil
LTIP vesting (% of maximum)	n/a	62.6%	25.3%	0%	40.0%	40.0%	40.0%	n/a	n/a	100%	nil

1. 2013 to 2019(a) figures for the CEO are in respect of Simon Fox. Simon Fox resigned on 16 August 2019

2. 2019(b) to 2022 figures reflect Jim Mullen

3. Annual bonus for 2020 was suspended and was therefore nil

4. Jim Mullen's single figure for 2021 has been restated in line with the single total figure table on page 125

Relative importance of spend on pay

The table below shows shareholder distributions (dividends and share buy-backs) and total employee pay expenditure for 2021 and 2022, along with the percentage change in both.

	2022 £'000	2021 £'000	% change 2021–2022
Shareholder distributions (dividends)	22,900	21,800	5.0%
Total employee expenditure	233,200	230,400	1.2%

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 25 December 2022.

Non-executive directors	Ordinary shares at 25 December 2022	Ordinary shares at 26 December 2021
Anne Bulford	11,953	11,953
Priya Guha ¹	–	n/a
Steve Hatch	10,207	10,207
David Kelly	10,427	10,427
Barry Panayi	3,979	–
Nick Prettejohn	131,640	111,248
Wais Shaifta ²	–	n/a
Helen Stevenson	36,496	36,496
Olivia Streatfeild	55,255	55,255

1. Priya Guha joined the Board in September 2022

2. Wais Shaifta joined the Board in September 2022

Directors' beneficial interests shareholding requirements (audited) continued

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 25 December 2022.

Shareholding requirements apply for one year from an executive director stepping down from the Board. The table shows the position as at 23 December 2022 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 under the LTIPs and the Restricted Share Plan (RSP).

Executive directors	Owned outright	Performance vested but not yet released	Unvested and subject to other conditions ¹	Total share interests for SOGs ²	Value of share interests ³	Current shareholding (% salary/fee)
Jim Mullen	721,238	–	120,446	841,684	£745,036	149%
Simon Fuller	–	1,098,381	51,658	1,150,039	£578,435	148%

1. Shares awarded under the RSP are subject to a malus and clawback provision

2. Share Ownership Guidelines

3. Calculations are based on the share price as at 25 December 2022. Value of the vesting LTIP shares and RSP is 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 25 December 2022 and up to the latest practicable date (28 February 2023), there have been no changes in the directors' interests in shares.

The lowest closing price of the shares during the year was £0.6705 and the highest price was £2.825. The share price as at 23 December 2022 (the last trading day before 25 December 2022) was £0.949.

Directors' interests in shares under the Reach share plans (audited)

Director	Date of grant	Share price used at date of grant	At 26 December 2021	Granted	Exercised LTIPs/ released RSPs ¹	Lapsed	At 25 December 2022	Performance period	Exercise period (holding period)
Jim Mullen									
LTIP	04.12.19	£0.977	1,013,951	–	(1,013,951) ²	–	536,435 ²	01.01.19–26.12.21	04.12.22–04.03.25 (04.12.22–04.12.24)
LTIP ³	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	–	–	–	34,932	–	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 ⁴	–	–	–	3,658	01.09.21–01.09.24	01.09.24–01.03.25
LTIP	11.04.22	£2.207	–	399,974	–	–	399,974	27.12.21–29.12.24	11.04.25–11.10.25 (11.04.25–11.04.27)
RSP ⁵	11.04.22	£2.207	–	85,514	–	–	85,514	–	Restricted until 11.04.25
Simon Fuller									
LTIP	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 ⁶	27.03.20	£0.969	488,299	–	–	–	488,299	30.12.19–25.12.22	27.03.23–27.06.25 (27.03.23–27.03.25)
RSP ⁷	11.03.19	£0.646	80,709	8,481 ⁸	(89,190) ⁹	–	–	–	Restricted until 11.03.22
RSP	27.03.20	£0.969	15,597	–	–	–	15,597	–	Restricted until 27.03.23
LTIP	11.05.21	£2.3517	243,706	–	–	–	243,706	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 ⁴	–	–	(3,658)	–	01.09.21–01.09.24	01.09.24–01.03.25
LTIP	11.04.22	£2.207	–	267,474	–	–	267,474	27.12.21–29.12.24	11.04.25–11.10.25 (11.04.25–11.04.27)
RSP ⁵	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 and release of vested RSP awards in the year was £1,143,183 (2021: Nil)
2. Of the 1,031,951 shares awarded to Jim Mullen on 4 December 2019, all of the shares vested and were exercised on 14 December 2022. 477,516 shares were sold to cover tax and NI liabilities. The remaining 536,435 shares are held by the Trinity Mirror Employees' Benefit Trust on behalf of Jim Mullen and are subject to a two-year holding period in line with the Remuneration Policy. The share price on 14 December 2022 was £0.97. The total exercise price was £1.00
3. The CEO's 2020 LTIP award will be cancelled and will lapse as described on pages 121 and 122
4. These shares were granted as options under the Reach Savings-Related Share Option Scheme
5. These RSP awards represent part deferral of 2021 annual bonus (£188,729 for Jim Mullen; £79,586 for Simon Fuller); the awards can be forfeited on resignation to join a competitor. The base price for calculating the level of awards was £2.207, the three-month average share price to the date of grant
6. These shares have vested but have not yet been exercised
7. The RSP award made to Simon Fuller in March 2019 represents a buy-out of share awards forfeited on leaving his previous employment (value of shares at date of grant: £50,000)
8. On vesting of this award, another 8,481 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
9. Of the 89,190 RSP shares which vested and were released on 11 March 2022, 42,005 were sold to cover tax & NI liabilities. The remaining 47,185 shares were sold on 25 November 2022. The share price on 25 November 2022 was £1.175

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 2019 and 2020 LTIP awards are granted as options with a £1.00 total exercise price. The 2021 and 2022 LTIP awards are granted as nil-cost options.

Plan	TSR targets			Cumulative Net Cash Flow targets		
	Weighting	Threshold (20% vesting)	Full vesting (100% vesting)	Weighting	Threshold (20% vesting)	Full vesting (100% vesting)
2020 LTIP (Relative TSR)	60%	Median	Upper quartile	40%	£340m	£390m
2021 LTIP (Relative TSR)	70%	Median	Upper quartile	20%	£345m	£395m
2022 LTIP (Relative TSR)	70%	Median	Upper quartile	20%	£285m	£330m

Relative TSR for the 2020 and 2021 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 – please see page 127, which outlines the 2020 Cumulative Net Cash Flow definition.

In addition, the 2021 and 2022 LTIP each has a 10% weighting on ARPU, as described on page 126.

Restricted Share Plan

Restricted shares 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.

Implementation of Remuneration Policy for 2023

Base salary

The firm-wide salary review date is 1 April 2023. As at the date of this report, the salary of the CEO is £504,425. The CEO will not take an increase in 2023.

Darren Fisher's salary on appointment to the role of CFO is £360,000.

Pension and benefits

Jim Mullen has an unchanged 7.5% of salary pension contribution for 2023. From appointment, Darren Fisher's pension contribution rate will also be 7.5% of salary.

Annual bonus and RSP

For 2023, the maximum annual bonus opportunity will be 125% of salary for the CEO and 100% for the CFO.

The annual bonus plan for our executive directors in 2023 will be fully assessed on Group Adjusted Operating Profit.

Before any 2023 annual bonus outcomes are confirmed, the Committee will conduct an overview assessment of performance in the year and consider progress against a range of performance markers, including the Customer Value Strategy, Diversity and Inclusion, and cash management.

Performance targets for the 2023 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 to be awarded in 2023

In 2023, proposed LTIP award levels are 175% of salary for the CEO and 150% of salary for the CFO.

The three-year performance period for the 2023 LTIP awards ends in December 2025. The balance of metrics will be:

- Relative TSR (75%);
- ARPU (12.5%);
- Revenue per thousand page views (RPM) 12.5%

TSR performance relative to constituents of FTSE SmallCap (ex. IT)	% of award that can be exercised
Upper quartile or above	75%
Between median and upper quartile	Straight-line vesting between 15% and 70%
Median	15% (being 20% weighting of this part)
Below median	Nil

The relative TSR condition will be measured on the basis of three-month average return figures at the start and end of the performance period. Prior to vesting, an overview of performance will be considered as described for the TSR element of 2022 LTIP awards earlier in this report. The FTSE Smallcap (ex IT) is used as Reach was a member of that index at the start of the performance period.

Together, the ARPU and RPM metrics relate to Reach's Customer Value Strategy.

The ARPU performance measure for 2023's LTIP (12.5% total weighting) will operate using the same definition as applied for 2021 & 2022's LTIP. For both metrics, the range of targets have been set by the Committee for 2023's awards by reference to the three-year business plan, and the Committee considers the ranges set to require stretching growth over the period 2023–2025.

The Committee regards both the ARPU targets and the RPM targets for the 2023 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.

Chairman and non-executive director fees

The fees for the Chairman and non-executive directors for 2023 will apply as described on page 129.

Directors' Remuneration Policy

The Directors' Remuneration Policy for executive and non-executive directors for the three-year period expiring at the Company's 2024 AGM, and which was approved by shareholders at the 2021 AGM, can be found within the Company's Annual Report and Accounts for 2020, which is available on the Company's website at www.reachplc.com/investors/results-and-reports.

Olivia Streatfeild Remuneration Committee Chair

7 March 2023

Compliance with the 2018 UK Corporate Governance Code

The Board considers that, during 2022, the Company applied the principles and complied with the provisions of the 2018 UK Corporate Governance Code (2018 Code), other than provision 38.

As we have previously reported, we had been in the process of aligning the pension contribution for Simon Fuller, our previous Chief Financial Officer, to more general workforce contribution rates. Simon's contribution rate when he was appointed in 2019 was 15% of base salary. This has been reduced each year, and from 1 April 2022 stood at 9.375%. The pension contributions for our current executive directors, Jim Mullen and Darren Fisher, are aligned with general workforce contribution rates.

The full 2018 Code is available on the FRC's 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, last reviewed and updated in March 2023. The full schedule of matters reserved is available at www.reachplc.com/investors/corporate-governance/accountability. A summary of the Board's activities during 2022 can be found on pages 96 to 100.
B. Purpose and culture	Since 2020, the Board has overseen the implementation and delivery of the Customer Value Strategy, ensuring the Group remains aligned to our purpose. The Board held off-site meetings in April and September 2022 to consider the Group's strategy. More information can be found on page 97. Board members participated in site visits, enabling them to meet with our colleagues and gain first-hand insight into the culture in various areas of the business. The CEO and CFO also hosted virtual town hall events throughout the year, and the Chairman attended and participated in Reach Leaders Live, our leadership conference. More information can be found on page 98.
C. Resources and controls	The Board's agenda is set by the Chairman and deals with those matters reserved for the Board, including matters 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 future risk exposures. More information on risk management can be found on pages 83 and 84.
D. Stakeholder engagement	The Board fully considered shareholders' and wider stakeholders' views when making strategic decisions in 2022. More information can be found in the section 172 statement on pages 101 to 103. At the 2022 AGM, all resolutions received a high level of support, receiving at least 90% of the votes in favour, with the exception of the resolution concerning the further disapplication of pre-emption rights, which received 76.71% of the vote in favour. In view of the 23.29% vote against, most of these votes were received from one major shareholder. The Company has engaged with the shareholder. The rationale for voting against was due to its governance policies restricting its ability to support this resolution, although the Company's authorities are consistent with prevailing UK market practice and both the Investment Association's Share Capital Management Guidelines and the Pre-Emption Group's Statement of Principles. The Company will continue to engage with any shareholders for whom this authority present concerns and will keep the level of the authority sought under review.
E. Workforce engagement	Olivia Streatfeild is the designated non-executive director responsible for workforce engagement. More information can be found on page 98. The Group has a whistleblowing charter in place and provides a confidential, independent whistleblowing line where employees can 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 the Board's 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 92 to 95. Excluding the Chairman, Nick Prettejohn, 77.8% 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, Chief Executive Officer 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.

H. Role of the non-executive directors

The main responsibilities of the non-executive directors are to provide an external perspective to 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 to the Board and 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; provides effective support to the Board during meetings and when setting agendas; and ensures that the Board operates in accordance with the Company's corporate governance framework. All the directors have access to the advice and services of the Company Secretary. The Company Secretary 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 104 to 109.

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 to execute its strategy. More information about the appointments made during the year can be found on page 109.

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 2023 AGM. Priya Guha, Wais Shaifta, Denise Jagger and Darren Fisher will stand for election, because this will be their first 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 2022. More information about the progress made against the recommendations from the 2021 external evaluation, and actions to be undertaken in 2023 from the 2022 internal evaluation, can be found on page 106.

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 114 and 115.
N. Fair, balanced and understandable	The Strategic Report (pages 2 to 89) 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 113.
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 85 to 88. Page 89 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. A summary of the Remuneration Policy can be found within the 2020 Annual Report.
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 120 to 136.

Directors' Report

The Directors' Report comprises the Governance Report (on pages 90 to 119), the Directors' Report (on pages 140 to 144) 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	43
Stakeholder engagement	Strategic Report Governance Report	44 to 72 102 and 103
Engaging with employees	Strategic Report	61
Employment of disabled persons	Strategic Report	60
Greenhouse gas emissions	Strategic Report	71
Task Force on Climate-related Financial Disclosures (TCFD) Report	Strategic Report	73 to 81
Viability statement	Strategic Report	89
Compliance with the 2018 UK Corporate Governance Code	Governance Report	137 to 139
Directors	Our Board	92 to 95
	Directors' Remuneration Report	120 to 136
	Directors' Remuneration Report – directors' beneficial interests shareholding requirements	132 and 133
Details of Long Term Incentive Plan	Directors' Remuneration Report	135
Dividend waiver	Directors' Report	142
Statement of Directors' responsibilities	Directors' Report	143 and 144
Going concern	Financial statements	158 and 159
Accounting policies, financial instruments and financial risk management	Financial statements	158 to 164, 184 to 186, 194 and 195

For the purposes of compliance 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.

Articles of Association

The Company's Articles of Association (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 with at least a 75% vote in favour of 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 92 to 95, 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 132 and 133. Options granted to directors under the Sharesave, the Long Term Incentive Plan and the Restricted Share Plan are shown on page 134. More information regarding employee share option schemes is provided in note 31 to the consolidated financial statements on page 183.

Appointment and replacement of directors

The Articles give the directors 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 directors' and officers' liability insurance for its directors and officers, which provides cover for any legal action brought against them.

Share capital

As at 25 December 2022, the Company's issued share capital comprised 322,085,269 ordinary shares with a nominal value of 10 pence each. The Company held 5,014,410 ordinary shares in Treasury. Therefore, the total number of voting rights in the Company was 317,070,859. 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 25 December 2022, the Trinity Mirror Employees' Benefit Trust held 3,503,358 shares (2021: 2,490,472). At the same date, the TIH Employee Benefit Trust held 94,740 shares (2021: 94,740). 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 28 to 31 in the notes to the consolidated financial statements.

As at the latest practicable date (28 February 2023), the Company held 5,014,410 shares in Treasury, representing 1.56% 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:

17 January 2022 – 1 March 2022	915 shares were withdrawn from Treasury and transferred to Equiniti to satisfy Reach share plans
4 March 2022 – 2 December 2022	3,112,851 shares were withdrawn from Treasury and transferred to the Employee Benefit Trust

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 25 December 2022 Number of voting rights	As at 25 December 2022 % of total voting rights	As at 28 February 2023 Number of voting rights	As at 28 February 2023 % of total voting rights
Aberforth Partners ¹	31,178,599	9.97%	31,795,824	10.03%
Dimensional Fund Advisors ²	12,843,108	4.98%	12,843,108	4.98%
FMR LLC	10,980,300	3.47%	10,980,300	3.47%
M&G plc	44,209,812	14.03%	44,209,812	14.03%
Premier Miton Group plc ¹	15,597,514	5.00%	15,597,514	5.00%
Schroders plc ¹	14,488,704	4.63%	14,488,704	4.63%
Slater Investments	15,789,961	5.02%	15,789,961	5.02%
Wellcome Trust ¹	12,176,263	3.89%	13,044,412	4.11%

1. Disclosures made in 2021.

2. 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.

Purchase of own shares

At the Company's AGM on 5 May 2022, shareholders approved an authority for the Company to make market purchases of its own shares up to a maximum of 31,506,428 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 2023 AGM.

Allotment of shares

At the Company's AGM on 5 May 2022, shareholders approved an authority for the Company to allot ordinary shares up to a maximum nominal amount of £10,502,142 (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 2023 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 3 May 2023 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 form for the 2023 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 2023 AGM will be included in the Notice of Meeting, which will either be sent by post to the shareholders in advance of the 2023 AGM or will be available to download from our website, www.reachplc.com.

Shareholders who are unable to attend the 2023 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 2022 of 4.46 pence per share (2021: 4.46 pence per share), which, subject to shareholder approval, will be payable on 2 June 2023 to shareholders on the register on 12 May 2023. The proposed final dividend together with the interim dividend of 2.88 pence per share (2021: 2.75 pence per share) results in a total dividend for 2022 of 7.34 pence per share (2021: 7.21 pence per share).

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 (3,503,358 shares as at 25 December 2022), shares held in TIH Employee Benefit Trust (94,740 shares as at 25 December 2022) and shares held in Treasury (5,014,410 shares as at 25 December 2022).

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 because of any substantial increase in dividends and/or capital returns to shareholders.

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 would undertake a similar exercise in the future if such an event were to occur, because it still has a £605.4m balance on the share premium account;
- 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 ability of the Group 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 and these may be revised as a result of material corporate activity. As part of the 2019 triennial valuations of two of the Group's defined benefit pension schemes, the Group has committed to dividend sharing arrangements whereby it would pay to each scheme a pro-rated share of 100% of the excess in dividend payment increases greater than 5% in any year for so long as the schemes continue to receive contributions. In finalising the one outstanding 2019 triennial valuation, the Group may agree that additional contributions will be made to the relevant scheme in the event dividends are increased by more than a given percentage in any one year or in respect of any other return of capital to shareholders. 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 5 May 2022, 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 93.54% 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 2022 (2021: nil).

Strategic Report

The Company's Strategic Report is set out on pages 2 to 89 and includes 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 38 to 43.

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 122
(12) Waivers of dividends	Directors' Report page 142
(13) Waivers of future dividends	Directors' Report page 142

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 Scope 2 emissions as well as a selection of our Scope 3 emissions for the reporting period 1 January 2022 to 31 December 2022. We are in the process of measuring all our relevant Scope 3 emissions with the intention to report on these in the near future as outlined on page 71. 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 Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019).

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 for the prevention and detection of 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 and 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.

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 92 to 95 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 in order 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 7 March 2023.

Lorraine Clover
Company Secretary
7 March 2023

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 parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 25 December 2022 and of the group's profit and the group's cash flows for the 52 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 25 December 2022; 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% (2021: 99%) of revenue.

Key audit matters

- Carrying value of intangible assets (group) and investments in subsidiaries (parent company)
- Provision for historical legal issues (group)
- Valuation of pension liability and pension assets (group)

Materiality

- Overall group materiality: £5.70m (2021: £6.30m) 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 parent company materiality: £7.90m (2021: £5.67m) based on 1% of total assets.
- Performance materiality: £4.27m (2021: £4.72m) (group) and £5.93m (2021: £4.25m) (parent 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.

Key audit matter

How our audit addressed the key audit matter

Carrying value of intangible assets (group) and investments in subsidiaries (parent company)

Refer to Note 3 for the directors' disclosure on the critical accounting judgements, Notes 15 and 16 for the key sources of estimation uncertainty and pages 116 and 117 for the views of the Audit & Risk Committee.

At 25 December 2022 the group held indefinite life intangibles (being the carrying value of acquired publishing rights and titles, after previous impairment charges) of £818.7m (2021: £818.7m) and goodwill of £35.9m (2021: £35.9m). The parent company held investments with a carrying value of £773.3m (2021: £773.3m) that has been impaired to £708.2m during the current financial year.

The assessment of the carrying value of goodwill and intangible assets involves considerable judgement particularly in accurately forecasting future cash flows given the market environment for publishers. The key areas of focus are:

- the judgement in relation to the appropriateness of an indefinite (as opposed to finite) useful economic life; and
- the estimation uncertainties in relation to impairment evaluation.

It is critical to management's assessment that the group is able to grow digital revenues at sufficient speed, and to sufficient scale, to offset the long-term decline in print revenues.

The impairment evaluation relates both to goodwill and indefinite lived intangibles in the group balance sheet and to the carrying value of the parent company's investment in its subsidiaries. The group prepared a single value in use impairment model which reflected the board approved budget for FY23 and then assumptions over longer term trends over a period of transition to a digital business to 2032. The model then reflects cash flows into perpetuity from 2032 onwards.

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 has achieved digital revenue growth over several years which together supported the principle of a potentially sustainable digital business without a finite life. In particular we found the group had successfully grown customer digital registrations in FY22 ahead of its targets set in the prior year, had achieved growth in digital revenue and made operational and strategic progress in developing its customer value strategy; all 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 FY23 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 specifically challenged the forecast growth in revenue and operating profit attributed to the expansion into the US and Curiously, the new youth content brand.

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 also evaluated the longer-term assumptions applied over the 10-year period to 2032, again comparing these with historical trends and market information. We challenged management on the basis for these assumptions in particular with regard to longer term digital growth assumptions (including page view growth), but in addition in areas such as the rate of decline of circulation and print revenues over the long terms and the group's operating cost base.

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 digital revenue growth assumptions, we considered the degree to which these were supported by historic trends and market analysis. Page views were up 4% on the prior year and management's assessment of growth in digital revenue, excluding expansion into the US and Curiously, included cumulative average page view growth over the 10 year forecast below this level.

Revenue growth was less than the increase in the number of page views in FY22 due to yields in the open market declining due to specific events which affected Reach, such as the reluctance of advertisers to place adverts against the Ukraine war coverage, and a general decline across the market. Future revenue growth is also dependent on growing yields, which management plans to do by increasing revenue generated from data-driven products which attract a higher yield as a result of the ability to target adverts at specific users. Revenue from these products grew by 56% in FY22 and this supports an expectation of future growth of this revenue. When considering this alongside market analysis, we found that the forecasts for digital revenue were reasonable.

Key audit matter

Carrying value of intangible assets (group) and investments in subsidiaries (parent) continued

The key areas of focus relate to:

- The appropriateness of a 10-year modelling period;
- The key assumptions in the impairment model; including digital growth rates, the decline rates for print circulation and advertising, cost assumptions (newsprint and other), discount rates and perpetuity growth rates; and
- The approach to reflecting the liability for defined benefit pensions obligations for the parent company investment.

Provision for historical legal issues (group)

Refer to Note 3 for the directors' disclosure on the key sources of estimation uncertainty, Note 26 for further details on the provision recognised and page 117 for the views of the Audit & Risk Committee.

The group has a provision of £43.0m in respect of historical legal issues as at 25 December 2022 (2021: £41.0m) and recorded charges in the period of £11.0m. The provision relates to a number of current and potential civil claims arising from suspected phone hacking and unlawful information gathering in the past. The number of new claims arising during the year has decreased compared to 2021.

There are three parts to the provision: known claims; potential future claims; and common court costs. The basis for the known claims and the future potential claims is average past settlements, depending on the stage the claim has reached. Common court costs are court costs incurred which are based on information provided by a third party.

During 2022, a charge of £11.0m (2021: £29.0m) was recognised, which relates to an increase in the estimate for claim settlement values and the associated legal costs, and an increase in common court costs as cases progress.

This is recognised as a key source of estimation uncertainty and, in addition to the provision, a contingent liability for the potential further exposure is disclosed in Note 34 to the group financial statements.

How our audit addressed the key audit matter

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.

The audit procedures we performed in respect of this risk included:

- Meetings with management, internal legal counsel and those charged with governance to understand the nature of issues that gave rise to claims, experience to date and developments during the year. We corroborated the understanding gained through discussion with external legal counsel.
- Testing the calculation of the provision, including agreeing claim settlement values used to calculate averages used in the calculation to agreements and amounts paid.
- Assessing the completeness of the provision through testing management's exercise to estimate the number of future claims and considering the trend of new claims during the year.
- Evaluating whether management's methods and assumptions for calculating the provision adequately allows for: the nature of current claims (including both letters before action and issued claims); the value that current claims are being settled at; current claim management strategies; and the way in which claims progress.
- Evaluating developments during the year including court judgements issued during the year, discussing these with external legal counsel and reading the judgements issued. We challenged management as to how these developments had been incorporated into the calculation of the provision and considered the degree to which they supported potential defences available to the group.

There is subjectivity and continuing uncertainty involved in estimating this provision however, based on the audit procedures performed we concluded the amount provided was reasonable.

We also evaluated the related disclosures included in notes 3, 26 and 34 to the group financial statements by reference to the audit procedures outlined above. We consider them to be appropriate.

Key audit matter

Valuation of pension liability 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 117 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 £1,860.0m (2021: £2,788.4m). The net pension deficit (pre deferred tax) on the consolidated balance sheet is £150.9m (2021: £153.9m). A past service cost of £10.6m has been recognised in the period as a result of the identification of a 'Barber window' within one scheme by the scheme's trustees.

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 £1,710.3m (2021: £2,636.3m). Approximately 44% of the total assets are held in pooled investment vehicles ("PIVs"), of which approximately 31% are considered more complex.

How our audit addressed the key audit matter

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 liability is reasonable based on the following:

- A review of the methodology used to determine the liabilities. Our specialist 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.
- Evaluating the accounting for the Barber window equalisation adjustment as a past service cost. Our expert actuarial team also supported us in reviewing the methodology used to estimate the adjustment and concluded this was reasonable.
- 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 continue to be based on the 2019 funding valuations, 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.
- Three of the funds are not able to provide a price as at the year end, as such, the Group's actuary performs a roll back of the valuation received based on the underlying asset split and using a relevant index. The impact of this roll back was not material.
- 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).

Key audit matter	How our audit addressed the key audit matter
Valuation of pension liability and pension assets (group) continued 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.	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.

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 parent 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 £5.13m. 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 2022 Carbon Disclosure Project public submission.

Management has assessed the key risks and opportunities for the group but has not yet completed quantitative and in-depth scenario analysis to estimate the financial impact of these. However, 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 right 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 52 week period ended 25 December 2022.

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	£5.70m (2021: £6.30m).	£7.90m (2021: £5.67m).
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.

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 £5.13m. 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% (2021: 75%) of overall materiality, amounting to £4.27m (2021: £4.72m) for the group financial statements and £5.93m (2021: £4.25m) for the parent 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 £285k (group audit) (2021: £320k) and £395k (parent company audit) (2021: £284k) 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 parent 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 include considering the appropriateness of management's downside scenario 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 parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent 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, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD)

recommendations. 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.

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 25 December 2022 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 parent 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 parent 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 parent 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 parent 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 parent 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 parent 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 parent 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 parent 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 parent 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

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 parent 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 parent 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 directors 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 4 years, covering the years ended 29 December 2019 to 25 December 2022.

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

7 March 2023

Consolidated income statement

for the 52 weeks ended 25 December 2022 (52 weeks ended 26 December 2021)

	notes	Adjusted 2022 £m	Adjusted items 2022 £m	Statutory 2022 £m	Adjusted 2021 £m	Adjusted items 2021 £m	Statutory 2021 £m
Revenue	5	601.4	–	601.4	615.8	–	615.8
Cost of sales		(375.7)	–	(375.7)	(329.4)	–	(329.4)
Gross profit		225.7	–	225.7	286.4	–	286.4
Distribution costs		(38.1)	–	(38.1)	(41.1)	–	(41.1)
Administrative expenses	8	(84.3)	(33.4)	(117.7)	(102.4)	(65.2)	(167.6)
Share of results of associates	20	2.8	(1.4)	1.4	3.2	(1.6)	1.6
Operating profit	6	106.1	(34.8)	71.3	146.1	(66.8)	79.3
Interest income	9	0.1	–	0.1	0.1	–	0.1
Finance costs	10	(2.9)	–	(2.9)	(2.7)	–	(2.7)
Pension finance charge	21	–	(2.3)	(2.3)	–	(3.4)	(3.4)
Profit before tax		103.3	(37.1)	66.2	143.5	(70.2)	73.3
Tax charge	11	(18.8)	4.9	(13.9)	(26.9)	(43.5)	(70.4)
Profit for the period attributable to equity holders of the parent		84.5	(32.2)	52.3	116.6	(113.7)	2.9

	notes	2022 Pence	2022 Pence	2021 Pence	2021 Pence
Earnings per share					
Earnings per share – basic	13	27.1	16.8	37.6	0.9
Earnings per share – diluted	13	26.7	16.5	36.5	0.9

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 52 weeks ended 25 December 2022 (52 weeks ended 26 December 2021)

	notes	2022 £m	2021 £m
Profit for the period		52.3	2.9
Items that will not be reclassified to profit and loss:			
Actuarial (loss)/gain on defined benefit pension schemes	21	(35.0)	102.9
Tax on actuarial (loss)/gain on defined benefit pension schemes	11	7.4	(26.0)
Deferred tax credit resulting from future change in rate	11	-	13.9
Share of items recognised by associates after tax	20	(1.7)	(0.6)
Other comprehensive (loss)/income for the period		(29.3)	90.2
Total comprehensive income for the period		23.0	93.1

Consolidated statement of changes in equity

for the 52 weeks ended 25 December 2022 (52 weeks ended 26 December 2021)

	Share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	Accumulated loss and other reserves £m	Total £m
At 28 December 2020	32.2	605.4	17.4	4.4	(92.7)	566.7
Profit for the period	-	-	-	-	2.9	2.9
Other comprehensive income for the period	-	-	-	-	90.2	90.2
Total comprehensive income for the period	-	-	-	-	93.1	93.1
Purchase of own shares (note 28)	-	-	-	-	(3.3)	(3.3)
Credit to equity for equity-settled share-based payments	-	-	-	-	1.7	1.7
Deferred tax credit for equity-settled share-based payments (note 27)	-	-	-	-	2.4	2.4
Dividends paid	-	-	-	-	(21.8)	(21.8)
At 26 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 28)	-	-	-	-	(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 27)	-	-	-	-	(2.2)	(2.2)
Dividends paid (note 12)	-	-	-	-	(22.9)	(22.9)
At 25 December 2022	32.2	605.4	17.4	4.4	(21.9)	637.5

Consolidated cash flow statement

for the 52 weeks ended 25 December 2022 (52 weeks ended 26 December 2021)

	notes	2022 £m	2021 £m
Cash flows from operating activities			
Cash generated from operations	14	80.1	163.7
Pension deficit funding payments	21	(55.1)	(64.7)
Income tax paid		(5.0)	(14.6)
Net cash inflow from operating activities		20.0	84.4
Investing activities			
Interest received	9	0.1	0.1
Dividends received from associated undertakings	20	2.5	2.5
Proceeds on disposal of property, plant and equipment		0.4	0.7
Purchases of property, plant and equipment	17	(3.0)	(6.5)
Expenditure on capitalised internally generated development	16	(10.7)	(6.0)
Deferred consideration payment	24	(17.1)	(16.0)
Acquisition of associated undertaking	20	–	(0.8)
Net cash used in investing activities		(27.8)	(26.0)
Financing activities			
Interest and charges paid on borrowings		(1.9)	(1.4)
Dividends paid	12	(22.9)	(21.8)
Interest paid on leases	19	(1.1)	(1.3)
Repayment of obligation under leases	19	(5.6)	(6.9)
Purchase of own shares	28	(1.0)	(3.3)
Drawdown of borrowings	24	15.0	–
Net cash used in financing activities		(17.5)	(34.7)
Net (decrease)/increase in cash and cash equivalents		(25.3)	23.7
Cash and cash equivalents at the beginning of the period	24	65.7	42.0
Cash and cash equivalents at the end of the period	24	40.4	65.7

Consolidated balance sheet

at 25 December 2022 (at 26 December 2021)

	notes	2022 £m	2021 £m
Non-current assets			
Goodwill	15	35.9	35.9
Other intangible assets	16	832.9	824.3
Property, plant and equipment	17	140.1	157.3
Right-of-use assets	18	10.9	12.7
Finance lease receivable	19	10.4	–
Investment in associates	20	14.6	17.4
Retirement benefit assets	21	51.2	107.9
		1,096.0	1,155.5
Current assets			
Inventories	22	12.9	5.5
Trade and other receivables	23	95.2	102.3
Current tax receivable	11	13.9	13.5
Finance lease receivable	19	0.6	–
Cash and cash equivalents	24	40.4	65.7
		163.0	187.0
Total assets		1,259.0	1,342.5
Non-current liabilities			
Trade and other payables	25	(4.5)	(6.4)
Deferred consideration	24	–	(7.0)
Lease liabilities	19	(26.8)	(30.7)
Retirement benefit obligations	21	(202.1)	(261.8)
Provisions	26	(36.6)	(43.6)
Deferred tax liabilities	27	(191.6)	(188.1)
		(461.6)	(537.6)
Current liabilities			
Trade and other payables	25	(106.7)	(114.7)
Deferred consideration	24	(7.0)	(17.1)
Borrowings	24	(15.0)	–
Lease liabilities	19	(4.9)	(5.5)
Provisions	26	(26.3)	(28.8)
		(159.9)	(166.1)
Total liabilities		(621.5)	(703.7)
Net assets		637.5	638.8

	notes	2022 £m	2021 £m
Equity			
Share capital	28,29	32.2	32.2
Share premium account	28,30	605.4	605.4
Merger reserve	28	17.4	17.4
Capital redemption reserve	28	4.4	4.4
Accumulated loss and other reserves	28	(21.9)	(20.6)
Total equity attributable to equity holders of the parent		637.5	638.8

These consolidated financial statements on pages 154 to 191 were approved by the Board of directors and authorised for issue on 7 March 2023.

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 52 weeks ended 25 December 2022 (52 weeks ended 26 December 2021)

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 89.

These consolidated financial statements were approved for issue by the Board of directors on 7 March 2023. The Annual Report for the 52 weeks ended 25 December 2022 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 2023 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 3 May 2023.

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 52 weeks ended 25 December 2022 and the comparative period has been prepared for the 52 weeks ended 26 December 2021.

2 Adoption of new and revised standards

The following new standards and interpretations are effective for the 52 weeks ended 25 December 2022, but have not had a material impact on the Group:

- Covid-19-Related Rent Concessions – Amendments to IFRS 16; and
- Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

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 2023, unless stated below:

- 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.

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.

International Financial Reporting Standards (IFRS)

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 27 December 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

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 52 weeks ended 25 December 2022, prepared in accordance with applicable law and UK Accounting Practice, including FRS 101 'Reduced Disclosure Framework', are presented on pages 192 to 205.

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 2022 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;
- 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

3 Accounting policies continued

Going concern continued

- The available cash reserves and committed finance facilities available to the Group. During the year, the Group extended the expiry date of its £120.0m facility for a further year to 19 November 2026. The Group has drawn down £15.0m 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. 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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Reach plc and all entities controlled by it for the 52 weeks ended 25 December 2022. 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.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair value at the acquisition date of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the profit or loss account as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in fair value of contingent consideration classified as an asset or

liability are accounted for in accordance with the relevant IFRS. Changes in the fair value of contingent consideration classified as equity are not recognised.

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.

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.

Notes to the consolidated financial statements continued

3 Accounting policies continued

Other intangible assets continued

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:

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.

3 Accounting policies continued

Leases continued

The Group as a lessee continued

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.

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.

Notes to the consolidated financial statements continued

3 Accounting policies continued

Property, plant and equipment continued

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.

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.

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.

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. 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.

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 revenues.

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, 11 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:

Historical Legal Issues (notes 26 and 34)

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. There are 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 many claims will be received, 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.

During 2022, a charge of £11.0m (2021: £29.0m) has been made, which relates to an increase in the estimate for claim settlement values and the associated legal costs, and an increase in common court costs as cases progress. The charge has decreased from the prior year with the number of new claims arising in the year, being in line with expectation. At the period end, a provision of £43.0m 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 three years.

Notes to the consolidated financial statements continued

3 Accounting policies continued

Key sources of estimation uncertainty continued

Historical Legal Issues (notes 26 and 34) continued

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 £32m to £56m (2021: £32m to £53m). However, it is unknown how long it will take to fully resolve this matter and despite making a best estimate of the provision, the timing of utilisation and possible range, the total universe of claims is unknown and there are both ongoing legal matters (including a trial currently listed in May 2023 where a number of claims are expected to be heard) and the potential for new legal matters which could mean that the final outcome is outside of the range of outcomes. Due to these unquantifiable uncertainties, a contingent liability has been highlighted in note 34.

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 £8.1m (2021: £7.4m). 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 £27.2m (2021: nil to £25.1m).

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 each 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. 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 26)

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.

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

	2022 £m	2021 £m
Print	448.6	465.1
Circulation	307.7	312.9
Advertising	86.9	103.3
Printing	23.1	20.4
Other	30.9	28.5
Digital	149.8	148.3
Other	3.0	2.4
Total revenue	601.4	615.8

5 Revenue continued

The Group's operations are located primarily in the UK. The Group's revenue by location of customers is set out below:

	2022 £m	2021 £m
UK	574.1	587.7
Europe	27.1	28.0
Rest of World	0.2	0.1
Total revenue	601.4	615.8

The Group has two customers (representing over 90% of the circulation revenue) where revenues represent more than 10% of total revenue.

6 Operating profit

	2022 £m	2021 £m
Operating profit for the period is arrived at after (charging)/crediting:		
Staff costs (note 7)	(234.7)	(232.1)
Cost of inventories recognised as cost of sales	(84.2)	(61.2)
Amortisation of other intangible assets (note 16)	(2.1)	(0.4)
Depreciation of property, plant and equipment (note 17)	(15.2)	(15.3)
Depreciation of right-of-use assets (note 18)	(2.9)	(3.6)
Trade receivables (impairment)/release of provision (note 23)	(0.5)	0.3
Net foreign exchange gain/(loss)	0.7	(0.5)
Operating adjusted items (note 8)		
– excluding associates	(33.4)	(65.2)
– share of associates	(1.4)	(1.6)
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	(0.8)	(0.7)
Fees payable to the Company's auditor for the other services to the Group:		
– the audit of the Company's subsidiaries	(0.5)	(0.5)
Total audit fees	(1.3)	(1.2)
Non-audit fees payable to the Company's auditor for:		
– audit-related assurance services	(0.1)	(0.1)
Total non-audit fees	(0.1)	(0.1)
Total fees	(1.4)	(1.3)

There are also £1k of fees for other non-audit services during the year.

A description of the work of the Audit & Risk Committee is set out in the Audit & Risk Committee Report on pages 1112 to 119 and includes an explanation of how the objectivity and independence of the auditor are safeguarded when non-audit services are provided by the auditor.

7 Staff costs

The average monthly number of persons, including executive directors, employed by the Group in the period was:

	2022 Number	2021 Number
Production and editorial	3,369	3,104
Sales and distribution	916	931
Administration	373	395
Total	4,658	4,430

All 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:

	2022 £m	2021 £m
Wages and salaries	(192.5)	(193.2)
Social security costs	(22.6)	(20.1)
Share-based payments charge in the period (note 31)	(1.5)	(1.7)
Pension costs relating to defined contribution pension schemes (note 21)	(18.1)	(17.1)
Total	(234.7)	(232.1)

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 120 to 136 and form part of these consolidated financial statements.

Notes to the consolidated financial statements continued

8 Operating adjusted items

	2022 £m	2021 £m
Provision for historical legal issues (note 26)	(11.0)	(29.0)
Restructuring charges in respect of cost reduction measures (note 26)	(15.5)	(2.8)
Sublet of closed print site (notes 18 and 26)	16.6	-
Home and Hub project	-	(23.7)
Pension administrative expenses and past service costs (note 21)	(14.8)	(3.7)
Other items (note 35)	(8.7)	(6.0)
Operating adjusted items included in administrative expenses	(33.4)	(65.2)
Operating adjusted items included in share of results of associates (note 20)	(1.4)	(1.6)
Total operating adjusted items	(34.8)	(66.8)

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 £11.0m (2021: £29.0m) 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 26).

Restructuring charges of £15.5m (2021: £2.8m) incurred in respect of cost reduction measures are principally severance costs that relate to cost management actions taken in the period.

The sublet of the vacant print site which was closed in 2020 has resulted in the reversal of an impairment in right-of-use assets of £11.0m (note 18) and previously onerous costs of the vacant print site of £5.6m (note 26). The impairment and onerous closure costs of the vacant print site were recognised in operating adjusted items in 2020.

Pension costs of £14.8m (2021: £3.7m) comprise pension administrative expenses of £4.2m and past service costs relating to a Barber Window equalisation adjustment of £10.6m.

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). In 2021 other adjusted items related to adviser costs in relation to triennial funding valuations (£1.2m), an increase in National Insurance

costs relating to share awards (£2.6m), the write-off of an old debit balance (£2.9m) and the profit on sale of an impaired asset (£0.7m).

In the first half of 2021, the Group implemented a Home and Hub project which set out the vision for how the Group's offices would look and where job roles would be based. As a consequence of the project a number of offices or floors were closed. The project resulted in charges of £23.7m (impairments of £2.3m relating to property, plant and equipment and £10.5m relating to right-of-use assets and a £10.9m property rationalisation charge relating to onerous costs of vacant properties).

9 Interest income

	2022 £m	2021 £m
Interest income on bank deposits	0.1	0.1

10 Finance costs

	2022 £m	2021 £m
Interest and charges on borrowings	(1.8)	(1.4)
Interest on lease liabilities	(1.1)	(1.3)
Finance costs	(2.9)	(2.7)

11 Tax charge

	2022 £m	2021 £m
Corporation tax charge for the period	(4.5)	(4.8)
Prior period adjustment	(0.7)	0.9
Current tax charge	(5.2)	(3.9)
Deferred tax charge for the period	(9.0)	(12.8)
Prior period adjustment	0.3	0.2
Deferred tax rate change	-	(53.9)
Deferred tax charge	(8.7)	(66.5)
Tax charge	(13.9)	(70.4)

	2022 £m	2021 £m
Reconciliation of tax charge		
Profit before tax	66.2	73.3
Standard rate of corporation tax of 19% (2021: 19%)	(12.6)	(13.9)
Tax effect of permanent items that are not included in determining taxable profit	(1.2)	(4.0)
Change in rate of deferred tax	-	(53.9)
Prior period adjustment	(0.4)	1.1
Tax effect of share of results of associates	0.3	0.3
Tax charge	(13.9)	(70.4)

11 Tax charge continued

The standard rate of corporation tax for the period is 19% (2021: 19%). 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 £13.9m (2021: £13.5m) is net of the uncertain tax provision of £19.1m (2021: £17.7m). At the reporting date, the maximum amount of the additional unprovided tax exposure relating to an uncertain tax item is £8.1m (2021: £7.4m). 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 £27.2m (2021: nil to £25.1m).

The Budget on 5 March 2021 increased the rate of corporation tax from 19% to 25% with effect from 1 April 2023. At 26 December 2021, this rate change had been substantively enacted by parliament meaning that the opening deferred tax position was recalculated in the period resulting in a £53.9m debit in the consolidated income statement and a £13.9m credit in the consolidated statement of comprehensive income.

The tax on actuarial losses (2021: gains) on defined benefit pension schemes taken to the consolidated statement of comprehensive income is a deferred tax credit of £7.4m (2021: charge of £26.0m).

The amount taken to the consolidated income statement as a result of pension contributions was £7.1m (2021: £10.1m).

12 Dividends

	2022 Pence per share	2021 Pence per share
Amounts recognised as distributions to equity holders in the period		
Dividends paid per share – prior year final dividend	4.46	4.26
Dividends paid per share – interim dividend	2.88	2.75
Total dividends paid per share	7.34	7.01
Dividend proposed per share but not paid nor included in the accounting records	4.46	4.46

The Board proposes a final dividend for 2022 of 4.46 pence per share. An interim dividend for 2022 of 2.88 pence per share was paid on 23 September 2022 bringing the total dividend in respect of 2022 to 7.34 pence per share. The 2022 final dividend payment is expected to amount to £14.0m.

On 5 May 2022, the final dividend proposed for 2021 of 4.46 pence per share was approved by shareholders at the Annual General Meeting and was paid on 10 June 2022.

Total dividends paid in 2022 were £22.9m (2021 final dividend payment of £13.9m and 2022 interim dividend payment of £9.0m).

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.

	2022 Thousand	2021 Thousand
Weighted average number of ordinary shares for basic earnings per share	312,153	310,282
Effect of potential dilutive ordinary shares in respect of share awards	4,828	8,971
Weighted average number of ordinary shares for diluted earnings per share	316,981	319,253

The weighted average number of potentially dilutive ordinary shares not currently dilutive was 5,406,814 (2021: 1,704,886).

Statutory earnings per share	2022 Pence	2021 Pence
Earnings per share – basic	16.8	0.9
Earnings per share – diluted	16.5	0.9

Adjusted earnings per share	2022 Pence	2021 Pence
Earnings per share – basic	27.1	37.6
Earnings per share – diluted	26.7	36.5

Set out in note 35 is the reconciliation between the statutory and adjusted results.

Notes to the consolidated financial statements continued

14 Cash flows from operating activities

	2022 £m	2021 £m
Operating profit	71.3	79.3
Depreciation of property, plant and equipment	15.2	15.3
Depreciation of right-of-use assets	2.9	3.6
Amortisation of other intangible assets	2.1	0.4
Impairment of property, plant and equipment	5.0	2.3
Reversal of impairment of right-of-use assets	(11.0)	-
Impairment of right-of-use assets	-	10.5
Profit on disposal of property, plant and equipment	(0.4)	(0.7)
Share of results of associates	(1.4)	(1.6)
Share-based payments charge	1.5	1.7
Pension administrative expenses and past service costs	14.8	3.7
Operating cash flows before movements in working capital	100.0	114.5
Increase in inventories	(7.4)	(0.9)
Decrease in receivables	7.2	5.6
(Decrease)/increase in payables	(19.7)	44.5
Cash flows from operating activities	80.1	163.7

15 Goodwill

	Total £m
Cost	
At 28 December 2020	189.9
At 26 December 2021	189.9
At 25 December 2022	189.9
Accumulated impairment	
At 28 December 2020	(154.0)
At 26 December 2021	(154.0)
At 25 December 2022	(154.0)
Carrying amount	
At 26 December 2021	35.9
At 25 December 2022	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.

16 Other intangible assets

	Publishing rights and titles £m	Internally generated assets £m	Total £m
Cost			
At 28 December 2020	2,100.3	-	2,100.3
Additions	-	6.0	6.0
At 26 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
Accumulated amortisation			
At 28 December 2020	(1,281.6)	-	(1,281.6)
Charge for the period	-	(0.4)	(0.4)
At 26 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)
Carrying amount			
At 26 December 2021	818.7	5.6	824.3
At 25 December 2022	818.7	14.2	832.9

During the year, the Group capitalised internally generated assets relating to software and website development costs of £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.

16 Other intangible assets continued

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.

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 2023 and projections for a further nine years as this is the period over which the transformation to digital can be assessed. The projections for 2024 to 2032 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. The Group's medium-term internal projections are that growth in digital revenue will be sufficient to offset the decline in print revenue and that overall revenue will stabilise. The long-term growth rates beyond the 10-year period have been assessed at 1.0% (2021: 0%) based on the Board's view of the market position and maturity of the relevant market. 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 10.8% (2021: 10.8%) and 13.9% (2021: 14.2%) respectively.

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 £183m (2021: £411m). EBITDA in the 10-year projections is forecast to grow at a CAGR of 1.6% (2021: 1.3%). A combination of reasonably possible changes in key assumptions 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 an impairment if these resulted in the EBITDA in the 10-year projections declining at a CAGR of 0.9% (2021: -5.0%). Alternatively an increase in the discount rate by 2.4 percentage points (2021: 5.6 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 28 December 2020	204.6	368.9	0.6	574.1
Additions	–	4.3	2.2	6.5
Disposals	–	(13.3)	–	(13.3)
Reclassification	–	0.6	(0.6)	–
At 26 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
Accumulated depreciation and impairment				
At 28 December 2020	(96.7)	(309.0)	–	(405.7)
Charge for the period	(2.6)	(12.7)	–	(15.3)
Eliminated on disposal	–	13.3	–	13.3
Impairment	–	(2.3)	–	(2.3)
At 26 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)
Carrying amount				
At 26 December 2021	105.3	49.8	2.2	157.3
At 25 December 2022	98.5	41.1	0.5	140.1

Impairment of vacant freehold property of £4.2m (note 8) is 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 has been impaired by £0.8m (note 8) in the period due to the closure of a print site.

Impairment of plant and equipment in 2021 amounted to £2.3m (note 8) as a result of the Home and Hub project which means that a number of offices or floors have been closed.

£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.

Notes to the consolidated financial statements continued

18 Right-of-use assets

	Properties £m	Vehicles £m	Total £m
Cost			
At 28 December 2020	43.2	3.0	46.2
Additions	1.1	0.4	1.5
Derecognition at end of lease term	(1.2)	-	(1.2)
At 26 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
Accumulated depreciation and impairment			
At 28 December 2020	(19.9)	(1.0)	(20.9)
Charge for the period	(2.6)	(1.0)	(3.6)
Impairment	(10.5)	-	(10.5)
Derecognition at end of lease term	1.2	-	1.2
At 26 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)
Carrying amount			
At 26 December 2021	11.3	1.4	12.7
At 25 December 2022	10.2	0.7	10.9

The sublet of the vacant print site which was closed in 2020, has resulted in the reversal of an impairment in right-of-use assets of £11.0m in 2022 (note 8). The sublet has been classified as a finance lease and the net investment in the lease of £11.0m is recognised as a finance lease receivable in the consolidated balance sheet.

Right-of-use assets of £10.5m (note 8) were impaired in 2021 as a result of the Home and Hub project which means that a number of offices or floors were closed.

Amounts recognised in the consolidated income statement

The consolidated income statement includes the following amounts relating to leases:

	2022 £m	2021 £m
Depreciation of right-of-use assets	(2.9)	(3.6)
Impairment of right-of-use assets	-	(10.5)
Reversal of impairment of right-of-use assets	11.0	-
Expenses relating to short-term leases	(0.1)	(0.2)
Interest expense (included in finance cost)	(1.1)	(1.3)
Total credited/(charged) to the consolidated income statement	6.9	(15.6)

Amounts recognised in the consolidated cash flow statement

The total cash outflow for leases in 2022 was £6.7m (2021: £8.2m).

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

In 2022, the Group has sublet a leased property under a finance lease. The finance lease receivable (net investment in the lease) included in the consolidated balance sheet is £11.0m (2021: nil).

The finance lease receivable has been analysed between current and non-current as follows:

	2022 £m	2021 £m
Current	0.6	-
Non-current	10.4	-
	11.0	-

19 Leases continued

Finance lease receivable continued

The following table sets out the maturity analysis of finance lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2022 £m	2021 £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 28 December 2020	(39.5)	(2.1)	(41.6)
Additions	(1.1)	(0.4)	(1.5)
Interest cost	(1.2)	(0.1)	(1.3)
Payments	7.1	1.1	8.2
At 26 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)

The lease liabilities have been analysed between current and non-current as follows:

	2022 £m	2021 £m
Current	(4.9)	(5.5)
Non-current	(26.8)	(30.7)
	(31.7)	(36.2)

The Group does not face significant liquidity risk in relation to its lease liabilities.

20 Investment in associates

Details of the Group's associates at 25 December 2022 are set out on page 205.

The carrying value of investments in associates is set out below:

	PA Media 2022 £m	PA Media 2021 £m
Opening balance	17.4	18.1
Investment	–	0.8
Dividends received	(2.5)	(2.5)
Share of results:	1.4	1.6
Results before adjusted items	2.8	3.2
Adjusted items	(1.4)	(1.6)
Share of other comprehensive loss	(1.7)	(0.6)
Closing balance	14.6	17.4

The share of total comprehensive loss from associates recognised in 2022 is £0.3m (2021: income of £1.0m).

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.

	2022 £m	2021 £m
PA Media Group Limited		
Non-current assets	49.7	57.5
Current assets	49.1	45.8
Total assets	98.8	103.3
Current liabilities	(41.5)	(34.8)
Total liabilities	(41.5)	(34.8)
Net assets	57.3	68.5
Group's share of net assets	14.6	17.4
Revenue	105.4	99.2
Profit for the period	5.4	6.1
Group's share of profit for the period	1.4	1.6

Notes to the consolidated financial statements continued

20 Investment in associates continued

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 2021 together with the management accounts up to the end of December 2022 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 £0.1m (2021: £0.1m) and after tax amortisation charges of £1.3m (2021: £1.5m). The share of other comprehensive loss of £1.7m (2021: £0.6m) relates primarily to pensions.

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 £18.1m (2021: £17.1m) 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 the final salary pension payable, 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 60% to current pensioners and their spouses or dependants and 40% 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 2022, excluding lump sums and transfer value payments, were £73m and these are projected to rise to an annual peak in 2034 of £104m and reducing 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 the Trustees 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 valuation date for all six of the Group's schemes was 31 December 2019, although the process to determine the 31 December 2022 valuations is now due to commence.

Discussions in relation to the funding valuations of the MGN Scheme at 31 December 2019 are ongoing. The funding valuation of the MGN scheme: at 31 December 2016 showed a deficit of £476.0m. The Group paid contributions of £40.9m to the MGN Scheme in 2022 and the current schedule of contributions includes payments of £40.9m pa from 2023 to 2027.

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 2022 and agreed an unchanged schedule of contributions of payments of £5.2m pa from 2023 to 2027.

The funding valuation of the MIN Scheme at 31 December 2019 was agreed after the year end on 3 February 2023. This showed a deficit of £73.8m. The Group paid contributions of £5.9m to this scheme in 2022 and the agreed schedule of contributions features payments of £6.9m pa from 2023 to 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. The Group paid contributions of £2.8m to this scheme in 2022 and the agreed schedule of contributions includes payments of £2.8m pa from 2023 to 2026 and £0.8m in 2027. During the year, 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. The Group paid £9.6m to the WF Scheme in 2021 which together with the payment of £5.0m made in 2020 enabled the Trustees to purchase a bulk annuity 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 £55.1m (2021: £64.7m).

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 £55.8m pa in 2023 to 2025, £56.7m pa in 2026, £54.7m pa in 2027 and £8.6m pa in 2028 and 2029.

21 Retirement benefit schemes continued

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 the 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.

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 16% 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 93% 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 7% 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.

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 2041, based on the reporting date assumptions. The remaining uninsured benefit payments, payable from 2042, 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 2028 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 GMP equalisation and the Barber Window equalisation adjustment, there were no plan amendments, settlements or curtailments in 2022 or 2021 which resulted in a pension cost.

Notes to the consolidated financial statements continued

21 Retirement benefit schemes continued

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 25 December 2022.

Based on actuarial advice, the assumptions used in calculating the scheme liabilities are:

	2022	2021
Financial assumptions (nominal % pa)		
Discount rate	4.90	1.83
Retail price inflation rate	3.29	3.46
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	2.90	3.24
Rate of pension increases in payment	3.38	3.40
Mortality assumptions – future life expectancies from age 65 (years)		
Male currently aged 65	21.6	21.8
Female currently aged 65	24.0	24.1
Male currently aged 55	21.3	21.5
Female currently aged 55	24.5	24.6

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 2021 and 2022, the financial assumptions have been derived for each scheme based on their individual circumstances, rather than considering the schemes in aggregate as has been done in the past. Note that the assumptions provided in the table above for 2021 and 2022 are the average assumptions across all of the schemes.

The discount rate should be chosen to be equal to the yield available on 'high quality' corporate bonds of appropriate term and currency. For 2021 and 2022, the discount rate has been set to reflect the full corporate bond yield curve with a different assumption for each scheme, based on the scheme-specific cash flows and set separately for uninsured and insured liabilities within each scheme, reflecting their respective durations.

The inflation assumptions are based on market expectations over the period of the liabilities. For 2021 and 2022, the inflation assumptions have been set using the full inflation curve. The RPI assumption is set based on a margin deducted from the break-even RPI inflation curve. 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 0.3% (to broadly reflect 0.2% to 2030 and 0.4% thereafter). The CPI assumption is set based on a margin deducted from the RPI assumption, due to lack of market data on CPI expectations. Based on an analysis of the CPI-linkage of the cash flow profile of the schemes 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 2021.

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	-190/+230	-160/+200
Retail price inflation rate +/- 0.5% pa	+23/-23	+15/-15
Consumer price inflation rate +/- 0.5% pa	+25/-23	+24/-21
Life expectancy at age 65 +/- 1 year	+75/-80	+60/-65

The RPI sensitivity impacts the rate of increases in deferment for some of the pensions in the EN88 Scheme and the ENSM 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.

21 Retirement benefit schemes continued

Results continued

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:

Past service costs of £10.6m relates to a Barber Window equalisation adjustment identified by the Trustees of the MGN Scheme during the 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.

	2022 £m	2021 £m
Consolidated income statement		
Pension administrative expenses	(4.2)	(3.7)
Past service costs	(10.6)	-
Pension finance charge	(2.3)	(3.4)
Defined benefit cost recognised in income statement	(17.1)	(7.1)

	2022 £m	2021 £m
Consolidated statement of comprehensive income		
Actuarial loss due to liability experience	(60.1)	(22.0)
Actuarial gain due to liability assumption changes	940.4	30.5
Total liability actuarial gain	880.3	8.5
Returns on scheme assets (less)/greater than discount rate	(915.9)	48.6
Impact of IFRIC 14	0.6	45.8
Total (loss)/gain recognised in statement of comprehensive income	(35.0)	102.9

	2022 £m	2021 £m
Consolidated balance sheet		
Present value of uninsured scheme liabilities	(1,571.5)	(2,395.0)
Present value of insured scheme liabilities	(288.5)	(393.4)
Total present value of scheme liabilities	(1,860.0)	(2,788.4)
Invested and cash assets at fair value	1,421.8	2,242.9
Value of liability matching insurance contracts	288.5	393.4
Total fair value of scheme assets	1,710.3	2,636.3
Funded deficit	(149.7)	(152.1)
Impact of IFRIC 14	(1.2)	(1.8)
Net scheme deficit	(150.9)	(153.9)

Non-current assets – retirement benefit assets	51.2	107.9
Non-current liabilities – retirement benefit obligations	(202.1)	(261.8)
Net scheme deficit	(150.9)	(153.9)
Net scheme deficit included in consolidated balance sheet	(150.9)	(153.9)
Deferred tax included in consolidated balance sheet	37.0	36.7
Net scheme deficit after deferred tax	(113.9)	(117.2)

	2022 £m	2021 £m
Movement in net scheme deficit		
Opening net scheme deficit	(153.9)	(314.4)
Contributions	55.1	64.7
Consolidated income statement	(17.1)	(7.1)
Consolidated statement of comprehensive income	(35.0)	102.9
Closing net scheme deficit	(150.9)	(153.9)

Notes to the consolidated financial statements continued

21 Retirement benefit schemes continued

Changes in the present value of scheme liabilities	2022 £m	2021 £m
Opening present value of scheme liabilities	(2,788.4)	(2,864.1)
Past service costs	(10.6)	-
Interest cost	(49.9)	(41.8)
Actuarial loss – experience	(60.1)	(22.0)
Actuarial gain – change to demographic assumptions	6.7	1.6
Actuarial gain – change to financial assumptions	933.7	28.9
Benefits paid	108.6	109.0
Closing present value of scheme liabilities	(1,860.0)	(2,788.4)

Impact of IFRIC 14	2022 £m	2021 £m
Opening impact of IFRIC 14	(1.8)	(47.6)
Decrease in impact of IFRIC 14	0.6	45.8
Closing impact of IFRIC 14	(1.2)	(1.8)

Changes in the fair value of scheme assets	2022 £m	2021 £m
Opening fair value of scheme assets	2,636.3	2,597.3
Interest income	47.6	38.4
Actual return on assets (less)/greater than discount rate	(915.9)	48.6
Contributions by employer	55.1	64.7
Benefits paid	(108.6)	(109.0)
Administrative expenses	(4.2)	(3.7)
Closing fair value of scheme assets	1,710.3	2,636.3

Fair value of scheme assets	2022 £m	2021 £m
UK equities	27.5	58.7
US equities	48.5	157.1
Other overseas equities	28.4	181.1
Property	33.2	40.5
Corporate bonds	315.9	260.9
Fixed interest gilts	6.7	34.9
Index linked gilts	-	18.3
Liability driven investment	816.5	903.4
Cash and other	145.1	588.0
Invested and cash assets at fair value	1,421.8	2,242.9
Value of insurance contracts	288.5	393.4
Fair value of scheme assets	1,710.3	2,636.3

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

	2022 £m	2021 £m
Raw materials and consumables	12.9	5.5

23 Trade and other receivables

Trade and other receivables	2022 £m	2021 £m
Gross trade receivables	56.6	64.3
Expected credit loss	(1.4)	(1.1)
Net trade receivables	55.2	63.2
Prepayments	12.7	14.0
Accrued income	20.9	19.9
Other receivables	6.4	5.2
	95.2	102.3

Net trade receivables

Trade receivables net of expected credit loss at the reporting date amounted to £55.2m (2021: £63.2m). The average credit period taken on sales is 34 days (2021: 38 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 (2021: 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 £4.6m (2021: £3.6m) 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 89 days (2021: 88 days).

Ageing of past due but not impaired receivables	2022 £m	2021 £m
60–90 days	2.9	2.2
90–120 days	0.7	1.1
120 days+	1.0	0.3
	4.6	3.6

Movement in allowance for doubtful debts

	2022 £m	2021 £m
Opening balance	1.1	1.5
Impairment losses recognised	0.5	0.2
Release of provision	–	(0.5)
Utilisation of provision	(0.2)	(0.1)
Closing balance	1.4	1.1

Ageing of impaired receivables

	2022 £m	2021 £m
120+ days	1.4	1.1
	1.4	1.1

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

Notes to the consolidated financial statements continued

24 Net cash

The net cash for the Group is as follows:

	27 December 2021 £m	Cash flow £m	Loan drawdown £m	IFRS 16 lease liabilities movement		25 December 2022 £m
				Interest £m	New leases £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

	28 December 2020 £m	Cash flow £m	IFRS 16 lease liabilities movement		26 December 2021 £m
			Interest £m	New leases £m	
Liabilities from financing activities					
Lease liabilities	(41.6)	8.2	(1.3)	(1.5)	(36.2)
	(41.6)	8.2	(1.3)	(1.5)	(36.2)
Current assets					
Cash and cash equivalents	42.0	23.7	-	-	65.7
Net cash less lease liabilities	0.4				29.5
Net cash	42.0	23.7	-	-	65.7

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 Group has a revolving credit facility of £120.0m which was extended for a further year in 2022 and now expires on 19 November 2026. The Group had drawings of £15.0m 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

Deferred consideration (which is shown separately on the face of the consolidated balance sheet) is 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 is classified as current liabilities (payable on 28 February 2023). There are no conditions attached to the payment of the deferred consideration and the transaction was structured such that no interest accrues 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 has not been discounted as we do not believe that the impact of such discounting is material.

25 Trade and other payables

	2022 £m	2021 £m
Trade and other payables		
Trade payables	(26.9)	(21.7)
Social security and other taxes	(6.4)	(7.3)
Accruals	(39.2)	(50.9)
Deferred income	(11.6)	(13.7)
Other payables	(27.1)	(27.5)
	(111.2)	(121.1)

The trade and other payables have been analysed between current and non-current as follows:

	2022 £m	2021 £m
Current	(106.7)	(114.7)
Non-current	(4.5)	(6.4)
	(111.2)	(121.1)

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 37 days (2021: 42 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.

26 Provisions

	Share-based payments £m	Property £m	Restructuring £m	Historical legal issues £m	Other £m	Total £m
At 27 December 2021	(4.0)	(12.3)	(10.3)	(41.0)	(4.8)	(72.4)
Charged to income statement	(0.3)	-	(15.7)	(11.0)	(1.0)	(28.0)
Released to income statement	2.7	0.4	5.6	-	1.1	9.8
Utilisation of provision	0.7	2.5	13.8	9.0	1.7	27.7
At 25 December 2022	(0.9)	(9.4)	(6.6)	(43.0)	(3.0)	(62.9)

The provisions have been analysed between current and non-current as follows:

	2022 £m	2021 £m
Current	(26.3)	(28.8)
Non-current	(36.6)	(43.6)
	(62.9)	(72.4)

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 charge includes £15.5m of principally severance costs relating to cost management actions taken in the period (note 8). The sublet of a vacant print plant has resulted in the release of £5.6m of previously onerous costs (note 8). The balance at the period end comprises severance costs of £4.1m and closure costs relating to a print plant of £2.5m. The severance costs provision is expected to be utilised within the next year. The closure costs provision includes £0.5m expected to be utilised within the next year and £2.0m expected to be utilised at the end of a long-term print plant lease related to the print restructure in 2020.

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. There are 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 many claims will be received, 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 used for the potential claims provision.

During 2022, a charge of £11.0m (2021: £29.0m) has been made, which relates to an increase in the estimate for claim settlement values and the associated legal costs, and an increase in common court costs as cases progress. The charge has decreased from the prior year with the number of new claims arising in the year, being in line with expectation. At the period end, a provision of £43.0m 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 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 £32m to £56m (2021: £32m to £53m). However, it is unknown how long it will take to fully resolve this matter and despite making a best estimate of the provision, the timing of utilisation and possible range, the total universe of claims is unknown and there are both ongoing legal matters (including a trial currently listed in May 2023 where a number of claims are expected to be heard) and the potential for new legal matters which could mean that the final outcome is outside of the range of outcomes. Due to these unquantifiable uncertainties, a contingent liability note has been highlighted in note 34.

The other provision balance of £3.0m 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

27 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	Other short-term timing £m	Intangibles £m	Retirement benefit obligations £m	Share-based payments £m	Total £m
At 28 December 2020	(16.8)	0.3	(155.6)	58.9	1.3	(111.9)
(Charge)/credit to consolidated income statement	(6.0)	(1.6)	(49.1)	(10.1)	0.3	(66.5)
Charge to other comprehensive income statement	–	–	–	(12.1)	–	(12.1)
Credit to statement of changes in equity	–	–	–	–	2.4	2.4
At 26 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)

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 £37.5m (2021: £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	Other short-term timing £m	Intangibles £m	Retirement benefit obligations £m	Share-based payments £m	Total £m
Within one year	(1.7)	(0.9)	–	11.7	(0.2)	8.9
More than one year	(20.2)	(2.0)	(204.7)	25.3	1.1	(200.5)
At 25 December 2022	(21.9)	(2.9)	(204.7)	37.0	0.9	(191.6)

The Budget on 5 March 2021 increased the rate of corporation tax from 19% to 25% with effect from 1 April 2023. At 26 December 2021, this rate change had been substantively enacted by parliament meaning that the opening deferred tax position has been recalculated in the prior period, resulting in a net increase in deferred tax liability of £40.0m.

28 Share capital and reserves

	Share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	Accumulated loss and other reserves £m	Total £m
At 28 December 2020	32.2	605.4	17.4	4.4	(92.7)	566.7
Total comprehensive income for the period	–	–	–	–	93.1	93.1
Purchase of own shares	–	–	–	–	(3.3)	(3.3)
Credit to equity for equity-settled share-based payments	–	–	–	–	1.7	1.7
Deferred tax credit for equity-settled share-based payments	–	–	–	–	2.4	2.4
Dividends paid	–	–	–	–	(21.8)	(21.8)
At 26 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

The share capital comprises 322,085,269 (2021: 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 5,014,410 shares as Treasury shares (2021: 8,128,176 shares).

On 4 March 2022, 1,106,273 shares, 27 July 2022, 992,627 shares and 2 December 2022, 1,013,951 shares were individually withdrawn from Treasury and transferred to the Reach Employee Benefit Trust to satisfy the vesting of awards granted in 2019 under the Reach Long Term Incentive Plan. In the first half of 2022, 915 shares were withdrawn from Treasury to satisfy the vesting of the share award to colleagues granted in December 2020 under the Reach All-Employee Share Plan.

Cumulative goodwill written off to accumulated loss and other reserves in respect of continuing businesses acquired prior to 1998 is £25.9m (2021: £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 Reach Employee Benefit Trust are included in accumulated loss and other reserves at £3.9m (2021: £5.2m). During the year the Trust purchased 521,310 (2021: 883,315) for a cash consideration of £1.0m (2021: £3.3m). The Trust received a payment of £1.0m (2021: £3.3m) from the Company to purchase these shares. During the year, 2,621,142 were released relating to grants made in prior years (2021: 1,241,171).

Notes to the consolidated financial statements continued

29 Share capital

	2022 Number	2022 £m	2021 Number	2021 £m
Authorised				
Ordinary shares of 10 pence each	450,000,000	45.0	450,000,000	45.0
	2022 Number	2022 £m	2021 Number	2021 £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 67.1 pence on 29 September 2022 (2021: 139.6 pence on 4 January 2021) and the highest closing price was 282.5 pence on 31 December 2021 (2021: 420.0 pence on 26 August 2021). The closing share price as at the reporting date was 94.9 pence (2021: 263.0 pence).

Reach plc Employees Benefit Trust

The Reach plc 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 3,503,358 shares (2021: 2,490,472 shares) with a carrying value of £3,854,995 (2021: £5,167,981) and a market value of £3,324,687 (2021: £6,549,941). In addition, the Trust holds cash to purchase future shares of £6,256 (2021: £6,314). 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.

TIH Employee Benefit Trust

An Employee Benefit Trust administered by the Trustee Zedra Trust Company (Guernsey) Limited holds shares of the Company for subsequent transfer to employees under a Restricted Share Plan. At the reporting date, 94,740 shares (2021: 94,740 shares) were held with a carrying value of £445,523 (2021: £445,523) and a market value of £89,908 (2021: £249,166), none of which (2021: none) had options granted over them under the Restricted Share Plan. Dividends on the shares are payable at an amount of 0.01 pence (2021: 0.01 pence) per share in the event that the Group declares any dividends. Shares held have been excluded from the weighted average number of shares used in the calculation of earnings per share.

30 Share premium account

	2022 £m	2021 £m
Opening balance and closing balance	605.4	605.4

31 Share-based payments

The charge related to share-based payments during the period was £1.5m (2021: £1.7m).

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 120 to 136. The vesting period is three years and is subject to continued employment of the participant. The Performance Shares granted in 2021 and 2022 vest if targets measuring the Company's share price and net cash flow are met.

	2022 Performance Shares	2021 Performance Shares
Awards outstanding at start of period	8,897,087	9,770,309
Granted during the period	1,923,861	1,618,363
Dividend accrued granted during the period	714	-
Lapsed during the period	(177,841)	(1,250,414)
Exercised during the period	(2,531,952)	(1,241,171)
Awards outstanding at end of period	8,111,869	8,897,087

During the year, awards relating to 667,448 shares were granted to executive directors on a discretionary basis under the Long Term Incentive Plan (2021: 608,136). 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.

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 2018 were as follows:

	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	Performance Shares 2019 4 December 2019	Performance Shares 2019 11 March 2019	Performance Shares 2018
Expected volatility (%)	65.4	58.9	50.8	54.0	43.8	43.4	39.0	41.5	39.0
Expected life (years)	2.5	3.0	3.4	3.0	3.0	3.0	3.0	3.0	3.0
Risk-free (%)	4.1	1.7	0.2	0.1	0.1	0.1	0.6	0.7	0.9

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, awards relating to 121,575 shares were granted to executive directors under the Restricted Share Plan (2021: nil). The award was based on the average share price over the three months prior to the date of the award of £2.207. The award vests after three years.

During the year, awards relating to 1,256,413 shares were granted to senior managers on a discretionary basis under the Long Term Incentive Plan (2021: 1,010,227). 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 (2021: 12 months). The share price at the date of grant for the Performance Shares was 168.6 pence for 1,805,312 shares and 70.2 pence for 118,549 shares (2021: 231.5 pence for 23,859 shares, 228.0 pence for 1,543,567 shares and 337.0 pence for 50,937 shares). The weighted average share price at the date of lapse for awards lapsed during the period was 127.9 pence (2021: 224.1 pence). The weighted average share price at the date of exercise for awards exercised during the period was 119.0 pence (2021: 256.3 pence).

The estimated fair values at the date of grant of the shares awarded are as follows:

	Awarded in 2022 £	Awarded in 2021 £	Awarded in 2020 £	Awarded in 2019 £	Awarded in 2018 £
Performance Shares	1,919,693	2,881,556	2,420,546	1,695,375	1,335,640

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 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 28).

The Group's Dividend Policy is set out on page 142 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 was extended for a further year in 2022 and expires on 19 November 2026. The Group had drawings of £15.0m 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:

	2022 £m	2021 £m
Net debt	–	–
Adjusted EBITDA (note 36)	126.3	165.4
Net debt to EBITDA	n/a	n/a
Adjusted operating profit	106.1	146.1
Interest and charges on borrowings	(1.8)	(1.4)
Interest cover	58.9	104.4

Net debt is defined as long-term and short-term borrowings (excluding leases under IFRS 16) less cash and cash equivalents. Net debt is nil at the reporting date as the Group is in a net cash position. 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.

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	2022 £m	2021 £m
Financial assets			
Net trade receivables	23	55.2	63.2
Accrued income	23	20.9	19.9
Other receivables	23	6.4	5.2
Finance lease receivable	19	11.0	–
Cash and cash equivalents	24	40.4	65.7
		133.9	154.0
Financial liabilities			
Trade payables	25	(26.9)	(21.7)
Accruals	25	(39.2)	(50.9)
Other payables	25	(27.1)	(27.5)
Deferred consideration	24	(7.0)	(24.1)
Borrowings	24	(15.0)	–
Lease liabilities	19	(31.7)	(36.2)
		(146.9)	(160.4)

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.

32 Financial instruments continued

Financial risk management objectives continued

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 2022 (2021: 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	
	2022 £m	2021 £m	2022 £m	2021 £m
Euro	–	–	1.1	4.4
US\$	–	–	0.2	0.7

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% (2021: 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\$ 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 £0.1m (2021: £0.5m) and equity by nil (2021: 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 £0.3m (2021: £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

32 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 £40.4m (2021: £65.7m) 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 £15.0m (2021: nil) Sterling variable interest rate bank drawing and has access to financial facilities of which the total unused amount is £105.0m (2021: £120.0m). The Group has a £120.0m non-amortising revolving credit facility which has been extended for a further year in 2022 and now 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:

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)

	Less than one year £m	Between one and five years £m	Greater than five years £m	Total £m
2021 non-derivative financial liabilities				
Trade payables	(21.7)	-	-	(21.7)
Accruals	(50.9)	-	-	(50.9)
Other payables	(27.5)	-	-	(27.5)
Deferred consideration	(17.1)	(7.0)	-	(24.1)
Lease liabilities	(6.6)	(19.6)	(15.4)	(41.6)
Total cash flows	(123.8)	(26.6)	(15.4)	(165.8)

33 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 29 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 (2021: nil) and the Group incurred charges for services received of £4.9m (2021: £4.0m) which is recognised in cost of sales. The amount outstanding at the reporting date amounted to nil (2021: £0.1m) owed to PA Media Group Limited.

Brand Events TM Limited

The Group earned no revenue (2021: nil) and the Group incurred no charges for services received (2021: nil).

Compensation of key management personnel

Key management are the executive directors.

The remuneration of the executive directors is determined by the Remuneration Committee having regard to competitive market position and performance of individuals. Further information regarding the remuneration of the executive directors is provided in the Remuneration Report on pages 120 to 136.

34 Contingent liabilities

Historical Legal Issues

It is unknown how long it will take to fully resolve historical legal issues set out in note 26 and despite making a best estimate of the provision, the timing of utilisation and possible range, the total universe of claims is unknown and there are both ongoing legal matters (including a trial currently listed in May 2023 where a number of claims are expected to be heard) and the potential for new legal matters which could mean that the final outcome is outside our view on the range of outcomes of £32m to £56m (2021: £32m to £53m).

35 Reconciliation of statutory to adjusted results

52 weeks ended 25 December 2022	Statutory results £m	Operating adjusted items (a) £m	Pension finance charge (b) £m	Tax (c) £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

52 weeks ended 26 December 2021	Statutory results £m	Operating adjusted items (a) £m	Pension finance charge (b) £m	Tax (c) £m	Adjusted results £m
Revenue	615.8	–	–	–	615.8
Operating profit	79.3	66.8	–	–	146.1
Profit before tax	73.3	66.8	3.4	–	143.5
Profit after tax	2.9	57.0	2.8	53.9	116.6
Basic earnings per share(p)	0.9	18.4	0.9	17.4	37.6

- (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.
- (c) Tax items relate to the impact of tax legislation changes due to the change in the future corporation tax rate on the opening deferred tax position as set out in note 11.

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 the property rationalisation in the prior year 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.

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, past service costs 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 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 historic liabilities or are one-off items not expected to recur.

Notes to the consolidated financial statements continued

35 Reconciliation of statutory to adjusted results continued

Included in adjusted items in 2021 are costs relating to a Home and Hub project which set out the vision for how the Group's offices would look and where job roles would be based. As a consequence of the project a number of offices or floors have been closed. The project has resulted in charges of £23.7m (impairments of £2.3m relating to property, plant and equipment and £10.5m relating to right-of-use assets and a £10.9m property rationalisation charge relating to onerous costs of vacant properties). Restructuring charges include £1.4m of costs relating to the integration of the Irish Daily Star which was acquired in 2020 and a further £1.4m of restructuring relating to the closure of two print sites at the end of 2020. Other items relate to adviser costs in relation to the triennial funding valuations costs (£1.2m), National Insurance costs relating to share awards (£2.6m) and the write-off of an old debit balance (£2.9m) partially offset by profit on sales of print assets (£0.7m). These are included in adjusted items as they relate to historic liabilities or are one-off items not expected to recur.

36 Adjusted cash flow

	2022 £m	2021 £m
Adjusted operating profit	106.1	146.1
Depreciation and amortisation	20.2	19.3
Adjusted EBITDA	126.3	165.4
Net interest and charges paid on borrowings	(1.8)	(1.3)
Income tax paid	(5.0)	(14.6)
Restructuring payments	(13.8)	(15.1)
Net capital expenditure	(13.3)	(11.8)
Interest paid on leases	(1.1)	(1.3)
Repayment of obligation under leases	(5.6)	(6.9)
Working capital and other	(20.9)	26.9
Adjusted operating cash flow	64.8	141.3
Historical legal issues payments	(9.0)	(11.0)
Dividends paid	(22.9)	(21.8)
Purchase of own shares	(1.0)	(3.3)
Pension funding payments	(55.1)	(64.7)
Adjusted net cash flow	(23.2)	40.5
Bank facility drawdown	15.0	–
Acquisition-related cash flows	(17.1)	(16.8)
Net (decrease)/increase in cash and cash equivalents	(25.3)	23.7

37 Reconciliation of statutory to adjusted cash flow

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	(24.3)	9.0	64.8	Adjusted operating cash flow
Pension deficit funding payments	(55.1)	-	-	(55.1)	Pension funding payments
	-	-	(9.0)	(9.0)	Historical legal issues payments
Income tax paid	(5.0)	5.0	-	-	
Net cash inflow from operating activities	20.0				
Investing activities					
Interest received	0.1	(0.1)	-	-	
Dividends received from associated undertakings	2.5	(2.5)	-	-	
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	-	-	
Dividends paid	(22.9)	-	-	(22.9)	Dividends paid
Interest paid on leases	(1.1)	1.1	-	-	
Repayment of obligations under leases	(5.6)	5.6	-	-	
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 historical legal issues 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 26 December 2021	Statutory 2021 £m	(a) £m	(b) £m	Adjusted 2021 £m
Cash flows from operating activities				
Cash generated from operations	163.7	(33.4)	11.0	141.3
Pension deficit funding payments	(64.7)	–	–	(64.7)
	–	–	(11.0)	(11.0)
Income tax paid	(14.6)	14.6	–	–
Net cash inflow from operating activities	84.4			
Investing activities				
Interest received	0.1	(0.1)	–	–
Dividends received from associated undertakings	2.5	(2.5)	–	–
Proceeds on disposal of property, plant and equipment	0.7	(0.7)	–	–
Purchases of property, plant and equipment	(6.5)	6.5	–	–
Expenditure on capitalised internally generated development	(6.0)	6.0	–	–
Deferred consideration payment	(16.0)	–	–	(16.0)
Acquisition of associate undertaking	(0.8)	–	–	(0.8)
Net cash used in investing activities	(26.0)			
Financing activities				
Dividends paid	(21.8)	–	–	(21.8)
Interest and charges paid on borrowings	(1.4)	1.4	–	–
Purchase of own shares	(3.3)	–	–	(3.3)
Interest paid on leases	(1.3)	1.3	–	–
Repayment of obligations under leases	(6.9)	6.9	–	–
Net cash used in financing activities	(34.7)			
Net increase in cash and cash equivalents	23.7	–	–	23.7

(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 historical legal issues are shown separately in the adjusted cash flow.

38 Reconciliation of statutory to like-for-like revenue

Revenue trends on an actual and like-for-like basis are the same in 2022.

For 2021 versus 2020 revenue, the like-for-like trends excluded the Independent Star acquisition and the impact of portfolio changes and impacted print revenue only.

2021 v 2020	Statutory 2021 £m	(a) £m	Like-for-like 2021 £m	Statutory 2020 £m	(a) £m	(b) £m	Like-for-like 2020 £m
Print	465.1	(10.6)	454.5	479.3	(1.0)	(1.5)	476.8
Circulation	312.9	(8.7)	304.2	319.7	(0.8)	-	318.9
Advertising	103.3	(1.8)	101.5	108.4	(0.2)	(1.5)	106.7
Printing	20.4	-	20.4	25.2	-	-	25.2
Other	28.5	(0.1)	28.4	26.0	-	-	26.0
Digital	148.3	-	148.3	118.3	-	-	118.3
Other	2.4	-	2.4	2.6	-	-	2.6
Total revenue	615.8	(10.6)	605.2	600.2	(1.0)	(1.5)	597.7

(a) Exclusion of Irish Daily Star (purchased on 24 November 2020).

(b) Exclusion of Manchester Metro following ending of franchise agreement in June 2020 and other portfolio changes in 2020.

39 Subsidiary undertakings

A list of the subsidiary undertakings, all of which have been consolidated, is on pages 198 to 205.

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 25 December 2022.

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 25 December 2022 (at 26 December 2021) Company registration number 82548

	notes	2022 £m	2021 £m
Non-current assets			
Investments	4	708.2	773.3
Right-of-use assets	5	5.4	6.4
Deferred tax assets	6	0.2	0.8
		713.8	780.5
Current assets			
Debtors – amounts falling due within one year	7	55.6	78.3
Cash at bank and in hand		20.6	29.0
		76.2	107.3
Creditors: amounts falling due within one year			
Lease liabilities	8	(2.2)	(1.5)
Borrowings	9	(15.0)	–
Other creditors	10	(8.2)	(21.6)
		(25.4)	(23.1)
Net current assets		50.8	84.2
Total assets less current liabilities		764.6	864.7
Creditors: amounts falling due after more than one year			
Lease liabilities	8	(10.8)	(13.0)
Other creditors	10	–	(7.0)
		(10.8)	(20.0)
Net assets		753.8	844.7

	notes	2022 £m	2021 £m
Equity capital and reserves			
Called up share capital	11	32.2	32.2
Share premium account	12	605.4	605.4
Merger reserve	13	–	25.3
Capital redemption reserve	13	4.4	4.4
Retained earnings	13	111.8	177.4
Total shareholders' funds		753.8	844.7

The Company reported a loss for the period of £68.8m (2021: profit of 16.0m). 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 192 to 205 were approved by the Board of directors and authorised for issue on 7 March 2023.

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 52 weeks ended 25 December 2022 (52 weeks ended 26 December 2021)

	Called up share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	Retained earnings £m	Total £m
At 28 December 2020	32.2	605.4	25.3	4.4	184.8	852.1
Profit for the period	-	-	-	-	16.0	16.0
Purchase of shares	-	-	-	-	(3.3)	(3.3)
Credit to equity for equity-settled share-based payments	-	-	-	-	1.7	1.7
Dividends paid	-	-	-	-	(21.8)	(21.8)
At 26 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

Notes to the parent company financial statements

for the 52 weeks ended 25 December 2022 (52 weeks ended 26 December 2021)

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 52 weeks ended 25 December 2022 and the comparative period has been prepared for the 52 weeks ended 26 December 2021.

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)/profit for the financial period

The Company reported a loss for the period of £68.8m (2021: profit of £16.0m). At the period end reporting date an impairment review was undertaken which indicated that an impairment charge of £65.1m (2021: nil) 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 52 weeks ended 25 December 2022, but have not had a material impact on the Company:

- Covid-19-Related Rent Concessions – Amendments to IFRS 16; and
- Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

No standards and interpretations have been early adopted.

The Company has applied the exemption available under IAS 8 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.

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.

2 Significant accounting policies continued

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:

	2022 Number	2021 Number
Administration	9	8

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.

All employees are employed in the UK.

	2022 £m	2021 £m
Staff costs, including directors' emoluments, incurred during the period were:		
Wages and salaries	1.5	1.4
Social security costs	0.4	0.4
Share-based payments charge	1.5	1.7
Pension costs relating to defined contribution pension schemes	0.1	0.1
	3.5	3.6

In 2021, National Insurance costs relating to share awards of £2.6m (note 8 in the notes to the consolidated financial statements) are excluded from staff costs.

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 120 to 136 and form part of these parent company financial statements. Further details of share-based payments are contained in note 31 in the notes to the consolidated financial statements.

Notes to the parent company financial statements continued

4 Investments

	Shares in subsidiary undertakings £m
Cost	
At 28 December 2020	1,526.5
At 26 December 2021	1,526.5
At 25 December 2022	1,526.5
Provision for impairment	
At 28 December 2020	(753.2)
At 26 December 2021	(753.2)
Impairment in the period	(65.1)
At 25 December 2022	(818.3)
Net book value	
At 26 December 2021	773.3
At 25 December 2022	708.2

At the period end reporting date an impairment review was undertaken which indicated that an impairment charge of £65.1m in the investments held by the Company was required (2021: nil). 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 11.7% (2021: 11.2%) and 15.3% (2021: 15.0%) respectively and the long-term growth rate beyond the 10-year period is 1.0% (2021: 0%).

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 1.6% (2021: 1.3%). A combination of reasonably possible changes in key assumptions 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 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 £9.7m (CAGR: 1.5%). Alternatively an increase in the discount rate by 0.1% would lead to an increase in the impairment charge of £7.9m.

Details of the Company's subsidiary undertakings at 25 December 2022 are set out on pages 198 to 205.

5 Right-of-use assets

	Properties £m
Cost	
At 28 December 2020	16.1
At 26 December 2021	16.1
At 25 December 2022	16.1
Accumulated depreciation and impairment	
At 28 December 2020	(1.9)
Charge for the period	(1.2)
Impairment	(6.6)
At 26 December 2021	(9.7)
Charge for the period	(1.0)
At 25 December 2022	(10.7)
Carrying amount	
At 26 December 2021	6.4
At 25 December 2022	5.4

6 Deferred tax assets

	Other short-term timing £m
At 28 December 2020	0.3
Credit to income statement	0.5
At 26 December 2021	0.8
Charge to income statement	(0.6)
At 25 December 2022	0.2

7 Debtors: amounts falling due within one year

	2022 £m	2021 £m
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	54.5	77.3
Other debtors	1.1	1.0
	55.6	78.3

The amounts owed by subsidiary undertakings are unsecured, interest free and repayable on demand.

8 Lease liabilities

	Total £m
At 28 December 2020	(16.5)
Interest costs	(0.5)
Payments	2.5
At 26 December 2021	(14.5)
Interest costs	(0.5)
Payments	2.0
At 25 December 2022	(13.0)

Of the lease liability, £2.2m (2021: £1.5m) is included in creditors: amounts falling due within one year and £10.8m (2021: £13.0m) is included in creditors: amounts falling due after more than one year.

Total undiscounted future payments amounting to £14.1m are payable £2.6m for 2023 and £2.6m per year for 2024 to 2027 with a total of £1.1m payable after five years.

9 Borrowings

The details of the Company's borrowings are disclosed in notes 24 in the notes to the consolidated financial statements.

10 Other creditors

	2022 £m	2021 £m
Amounts falling due within one year:		
Share-based payments	(0.9)	(4.0)
Accruals	(0.3)	(0.5)
Deferred consideration	(7.0)	(17.1)
	(8.2)	(21.6)
Amounts falling due after more than one year:		
Deferred consideration	-	(7.0)
	-	(7.0)

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 28 and 29 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 30 in the notes to the consolidated financial statements.

13 Other reserves

	Merger reserve £m	Capital redemption reserve £m	Retained earnings £m
At 28 December 2020	25.3	4.4	184.8
Profit for the period	-	-	16.0
Purchase of shares	-	-	(3.3)
Share-based payments credit	-	-	1.7
Dividends paid	-	-	(21.8)
At 26 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

The merger reserve comprises the premium on the shares allotted in relation to acquisitions and has been reduced to nil (2021: £25.3m) 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 25 December 2022, 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 29 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. The remuneration of the executive directors is determined by the Remuneration Committee having regard to competitive market position and performance of individuals. Further information regarding the remuneration of the executive directors is provided in the Remuneration Report on pages 120 to 136.

Notes to the parent company financial statements continued

15 Subsidiary and associated undertakings

As at 25 December 2022

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)	£1.00 ordinary	–	100

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
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 £0.01 ordinary-A £0.01 ordinary-C £0.00001 ordinary-D £0.001 ordinary-E	– – – – –	100 100 100 100 100
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
Express Newspapers Pension Trustees Limited (02222373)	£1.00 ordinary	–	100

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 Properties Limited (00967305)	£1.00 ordinary	–	100
Financial Jobs Online Limited (3846941)	£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) £0.10 ordinary (unpaid) £0.10 ordinary non-voting	– – –	100 100 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

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
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)	£0.0001 ordinary-A £0.0001 ordinary-B £0.0001 ordinary-C £0.0001 ordinary-D	– – – –	100 100 100 100
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

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 (%)
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
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

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
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)	£1.00 ordinary	–	100
Mirror Colour Print (North) Limited (537916)	£1.00 ordinary	–	100
Mirror Colour Print Services (London) Limited (1969510)	£1.00 ordinary	–	100
Mirror Colour Print Services Limited (935731)	£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
Mirror Projects Limited (2822578)	£1.00 ordinary	–	100
MirrorAd Limited (3573736)	£1.00 ordinary	–	100
Mirrorair Limited (1376321)	£1.00 ordinary	–	100

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 (%)
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	–
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

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
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)	£1.00 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
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	–

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 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
RHI 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 (%)
The Associated Catholic Newspapers (1912) Limited (120837)	£0.10 ordinary	100	–
The Birmingham Boat Shows Limited (697854)	£1.00 ordinary	–	100
The Birmingham Post & Mail Limited (3141237)	£1.00 ordinary	–	100
The Career Engineer Limited (4138919)	£1.00 ordinary	–	100
The Chester Chronicle and Associated Newspapers Limited (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)	£1.00 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
TIH (Properties) Limited (553965)	£1.00 ordinary	100	–

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 (Teesside) Limited (3036380)	£1.00 ordinary	–	100
	£0.683 ordinary-A	–	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	–	100
	£1.00 ordinary-B	–	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

Subsidiary name and company number	Share class	Proportion of shares held by the Company (%)	Proportion of shares held by subsidiary (%)
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)	£1.00 ordinary	100	–
Wandsworth Independent Limited (2152840)	£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 (%)
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
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	–	100
	£0.10 ordinary-A	–	100
	£0.10 ordinary-B	–	100
	£1.00 Cumulative Redeemable Preference Shares at 9.25%	–	100

The following subsidiary undertakings are 100% owned (all share classes), and incorporated in Scotland, with a registered office at One Central Quay, Glasgow, G3 8DA.

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)	£1.00 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

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 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
Brand Events TM Limited (8742448)	£0.0005 ordinary shares	–	50%	3rd Floor, 207 Regent Street, London, W1B 3HH
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

2022 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 & 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 gender representation for management, professionals and all other employees can be found on page 107 in the Governance Report. The percentage of racial/ethnic group is not reported for 2022. We are continuing to ask our employees to share their information voluntarily as part of our Be Counted campaign that was launched in 2021. 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 to 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. 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 (see pages 58 to 61). New actions around this in 2022 included launching 20 Editorial Reporting workshops, which have been recorded and will be made available for new editorial starters, and creating the first Reach-wide inclusive Reporting Guidance, intended to be the 'start of a conversation' rather than a rulebook.

JOURNALISTIC INTEGRITY & 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.
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 & 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 intellectual property, 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. We work with a number of partners in certain territories to protect our intellectual property 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.
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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 43.3 million unique digital visitors/viewers (average for 2022, data from Comscore). Reach does not have broadcast television channels or subscribers to cable networks. The circulation for magazines and newspapers in 2022 was 345,383,984 sales across all our titles.
Total number of media productions and publications produced	We have 138 brands, including websites and print products; 40 books published from Mirror Books; and 17 active podcasts.

Shareholder information

Registered office

One Canada Square
Canary Wharf, London E14 5AP, United Kingdom
Telephone: +44 (0) 207 293 3000
Company website: www.reachplc.com
Registered in England and Wales No. 82548

Advisers

Corporate brokers

N+1 Singer Capital Markets Limited
One Bartholomew Lane, London, EC2N 2AX
Telephone: +44 (0) 207 496 3000

Numis Securities Limited
45 Gresham Street, London, EC2V 7BF
Telephone: +44 (0) 207 260 1000

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place, London, WC2N 6RH

Registrar

Equiniti Limited
Aspect House, Spencer Road, Lancing,
West Sussex
BN99 6DA
Telephone: 0371 384 2235*

* Lines are open from 8.30 am to 5.30 pm, Monday to Friday, excluding Bank 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, the Board has agreed that dividends will be chequeless from June 2023. 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

Tulchan Communications LLP
85 Fleet Street, London EC4Y 1AE
2nd Floor
Telephone: +44 (0) 207 353 4200

Financial calendar 2023:

3 May 2023	Trading Update
11 May 2023	Ex-Dividend Date
12 May 2023	Record Date
2 June 2023	FY 2022 Final Dividend Payment
25 July 2023	HI 2023 Results

Annual General Meeting

The next AGM will take place on 3 May 2023 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 3 May 2023 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.

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 am to 4.30 pm for Shareview Dealing and until 6.00 pm 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	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
Income statement					
Revenue	601	616	600	703	724
Operating profit	106	146	134	153	146
Finance costs net of interest income	(3)	(3)	(3)	(3)	(4)
Profit before tax	103	143	131	150	142
Tax charge	(18)	(26)	(25)	(28)	(28)
Profit for the period	85	117	106	122	114
Basic earnings per share*	27.1p	37.6p	34.4p	39.4p	37.5p

* 2018–2019 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	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
Income statement					
Revenue	601	616	600	703	724
Operating profit/(loss)	71	79	8	132	(108)
Pension finance charge	(2)	(3)	(5)	(8)	(8)
Finance costs net of interest income	(3)	(3)	(3)	(3)	(4)
Profit/(loss) before tax	66	73	–	121	(120)
Tax charge	(14)	(70)	(27)	(27)	–
Profit/(loss) for the period	52	3	(27)	94	(120)
Basic earnings/(loss) per share*	16.8p	0.9p	(8.6)p	30.5p	(39.3)p

* 2018–2019 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.

	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
Balance sheet					
Intangible assets	869	860	855	852	852
Property, plant and equipment	140	157	168	225	246
Other assets and liabilities*	(396)	(444)	(498)	(462)	(499)
Net cash/(debt)	613	573	525	615	599
Net assets	25	66	42	20	(41)
Total equity	638	639	567	635	558

* The Group implemented IFRS 16 'Leases' in 2020. Right-of-use assets and lease liabilities are included in other assets and liabilities.

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