

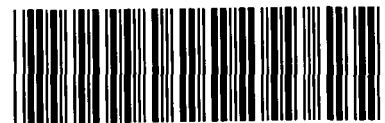
Reach Publishing Services Limited

Registration number: 8339522

Annual Report and Financial Statements

52 weeks ended 29 December 2019

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Reach Publishing Services Limited
(Registration number: 8339522)

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Reach Publishing Services Limited
(Registration number: 8339522)

Officers and Registered Office

Directors Jim Mullen
Simon Fuller
Reach Directors Limited

Company secretary Reach Secretaries Limited

Registered office One Canada Square
Canary Wharf
London
E14 5AP

Independent auditors PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Hardman Square
Manchester
M3 3EB

Strategic Report for the 52 weeks ended 29 December 2019

The directors present their Strategic Report for the 52 weeks ended 29 December 2019.

Fair review of the business

Business Review

The company made neither profit nor loss during the period (2018: nil).

Financial position and future prospects

The financial position of the company is set out on page 8. The directors are satisfied as to the future prospects of the company. The company has continued to perform in line with management's expectations since the year end. The Board is confident that the company will make further good progress through the rest of the year delivering its strategic objectives within the group.

The net assets of the company are £1 (2018: £1).

The financial risk management objectives are set out in the Directors' Report (page 3).

Key performance indicators

The company is a service company and does not set or monitor key performance indicators.

Section 172 statement

From the perspective of the board, as a result of the Group governance structure, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the Group board in relation both to the Group and to this company. The board has also considered relevant matters where appropriate. To the extent necessary for an understanding of the development, performance and position of the company, an explanation of how the group board has considered the matters set out in s172 (for the Group and for the company) is set out on page 42 of the Reach plc annual report, which does not form part of this report.

Section 172 compliance outlined in the 2019 Reach plc Annual Report is applicable to the company. This gives an overview of how the company has engaged with key stakeholders during the year, including shareholders, suppliers, customers and readers.

Principal risks and uncertainties

The company does not trade on its own behalf and has no investments.

Since year end a number of the principal risks and uncertainties have been impacted by COVID-19. The Company's fellow subsidiaries took a number of mitigating actions to minimise the impact of the outbreak, including reducing salaries, furlough staff and agree a deferment of pension contributions and in July to transform the business and will continue to monitor this risk closely. The impact on the Company's fellow subsidiaries revenues have gradually improved since April. There remains uncertainty around when circulation and advertising revenues will return to more normalised levels.

Approved by the Board on 17 December 2020 and signed on its behalf by:



.....
Reach Directors Limited
Director

Reach Publishing Services Limited
(Registration number: 8339522)

Directors' Report for the 52 weeks ended 29 December 2019

The directors present their annual report and the financial statements for the 52 weeks ended 29 December 2019.

Directors of the company

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

Jim Mullen (appointed 16 August 2019)

Simon Fuller (appointed 1 March 2019)

Simon Fox (resigned 16 August 2019)

Vijay Vaghela (resigned 30 June 2019)

Reach Directors Limited

Principal activity

The principal activity of the company is that of invoicing and debtor collection on behalf of fellow subsidiaries of Reach plc.

Results and dividends

The company does not trade on its own behalf and made neither profit nor loss during the period (2018: nil). The directors do not recommend the payment of a dividend for the period (2018: nil). No dividends have been proposed or paid since period end.

Financial risk management policies and objectives

The company's operations expose it to financial risks that include credit, liquidity and foreign exchange risk. The company has mechanisms in place that seek to limit the impact of the adverse effects of these risks on the financial performance of the company.

Credit risk management

Credit risk refers to the risk that a counter-party with the company will default on its contractual obligations resulting in a financial loss. Credit risk for the company considers both external and inter-group debt. In respect of external debt, the company has adopted a policy of only dealing with creditworthy counterparties and ongoing credit evaluation is performed on the financial condition of trade receivables. In respect of inter-group receivables, the position of the counter-party, and the level of support provided by the wider Reach plc group are considered.

Liquidity risk management

The company, taking into consideration the support of the Reach plc group as required, actively manages its finances to ensure that it has sufficient funds available for its operations and to meet its obligations.

Foreign currency risk management

The entity, as part of the wider Reach plc 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.

Financial position and future prospects

The financial position and future prospects of the company is set out in the Strategic Report on page 2.

Reach Publishing Services Limited

(Registration number: 8339522)

Directors' Report for the 52 weeks ended 29 December 2019 (continued)

Going concern basis

In determining whether the company's financial statements can be prepared on a going concern basis the directors have considered the factors likely to affect the future development, performance and financial position of the company. In particular, the directors have reviewed the assessment, particularly as a result of the COVID-19 outbreak.

The company has net current asset of £nil at 29 December 2019, which includes net amounts owed to other subsidiary undertakings of Reach plc of £66,924,000. The directors note that Reach plc Group has a strong balance sheet and liquidity with a net cash positive position of £41.9m at 28 June 2020. This represents a cash balance of £66.9m less £25.0m which has been drawn from the Group's revolving credit facility of £65.0m.

At the date of signing of these financial statements the directors have considered all the factors impacting the company's business, including downside sensitivities and the strong balance sheet of Reach plc. The company has in place a support letter from Reach plc, the Group's holding company stating that Reach plc will not seek repayment of amounts owed by the company unless alternative financing is available and will advance further amounts as required by the company from 12 months from the date of signature of the company financial statements.

The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the company's financial statements.

Directors' liabilities

During the period and as at the date of signing the annual report and financial statements, the ultimate parent company has in place a directors' and officers' liability insurance policy which includes the company.

Disclosure of information to the auditors

Each director has taken 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 company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Independent auditors

On 24 July 2019 PricewaterhouseCoopers LLP were appointed as the company's independent auditors. The auditors PricewaterhouseCoopers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 17 December 2020 and signed on its behalf by:



.....
Reach Directors Limited
Director

Reach Publishing Services Limited
(Registration number: 8339522)

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 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 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, 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 company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent Auditor's Report to the Members of Reach Publishing Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Reach Publishing Services Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 December 2019 and of its results for the 52 week period (the 'period') then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the 'Annual Report'), which comprise the; Balance Sheet, as at 29 December 2019 and Notes to the Financial Statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which include the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

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

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

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent Auditor's Report to the Members of Reach Publishing Services Limited (continued)

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 29 December 2019 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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

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

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

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

Use of our report

This report, including the opinions, has been prepared for only 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.

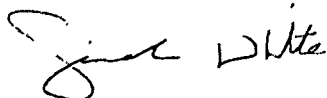
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Simon White (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
Manchester

Reach Publishing Services Limited
(Registration number: 8339522)

Balance Sheet

at 29 December 2019 (at 30 December 2018)

		29 December 2019 £ 000	30 December 2018 £ 000
	Note		
Current assets			
Debtors	5	94,799	69,801
Cash at bank and in hand		<u>9,979</u>	<u>5,080</u>
		104,778	74,881
Creditors: Amounts falling due within one year	6	<u>(104,778)</u>	<u>(74,881)</u>
Net assets and total assets less current liabilities		<u>-</u>	<u>-</u>
Equity capital and reserves			
Called up share capital	7	-	-
Profit and loss account	7	<u>-</u>	<u>-</u>
Total shareholders' funds		<u>-</u>	<u>-</u>

The financial statements on pages 8 to 12 were approved by the Board of Directors on 17 December 2020 and signed on its behalf by:



.....
Simon Fuller
Director

Reach Publishing Services Limited
(Registration number: 8339522)

Notes to the Financial Statements for the 52 weeks ended 29 December 2019

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:

One Canada Square
Canary Wharf
London
E14 5AP
United Kingdom

2 Basis of preparation and significant accounting policies

Statement of compliance

The company financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

Basis of preparation

The financial statements of Reach Publishing Services Limited, a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales, 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. 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.

For administrative convenience, the financial statements are made up to a suitable date near the end of the calendar year. These financial statements have been prepared for the 52 weeks ended 29 December 2019 and the comparative period has been prepared for the 52 weeks ended 30 December 2018.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

The nature of the company's operations and its principal activities are set out in the Directors' Report on page 3.

The company has not made a profit or loss nor any other items of comprehensive income during this period or the prior period. Consequently, no profit and loss account, statement of comprehensive income and statement of changes in equity has been presented.

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 comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, disclosure of remuneration paid to auditors for non-audit services, related party transactions key assumptions in cash flow projections and qualitative and quantitative information related to changes in contract assets and contract liabilities. Where required, equivalent disclosures are given in the group accounts of Reach plc. The group accounts of Reach plc are available to the public and can be obtained as set out in note 9.

Going concern

The financial statements have been prepared on a going concern basis as set out in the Directors' Report.

Amendments to IFRSs and new Interpretations that are mandatorily effective for the current year

There were no new amendments to IFRSs or new Interpretations effective for the current period for the company to adopt.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Notes to the Financial Statements for the 52 weeks ended 29 December 2019 (continued)

2 Basis of preparation and significant accounting policies (continued)

Foreign currency transactions and balances

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 profit and loss account for the period of fellow subsidiaries.

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 Company 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 Company 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 Company'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 Company 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 Company, in full.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 120 days past due unless the Company 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:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Write-off policy

The company 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 company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss of fellow subsidiaries.

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 company in accordance with the contract and all the cash flows that the company expects to receive.

The company recognises an impairment gain or loss in profit or loss of fellow subsidiaries for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Reach Publishing Services Limited
(Registration number: 8339522)

Notes to the Financial Statements for the 52 weeks ended 29 December 2019 (continued)

2 Basis of preparation and significant accounting policies (continued)

Financial assets

Financial assets are measured at amortised cost.

Financial liabilities

Financial liabilities, including borrowings, are initially recognised at fair value and subsequently measured at amortised cost, net of transaction costs.

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.

Called up share capital

Ordinary shares are classified as equity.

2.1 Critical accounting judgements and key sources of estimation uncertainty

There were no key sources of estimated uncertainty in determining the carry amounts of assets and liabilities at the balance sheet date. In applying the company's accounting policies, described above, no critical judgements were identified.

3 Operating profit

The auditors' remuneration of £2,000 (2018: £2,000) for the audit of the statutory financial statements of this company has been borne and not recharged by another group company.

4 Information regarding directors and employees

Other than the directors, the company has no employees (2018: none)

Directors' emoluments

The directors holding office during the period consider their services to the company are incorporated within their duties as directors of Reach Plc Group, it is not practical to allocate remuneration to each entity. No remuneration has been apportioned to the company.

5 Debtors

	29 December 2019 £ 000	30 December 2018 £ 000
Trade debtors	78,731	64,427
Provision for impairment of trade debtors	(1,312)	(1,398)
Net trade debtors	77,419	63,029
Accrued income	14,725	6,592
Other debtors	2,655	180
	<u>94,799</u>	<u>69,801</u>

The company operates a centralised debtors function for fellow subsidiary undertakings whereby trade debtors balances of fellow subsidiary undertakings are recorded on the balance sheet of the company with consideration being recorded through intercompany. Credit risk relating to these trade debtors is borne by these fellow subsidiaries undertakings.

Notes to the Financial Statements for the 52 weeks ended 29 December 2019 (continued)

6 Creditors: amounts falling due within one year

	29 December 2019 £ 000	30 December 2018 £ 000
Trade creditors	2,537	2,113
Accrued expenses	271	275
Amounts owed to fellow subsidiaries	66,924	59,618
Social security and other taxes	12,354	10,202
Other creditors	20,876	192
Deferred income	1,816	2,481
	<u>104,778</u>	<u>74,881</u>

Intercompany balances are unsecured, non-interest bearing balances payable on demand.

7 Equity capital and reserves

Allotted, called up and fully paid shares

	29 December 2019	30 December 2018
	No. £	No. £
Ordinary shares of £1 each	<u>1</u> <u>1</u>	<u>1</u> <u>1</u>

The company does not have any authorised share capital. The company has one class of ordinary shares which carry no right to fixed income.

The company has no balance on the profit and loss account (2018: nil).

8 Contingent liabilities

The company, together with certain of its fellow subsidiaries in the United Kingdom, has guaranteed the loans and bank overdraft of the group with certain of the group's bankers. At 29 December 2019, this amounted to nil (2018: £60.0 million).

9 Ultimate parent company and immediate parent undertaking

The company's immediate parent is Reach Shared Services Limited.

The ultimate parent is Reach plc. The group financial statements are available upon request from its registered office at One Canada Square, Canary Wharf, London E14 5AP

Relationship between entity and parents

The parent of the largest and smallest group in which these financial statements are consolidated is Reach plc, incorporated in England and Wales.