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DMGT

Daily Mail and General Trust plc

Satisfying the need to know

Annual Report

2021

Financial Highlights

Statutory Results†

Revenue
£885m
2020: £870m

Operating loss
£(6)m
2020: £(3)m

Profit before tax
£(2)m
2020: £34m

Profit for the year
£1,540m
2020: £189m

Earnings per share
676.2p
2020: 83.1p

Dividend per share
24.9p
2020: 24.1p

Adjusted Measures*

Revenue
£1,142m
2020: £1,211m

Operating margin
9%
2020: 7%

Profit before tax
£88m
2020: £72m

Earnings per share
31.3p
2020: 26.1p

Cash operating income
£121m
2020: £110m

Pro forma net cash§:EBITDA
11.7x
2020: 1.4x

£ million	FY 2021	FY 2020	Explanation
Statutory (loss)/profit before tax	(2)	34	
Discontinued operations	1,584	165	i
Exceptional operating costs	39	24	ii
Intangible impairment and amortisation	35	31	iii
Gain on sale or purchase of assets	(1,566)	(177)	iv
Pension finance credit	(2)	(4)	v
Other adjustments	–	(1)	vi
Adjusted profit before tax	88	72	

For explanations i to vi and more detailed tables please refer to pages 27 and 31.

† Statutory revenue, operating loss and profit before tax figures are for continuing operations only (excluding Insurance Risk, EdTech and Energy Information).

* Before exceptional items, other gains and losses, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, pension finance credits and fair value adjustments; see Consolidated Income Statement on page 106 and the reconciliation in Note 13 to the Accounts. Adjusted figures also include discontinued operations (Insurance Risk, EdTech and Energy Information).

§ See Note 16 to the Accounts for details of net cash. The actual net cash and net cash:EBITDA ratio as at 30 September 2021 were £1,505 million and 9.8. However, there were £37 million of lease liabilities in respect of the adoption of IFRS 16, the lease accounting standard. These lease liabilities largely reflect the future operating costs of renting office space and are not considered a component of net debt when the Board reviews the Group's available capital. Consequently, they are excluded from pro forma net cash. The 2021 pro forma net cash of £1,542 million and net cash:EBITDA ratio of 11.7 are stated after adjusting net cash, to exclude the £37 million lease liabilities, and after adjusting EBITDA to include lease costs. Similarly, the actual 2020 ratio was 1.3 whilst the pro forma ratio of 1.4 was after adjusting for £100 million of lease liabilities and to exclude £117 million of net cash that was subsequently made available to the pension schemes. As at 30 September 2021, £121 million cash was held in escrow for the benefit of DMGT's pension schemes. The £121 million is classified as an 'other financial asset' on DMGT's balance sheet and is excluded from DMGT's cash balance.

Go online to www.dmgt.com to find out more

Strategic Report
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DMGT is an international business built on entrepreneurism and innovation.

DMGT manages a portfolio of companies that provide businesses and consumers with compelling information, analysis, insight, events, news and entertainment. The Group takes a long-term approach to investment and has market-leading positions in consumer media, property information and events & exhibitions. In total, DMGT generates revenues of around £1 billion.

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Chairman's Statement

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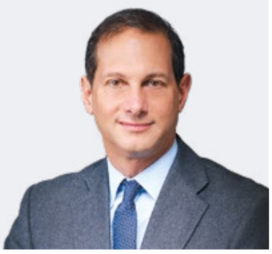
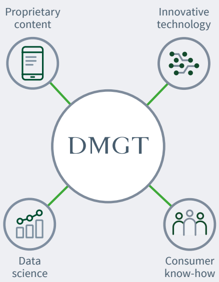
CEO Review



06
Our Business Model



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Operating Business Reviews

Substantial value creation

Chairman's Statement

"The shape of the portfolio has been transformed, creating substantial value for all shareholders in the process."

The Viscount Rothermere
Chairman

"DMGT now benefits from an exceptional balance sheet, the strongest in the Group's 125-year history."

The financial year ending 30 September 2021 has been one of very significant portfolio transformation, marking a major milestone for DMGT.

The Group performed resiliently during the year, despite the headwinds caused by continued pandemic-related disruption and uncertain trading conditions in several market segments.

More significantly, the shape of the portfolio has been transformed during the year, creating substantial value for all shareholders in the process. The successful disposal of our Insurance Risk and EdTech businesses, and the marked increase in value of our investment in Cazoo, were major elements of the transformation. DMGT now benefits from an exceptional balance sheet, the strongest in the Group's 125-year history.

The value created for shareholders is testament to the quality of assets within DMGT and the way they have been managed by the executive team, led by your CEO Paul Zwillenberg, underpinned by our long-term approach to capital management and strong track record in investing in businesses to deliver significant returns.

I want to express my pride in the business portfolio that DMGT today represents. Your company is a globally recognised operator of high-quality business information services and events. It also owns some of the highest-profile English-language consumer media titles, of which Mail Newspapers and MailOnline are the flagships. Across the Group, the entire workforce has worked tirelessly through the past financial year to achieve the results, to realise business opportunities and to meet audience expectations in a period of considerable macroeconomic and geopolitical volatility. I wish to thank everyone at DMGT for their hard work and contribution to this effort.

Portfolio transformation

Over the past five years, the shape of the DMGT portfolio has been transformed through a number of value-creating disposals. Prior to this year, the Group realised approximately £0.9 billion of value through the divestment of our Genscape business and the sale of our holding in ZPG Plc (Zoopla). DMGT's near 50% stake in Euromoney Institutional Investor PLC (Euromoney) and £200 million in cash were also distributed to shareholders. In aggregate, these actions enabled a significant return of capital to shareholders and also strengthened the balance sheet, positioning DMGT to navigate challenging trading conditions in some parts of the portfolio over the past two years as a result of the pandemic.

Our financial resources were further enhanced this year. In March, our EdTech business, Hobsons, was sold for approximately £0.3 billion in cash and

Group revenue
-1%
underlying decrease^

Pro forma net cash§
£1,542 million

Cazoo investment valuation†
£763 million

^ See footnote shown on page 24.
§ See footnote shown on inside front cover.
† Value as at 30 September 2021.

this was followed by the sale of RMS, our Insurance Risk business, to Moody's Corporation, the integrated risk assessment firm, for approximately £1.4 billion in gross cash proceeds in September. The attractive valuations achieved for both businesses are testament to DMGT's strategy and the progress made over the past five years.

As well as a substantial increase in cash, DMGT's balance sheet has been strengthened by the completion of the listing of Cazoo, the online car retailer in which DMGT holds a stake, on the New York Stock Exchange. This resulted from Cazoo's business combination with AJAX I, a publicly-traded special purpose acquisition company (SPAC). DMGT's holding at the end of the financial year was valued at approximately £0.8 billion. DMGT's financial flexibility enabled us to invest in Cazoo repeatedly since its formation and I am pleased with how the business has executed against its strategy, as well as the consistently impressive growth that has been delivered.

Your Board considered the impact of these two separate events: the resulting shape of DMGT's portfolio and the exceptionally strong balance sheet. This ultimately led to a discussion with Rothermere Continuation Limited (RCL), the company that represents my family's interests in DMGT and which is the controlling shareholder. RCL has made an offer to acquire all the issued and to be issued DMGT A Shares not already owned by RCL (the Offer) and further information is provided in the Offer document dated 6 November 2021.

Read more about the Offer on page 13

Business highlights

The sale of Hobsons and RMS has further increased DMGT's focus.

The Group's financial performance reflected the varied market conditions resulting from the Covid-19 pandemic, as well as the effect of disposals. Property Information delivered a strong rebound in revenues, driven by Landmark in particular and including good growth from Trepp, offsetting the continuing weakness in the Events and Exhibitions sector.

We continue to see structural headwinds at play in the Consumer Media sector. Circulation revenue remains under pressure, with lower print volumes offset partly by cover price increases and growth in digital subscriptions. Although the print advertising market showed signs of recovery, it remains structurally challenged and Metro's performance was particularly affected, exacerbated by reduced commuter volumes. The Mail titles continued to cover the major national, international and public interest stories of the year with distinction, setting the standard for popular journalism of which we are proud. We also saw good performances from the 'i' and New Scientist that your Board and management hope will be sustained in the year ahead.

In aggregate, DMGT generated statutory revenues of £885 million for the financial year, excluding RMS and Hobsons, and revenues decreased by an underlying 1%. Adjusted earnings per share were 31.3 pence, compared with 26.1 pence in the prior year. On a statutory basis, earnings per share were 676.2 pence, including the benefit of gains on disposals.

Your Board has recommended an increase in the total dividend for the year to 24.9 pence per share, consistent with the existing dividend policy of delivering growth in excess of inflation. As explained in the Dividends section of the Financial Review on page 30, the policy has been withdrawn and a revised policy will be put in place taking account of several considerations.

Looking ahead, the Board believes that trading conditions, particularly for Events and Exhibitions, are likely to remain uncertain as the wider economy recovers at variable rates from pandemic disruption. Further digitisation of B2B data and customer interaction will continue as different business segments adjust to new ways of working. In Consumer Media, we can take pride in the quality of our journalism, but the economic forces reshaping the media industry and new trends in media consumption are likely to remain challenging.

Read more in Financial Review, pages 23 to 32

Governance

I would like to thank your Board for their continued oversight and deep commitment to the success of DMGT. The Non-Executive Directors, supported by the executive management team, have acted with the utmost integrity to ensure your company maintained strong control systems and met all its compliance obligations appropriately.

Your Board met eight times during the course of the year to review the performance of the Company and to determine the best way forward in the interests of all shareholders.

As well as considering how best to reward shareholders for the substantial value created in recent years, the Board has continued to oversee the strategy executed by Paul Zwillenberg and Tim Collier, your Group CFO. We are fortunate to have a management team capable of delivering both operating efficiency and the vision to transform the portfolio in ways that continue to achieve lasting shareholder value.

Tim Collier has decided to step down as an Executive Director and Group CFO during FY 2022. I would like to thank Tim for the contribution he has made. During nearly five years with the Group he has played a vital role in executing DMGT's strategy and transforming the portfolio.

Kevin Beatty has announced his intention to retire as Executive Director of dmg media, but will remain a Non-Executive Director on the Board. I am hugely grateful to Kevin for all he has done for dmg media over 25 years. He has driven immense change and ushered in a new future for the business. I look forward to continuing to work with him as a Board Director.

Read more in the Governance report, pages 48 to 67

Substantial value creation

Chairman's Statement

People and culture

At its heart, DMGT is a people organisation. The quality of our products and services reflects the quality of our people. I am proud of the hard work and commitment of the employees across the Group, who enshrine the integrity and entrepreneurism that has made your company successful over many generations.

Beyond the delivery of business results, our people have also demonstrated a commitment to wider communities through charitable actions and outside voluntary projects, many of them focused on aiding pandemic recovery. These efforts reflect the values of your company and I want to thank everyone at DMGT who has supported this vital work.

Read more in Our Stakeholders, pages 34 to 39

Remuneration

DMGT operates in a market where management excellence attracts a premium and where our rewards need to match prevailing trends. We aim to reward senior management appropriately for the performance of the Group, its businesses and the individuals concerned. We are also conscious that remuneration remains an issue of importance for DMGT's shareholders and the wider community of stakeholders that we serve. As a matter of policy, we also ensure that no Director or manager is involved in any decisions concerning their own remuneration.

Read more in Remuneration Report, pages 68 to 90

Conclusion and outlook

In the past year, the transformation of the Group has intensified with the Hobsons, RMS and Cazoo transactions. The changes undertaken have driven the share price from £6.20 at the start of the financial year to £10.72 at the end. This is a reflection of our strong fundamentals and the rewards generated by our strategy.

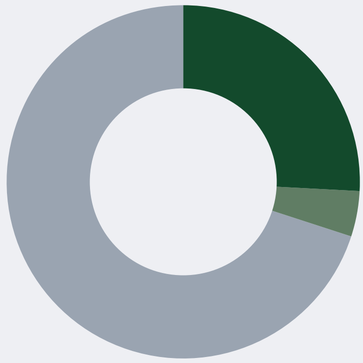
DMGT has entered the 2022 financial year with significant balance sheet strength.

Shareholders have played an important part in holding your Board to account for the performance outlined in this Report, as well as the business decision-making and the approach to total shareholder returns that are vital for overall corporate success. Together, shareholders, your Board, the management team and employees have contributed to the values that make DMGT special. It is a track record of which we can be proud. I am confident that the Group's long-term approach will continue to serve all stakeholders well.

The Viscount Rothermere
Chairman

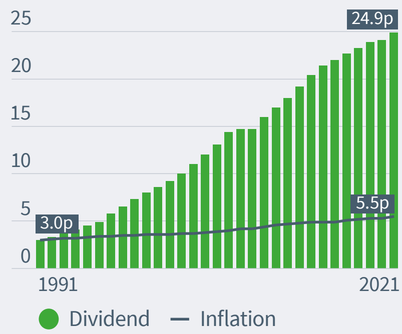
Statutory revenue by business FY 2021 (%)

Property Information	26
Events and Exhibitions	4
Consumer Media	70



Dividend per share

The recommended final dividend continues DMGT's track record of delivering growth in excess of inflation.



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Who we are

DMGT at a Glance

DMGT's portfolio of companies operates across B2B and consumer markets and has become more focused, positioning the Group for long-term growth and value creation.

Our sectors

B2B Information Services

Property Information

Our Property Information companies provide technology, data and workflow solutions to clients involved in the UK residential and commercial property markets as well as risk, valuation and data solutions to the Commercial Mortgage-Backed Securities market.

Read more, page 17

Landmark Information
Trepp

B2B Events and Exhibitions

Events and Exhibitions

dmg events is an organiser of B2B exhibitions and conferences with industry-leading events in the energy, construction, interiors, hotel, hospitality and leisure sectors, operating across several geographies.

Read more, page 19

ADIPEC www.adipec.com
The Big 5
Gastech

Consumer

Consumer Media

dmg media is a modern news media company with two of the UK's most-read paid-for newspapers and one of the world's most popular free newspapers. It includes MailOnline, whose readers spend a total of 135 million minutes on the site and apps each day. In March 2021, New Scientist, one of the world's leading science publishing titles, was added to the portfolio.

Read more, page 20

Daily Mail
The Mail on Sunday
MailOnline
Metro
DailyMail.com
Metro.co.uk
NewScientist
i

JVs, associates and dmg ventures

dmg ventures invests in disruptive consumer propositions that need to scale and which can leverage DMGT's assets to do so. These include Cazoo, which aims to change the way people buy used cars in the UK, and Yopa, the UK hybrid estate agent.

Read more, page 22

dmg::ventures
Cazoo
Yopa

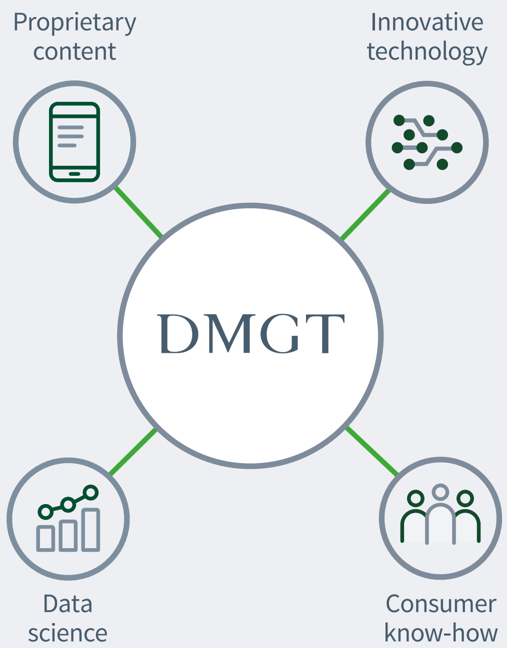
Go online to www.dmgt.com for more information about our businesses

How we create value

Our Business Model

Satisfying the need to know

DMGT's market-leading businesses deliver products and solutions with engaging content, combining data, technology and consumer know-how. We provide businesses and consumers with compelling information, analysis, insight, events, news and entertainment.



Read more about our operating companies' business models in Operating Business Reviews, pages 16 to 22

Which we monetise through five revenue models

Subscription

Trepp, our US-based Property Information company, has a strong subscription revenue component with a track record of delivering growth and high renewal rates, demonstrating the strength of its customer relationships. Consumer Media subscriptions are also growing, notably for New Scientist and digital publications.

Trepp dmg::media

Circulation

Circulation revenues are generated from sales of the Daily Mail, The Mail on Sunday and 'i' newspapers, with the Mail titles continuing to hold market-leading positions and gain market share in a declining market.

dmg::media

Advertising

Our Consumer Media business generates advertising revenue both in print and digital formats. Growth in our digital advertising revenues usually helps to offset structural declines in print advertising. Enhanced user engagement drives advertiser interest in increasingly sophisticated advertising formats.

dmg::media

Events attendance and sponsorship

Exhibitor fees, sponsorship revenues and delegate fees are earned from the portfolio of B2B shows run by dmg events. Physical events have resumed in 2021 but the outlook for the sector remains uncertain.

dmg::events

Transactions

The revenues of our UK-based Property Information company, Landmark, are influenced by residential and commercial property transaction volumes.

Landmark

Read more in Financial Review, pages 23 to 32

Drawing upon

Culture and values

DMGT has developed a performance management culture underpinned by core values that we believe are integral to the Group's identity:

Entrepreneurism

As a home for entrepreneurs, working at the cutting edge of technology, DMGT fosters constant innovation, growth and talent development across our international businesses.

Purpose

Long-term perspective and businesses with a clear sense of purpose for their customers and society.

Excellence

Commitment to quality, craftsmanship and delivering excellence. We seek the best talent, leadership and expertise.

People

The expertise and passion of our employees.

Technology

Technology enables DMGT's businesses to provide compelling products and solutions.

Customer relationships

DMGT values the relationships we have fostered with our customers, consistent with our long-term approach.

Read more in Our Stakeholders, pages 34 to 39

Enabling us to create value for our stakeholders

For our shareholders

We have a track record of investing for the long term to deliver value creation across a diversified portfolio of entrepreneurial operating companies.

Total shareholder return FY 1991 – FY 2021

10% CAGR

For our employees

We nurture entrepreneurial talent and encourage our people to make their own mark on DMGT, a diverse international portfolio with 125 years of heritage.

Employees worldwide

4,034

For our customers

Our deep understanding of customer needs enables us to innovate constantly and create content, products and solutions that provide our operating companies with a competitive edge and make us even more relevant to our customers.

Organic investment as a percentage of revenues FY 2021

10%

For our communities

DMGT operating companies have helped establish, and developed strategic partnerships with, a number of charitable organisations, including Mail Force Charity. These initiatives focus on making a difference in the communities where our people work and live.

Amount donated to charity FY 2021 including employee volunteering hours

£0.8 million

Read more in Our Stakeholders, pages 34 to 39

Adapting to continuous change

Market Overview

DMGT comprises a portfolio of businesses working across diverse markets. While each sector has its individual characteristics, some common features exist:

- Content and information-driven
- Fast-paced and evolving to adopt new technology and business models
- Technology-enabled with high degrees of innovation
- Enduring and resilient over the long term

Increased volatility

Context to DMGT

- **As a provider of proprietary, hard-to-obtain information, DMGT benefits from growing uncertainty in the world as its customers rely more heavily on data and analysis to inform critical decisions.**

Market trend

- Global economic uncertainty, political tensions and supply and demand disruptions continue to influence our customers and their markets. There is continued uncertainty about the impact on economies globally of Covid-19, the measures to control it and the management of national debt levels. The full implications of Brexit on the UK economy also remain uncertain.
- Pandemics, extreme weather events, fluctuations in the pricing of financial securities and continued exchange-rate swings have directly impacted the economic and social environments for both investment and business operations.

Our approach

- Our diversified portfolio provides some balance in an increasingly volatile world: as one sector may be facing headwinds, another may benefit.
- DMGT is providing its customers with fundamental content, data, analytics and insights. This enables them to move away from decisions based on instinct and embrace data as a means to navigate volatility.
- DMGT's businesses are not dependent on trade between the UK and the remaining EU members, other than the sourcing of newsprint for the Consumer Media business. Notwithstanding a period of political and macroeconomic uncertainty, the future is viewed with confidence.

Political uncertainty

Context to DMGT

- **Political policy decisions have direct and often unexpected impacts on the geographies and sectors in which DMGT operates and will continue to shape where and how DMGT pursues commercial and strategic opportunities.**

Market trend

- There is still long-term geopolitical and trading uncertainty for UK companies' operations abroad.
- Governments are increasing the measures they are taking to reduce the rate of climate change and its adverse impact.
- Changing political landscapes throughout the world add to the general political uncertainty.

Our approach

- DMGT closely follows political changes and implications for the geographies and sectors in which it participates. In many instances, the uncertainty of changing political and regulatory norms presents commercial opportunities, as we help our customers anticipate implications for their business.
- DMGT continually reviews its operations against changes to global sanctions and diplomatic relations.

Cyber security

Context to DMGT

- **As a provider of business-critical data, analytic tools for global industries and news media, DMGT is exposed to cyber security risks across its operations.**

Market trend

- Cyber security threat is a permanent business risk in the digital age. Governments and regulatory bodies are increasingly alert to the threat posed to individuals and society by security breaches.
- As customer confidence is easily eroded, enforcing the highest possible cyber security standards is critical for maintaining customer and market trust.

Our approach

- DMGT continues to strengthen its information security controls. The Group Chief Information Security Officer and Group Assurance team lead a continuous review of the cyber security landscape in order to roll out enhanced information security standards, compliance roadmaps and perform regular cyber security audits.
- A monthly Information Security and Data Privacy Review meeting oversees, records and escalates matters relating to cyber security to the appropriate DMGT governance bodies.
- The Executive Committee ensures senior-level engagement across the Group and appropriate investment in risk reduction.
- Incident reports, responses and best practices are shared across the Group to help ensure appropriate mitigation of any threat.

Our businesses are constantly looking to the future to identify and manage current and future trends. The most significant of these are identified here, as well as DMGT's approach to the trends.

Read more on the trends affecting the Group in Principal Risks, pages 40 to 47

Continuous innovation

Context to DMGT

- **Technological change and customer adoption rates of new technologies in our key sectors are accelerating, changing and erasing traditional business models.**

Market trend

- The speed of technology evolution is increasing the capital intensity of IT investment and product development, reducing business investment horizons.

Our approach

- As an entrepreneurial Group focused on digital growth, DMGT stays ahead by continually fostering innovation and embracing new ideas. This is reflected by DMGT's expectation of investing at least 5% of revenue in organic initiatives each year.
- DMGT has a family heritage which encourages long-term thinking and the application of patient capital. Consequently, the Group can invest for the future, seeding, incubating and nurturing innovative opportunities.
- Throughout DMGT's history, innovation and diversification have been essential elements of how we do business and have given us a wealth of experience to draw on in order to adapt to market changes.
- DMGT's investment approach enables us to remain close to customers through our portfolio of businesses. This provides greater insight into exactly what our customers value, engage with and, ultimately, want to buy.

Artificial intelligence

Context to DMGT

- **There is an increasing prevalence of systems and devices that are designed to act intelligently. There is also continued growth in the amount of data being generated, stored and made available for analysis. With the benefit of artificial intelligence, a smart system can quickly process and use data to inform and change its future behaviour. These developments create opportunities for DMGT and its businesses.**

Market trend

- Artificial intelligence, including machine learning, enables businesses to perform analysis on immense quantities of data and derive insights that were previously impossible to see.

Our approach

- DMGT's businesses help their customers to identify which information provides strategic value, access data from different sources and explore how algorithms can be used to improve processes and understanding. This area is evolving quickly and DMGT's businesses are embracing the opportunity to develop new products to increase efficiency.
- Statistical analytics are integral to many of the products and services that we continue to develop across our businesses.
- DMGT has a central technology function with expertise in artificial intelligence, which is leveraged by the operating companies.

A competitive talent pool

Context to DMGT

- **Across the global workforce, top talent is drawn to companies that offer a compelling employee value proposition. This includes purpose beyond profit, competitive remuneration, flexibility and continuing learning and development opportunities.**

Market trend

- Demand for top talent is always fierce, particularly in the critical areas of digital product, software engineering, big data analytics, artificial intelligence and data science, where demand in many labour markets outstrips supply.

Our approach

- In competing for key employees, especially critical technology talent, DMGT is committed to enhancing its employee proposition.
- The central technology function coordinates Group-wide communication and mobility for technological talent as well as sharing best practices.
- DMGT supports training and development in order to enhance employees' capabilities and transfer skills throughout the businesses. The operating companies also provide initiatives such as talent development programmes to encourage rising talent and to increase the visibility of talent across the Group.

Creating value through our strategy

CEO Review

> "The financial strength of the Group today is the reward for the consistent and disciplined strategy we have followed."
>
> **Paul Zwillenberg**
> CEO

Key strategic priorities

Delivering on our potential

Improving operational execution

Increasing portfolio focus

Maintaining financial flexibility

Overview

While the recovery from the Covid-19 pandemic continues to proceed unevenly across sectors and across our businesses, DMGT's strategy has continued to deliver significant value for our shareholders, notably through the sale of both Hobsons and RMS and the listing of Cazoo.

The financial performance in the year ended 30 September 2021 is a tribute to the Group's long-term approach to investment and our encouragement for entrepreneurial ideas across the portfolio. It is also the reward for our consistent strategy over the past five years as we executed well against our three stated priorities of increasing portfolio focus, improving operational execution and maintaining financial flexibility. Each has been important in enabling DMGT to respond effectively to the pandemic and to continue to serve the Group's customers with distinction.

This year marks a major milestone in DMGT's history with the sale of Hobsons, the EdTech business, and RMS, the Insurance Risk business, for a total of over £1.7 billion in gross cash proceeds and the listing of Cazoo on the New York Stock Exchange (NYSE), valuing DMGT's stake at approximately £0.8 billion. In addition, an offer by Rothermere Continuation Limited (RCL) to acquire all the issued and to be issued DMGT A Shares not already owned by RCL (the Offer) was announced on 3 November 2021.

Cazoo's launch of its commercial operations in the UK used car market, in late 2019, met with tremendous success. We understood the potential for digital disruption and, as a result of our strategy, DMGT had the financial flexibility to invest further through dmg ventures, including in April 2020 when many other investors chose not to. In total, DMGT invested £117 million in both cash and media advertising credits, supporting Cazoo's rapid growth. In March 2021, Cazoo reached an agreement with AJAX I, a special purpose acquisition company (SPAC) backed by a highly-regarded group of investors. In August, the businesses combined and Cazoo Group was listed on the NYSE. As at 30 September 2021, DMGT's c.17% stake was valued at £763 million, an excellent return of 6.5x DMGT's investment.

In early 2021, the progress of RMS was also attracting attention. Following expressions of interest from a number of parties, we received an offer of £1,425 million from Moody's Corporation, the global integrated risk assessment firm. The Board believed this was a very good price, a multiple of approximately 42x RMS's FY 2020 adjusted operating profit. It included the benefit of anticipated revenue synergies available to Moody's as the business pursues emerging opportunities. As a disciplined portfolio manager, we were prepared to sell the business because it was worth considerably more to the buyer than it was to us.

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The value created at RMS is testament to the Group's long-term approach, having owned the business since 1998, and strategy. It is a reward for the substantial organic investment in recent years, enabled by our strong balance sheet, which has repositioned RMS in its markets. It also reflects the team's relentless focus on the opportunities available and the progress they made improving operational execution.

While the Cazoo and RMS transactions were the most consequential during the financial year, they were not the only significant changes to our portfolio.

The sale of our EdTech business, Hobsons, completed in March 2021 in two separate transactions that raised a total of c.US$410 million. Hobsons' Naviance and Intersect businesses were sold for c.US$320 million to PowerSchool, a US-based provider of K-12 education technology solutions. Hobsons' Starfish business was sold to EAB, another US-based education company, for c.US$90 million.

The proceeds amounted to approximately 50x Hobsons' FY 2020 adjusted operating profit, another testament to active portfolio management and the effectiveness of our strategy. We restructured Hobsons in 2017, to focus on the businesses with the most potential, and have invested organically whilst also improving operational execution, creating substantial value in the process. The return on Naviance, which cost a total of US$10 million to acquire, and the value delivered by Intersect, which was an organic initiative, are particularly pleasing.

In March 2021, we paid £67 million to acquire New Scientist, the renowned science publishing title that has developed a successful subscription business. We were delighted to welcome the New Scientist team to our Consumer Media division.

For dmg ventures, while the success of its investment in Cazoo was the outstanding highlight of the year, it also continued to invest in promising consumer-facing businesses that can benefit from DMGT's media presence and industry networks among UK consumers. Over the past year, its investments have included Kortext, the market-leading supplier of digital textbook solutions to UK universities, and Factory 14, the digital brand aggregator.

Business highlights

Inevitably, our financial and operating performance during the year continued to be affected by the Covid-19 pandemic, although the scale of the impact varied considerably.

In general terms, our B2B Information Services performed robustly, with Property Information delivering strong growth in revenue and adjusted profits. Consumer Media delivered moderate underlying profit growth. Growth, driven by MailOnline, was largely offset by Metro, which continued to be severely affected given its reliance on commuter traffic. There was continued profound disruption in the events sector and no significant physical exhibitions were held by our Events and Exhibitions business during the first seven months of FY 2021. Two of the business's three major shows were held in September 2021, but on a significantly reduced scale.

Landmark, the Property Information business, delivered an exceptional performance of 30% underlying revenue growth following market challenges in the prior year. It benefitted from unusually high transaction volumes in the UK residential property market. Stamp duty returned to pre-pandemic levels through a two-step process at the end of June and September 2021 and, accordingly, activity in the UK residential property market has reduced over the past few months. In April 2021, Landmark disposed of its operations in the Republic of Ireland to focus entirely on the UK.

Trepp, the US Property Information company, also enjoyed a good year with revenues increasing by an underlying 11%. There was strong demand as customers sought to understand their portfolio risk exposures and Trepp delivered particularly good growth in CRE and banking, benefitting from recent organic investment.

RMS's revenue decreased by 10% because of the weaker US dollar and 50-week year, due to its sale completing in mid-September 2021. As expected, there was margin improvement following peak investment in FY 2020.

Revenues from the Events and Exhibitions business, dmg events, fell by an underlying 56% over the year. The Covid-19 pandemic continues to have a substantial impact on the appetite for physical events and for business travel. As recently as September 2021, a Canadian event was cancelled less than one week before it was scheduled to be held, due to changing local restrictions.

We were able to hold both Index, the interior design event, and the Hotel Show in Dubai in May 2021 as well as the Big 5 Egypt construction event in June. We relocated Gastech from Singapore to Dubai, to reduce the risk of cancellation, which allowed us to hold the event in September, the same month as another of our major shows, Big 5 Dubai. Revenues during the second half of the year from events that are usually held annually were down 51% compared to the last time that they were held. In FY 2021, DMGT benefitted from the full US$20 million of insurance cover for communicable diseases.

Consumer Media achieved 7% growth in adjusted operating profit, including the benefit of acquisitions, and 2% underlying growth. The consumer advertising market remains challenging, particularly in print, and total revenues decreased by an underlying 2%. Revenues at MailOnline grew by an underlying 16% to £164 million, driving margin progression and the business's contribution remains accretive to the dmg media margin. The Mail Newspaper titles continue to grow their market shares, and cover price increases and subscription sales enabled them to largely offset the impact of lower print retail volumes.

In the UK, the return to working in offices is gathering pace, which is lifting Metro's circulation volumes. However, revenues remain substantially below 2019 levels and the business was loss-making throughout the financial year.

The 'i' achieved a relatively stable performance as the newspaper market slowly recovered from the pandemic and including the benefit of an integrated advertising sales team. New Scientist delivered a good contribution in its first months as part of the Group, confirming our expectations at acquisition.

The Consumer Media division, dmg media, is investing organically to support revenues and growth opportunities, most notably in technology, subscription products and developing its content-led performance marketing proposition.

Financial performance

For the Group as a whole, statutory revenues grew 2% and, on an underlying basis, revenues decreased by 1%. This was despite the strong growth from Property Information and MailOnline and reflected the extremely challenging conditions for Metro and Events & Exhibitions outlined above.

As explained in the Cash operating income (cash OI) section of the Financial Review on page 25, cash OI decreased 1% on an underlying basis, although increased 10% in absolute terms due to event cancellation costs recognised in the prior year. Adjusted profit before tax (PBT) was £88 million, underlying growth of 7% including a reduction in interest income due to lower interest rates. Adjusted earnings per share (EPS) increased 20% to 31.3 pence. On a pro forma basis, excluding RMS and Hobsons, adjusted PBT and adjusted EPS were £50 million and 17.8 pence respectively, as shown on page 29.

Statutory profit for the year increased £1,351 million to £1,540 million, including the gain on the sales of RMS (£1,320 million) and Hobsons (£231 million). Similarly, statutory earnings per share increased 714% to 676.2 pence.

Creating value through our strategy

CEO Review

As a result of the Hobsons, RMS and Cazoo transactions, DMGT ended the financial year with an exceptionally strong balance sheet, including £1.5 billion pro forma net cash and £0.8 billion of Cazoo shares. This is a result of DMGT's strategy and the value that it has created for shareholders.

Tim Collier, Group CFO, describes DMGT's financial performance in further detail in the Financial Review on pages 23 to 32. An update on DMGT's Key Performance Indicators, used as a measure of our performance at a Group level, can be found on pages 14 and 15 of the Strategic Report.

Strategy update and outlook

The financial strength of the Group today is the reward for the consistent and disciplined strategy we have followed, with our clear goals of increasing portfolio focus, improving operational execution and maintaining financial flexibility. Five years ago, DMGT operated across 10 sectors and through 40 businesses, many of which were falling short of their potential.

Substantial rewards for shareholders have been delivered through the patient application of our strategy, including targeted investment where we saw the best opportunities and transformation where fixing was required. They have been realised through the profitable sale of businesses that were worth more to other owners than to DMGT, as well as through improved operating performance. DMGT has achieved this at a time when the wider economy has often provided little support.

The sales of RMS and Hobsons leave the remaining Group more tightly focused in three sectors: Consumer Media, Property Information and Events and Exhibitions; as well as our dmg ventures investment portfolio.

DMGT will continue to be a diversified portfolio across sectors, geographies and roles, albeit more concentrated than historically with a notably high Consumer Media weighting.

If the Offer completes as planned, the Group would face a different set of opportunities, challenges and issues and the strategy would evolve accordingly.

DMGT will continue to invest, prioritising organic investment and taking advantage of technological change, whilst maintaining a long-term perspective.

DMGT will also remain committed to attracting and retaining talent, by providing stimulating, varied and competitively remunerated opportunities. The success we have delivered in recent years could not have been achieved without the hard work, creativity and commitment of DMGT's people. I am incredibly grateful for that and proud to be serving as the Group's CEO.

Paul Zwillenberg
CEO

Clear portfolio roles

We have established clear roles for each business within the portfolio and the expectations for each business reflect their role.

Predictable performers	Growing and delivering	Businesses for the future
Predictable profit and cash generation to meet DMGT's obligations, fund investment and incubate 'Businesses for the future'	Revenue growth and margin improvement driving value creation	Option value for the future, tomorrow's 'Growing and delivering' businesses
Daily Mail, The Mail on Sunday, Metro, Landmark Information, Trepp, i	MailOnline, dmg::events, NewScientist	dmg::ventures
• Innovate and extend core; seed 'Businesses for the future'. • Optimise efficient operations. • Leverage scale.	• Scale breakthrough products. • Harness operational gearing to drive margin. • Prioritise customer retention; grow market share.	• Exploit niche opportunities. • Establish scalable processes and infrastructure. • Innovate and act on rapid market feedback.

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Delivering sustainable returns over the long term

DMGT's businesses have market-leading positions in growing sectors that are digitising. The strategy is built around a long-term philosophy and is currently comprised of three priorities: increasing portfolio focus, improving operational execution and maintaining financial flexibility. The strategy aims to drive sustainable revenue, profit, cash and EPS growth over the long term, supported by the Group's strong position.

Recommended offer for DMGT by RCL

On 3 November 2021, it was announced (the Offer Announcement) that Rothermere Continuation Limited (RCL) and the Non-conflicted DMGT Directors had reached agreement on the terms of a special distribution and on a recommended cash offer (the Offer) by RCL of £2.55 per share to acquire all the issued and to be issued DMGT A Shares not already owned by RCL (the Offer Shares). The Non-conflicted DMGT Directors are those that are considered independent in respect of the Offer. The Offer Announcement followed DMGT's announcement on 12 July 2021 of a possible major reorganisation of the Group and, subject to pre-conditions, a possible offer by RCL for the Offer Shares.

Conditional upon the Offer becoming or being declared unconditional (Offer Acceptance), DMGT intends to declare a special dividend payable to all DMGT shareholders, including RCL. The special dividend would comprise cash of £5.68 per share and shares in Cazoo Group Ltd (Cazoo). The Cazoo share component would be approximately 0.5749 Cazoo shares per DMGT share, subject to rounding for each DMGT shareholder and a reduction in the event of the sterling equivalent market value of each Cazoo share exceeding c.£7.38, which is DMGT's sterling equivalent base cost for tax purposes in those shares, on the date that the settlement is calculated.

The Non-conflicted DMGT Directors are Kevin Beatty, Tim Collier, Kevin Parry, JP Rangaswami, Heidi Roizen, Dominique Trempont and Filippa Wallestam, and they have recommended the Offer to DMGT's shareholders. Shareholders have until 1.00 pm GMT on 16 December 2021 to decide whether or not they will accept the Offer. The Offer is conditional upon RCL having received valid acceptances in respect of not less than 90% of the Offer Shares, or a lower percentage as RCL may decide provided that this condition shall not be satisfied unless RCL has acquired or agreed to acquire more than 50% of all DMGT shares, including those already owned by RCL.

Following Offer Acceptance, it is expected that DMGT would cease to be listed in due course and be re-registered as a private company.

For further information, please see the 'Recommended offer for DMGT' section on DMGT's website, www.dmgt.com/investors.

Measuring our performance
Key Performance Indicators

The Board seeks to deliver sustained long-term growth and value creation for DMGT's shareholders.

Due to DMGT holding a changing portfolio of different companies, many Key Performance Indicators (KPIs) that are targeted by individual businesses are not appropriate at a consolidated Group level. Examples include customer numbers, revenue per customer, employee productivity and employee engagement. The KPIs shown below, however, are considered to be good indicators of the Group's overall progress against its strategic priorities. The KPIs are alternative performance measures (APMs) rather than statutory measures as the APMs are considered by the Board and executive management to be particularly informative. Reconciliations from statutory to adjusted measures are shown in the Financial Review on pages 27, 28 and 29, and there are explanations on page 31.

Key strategic priorities

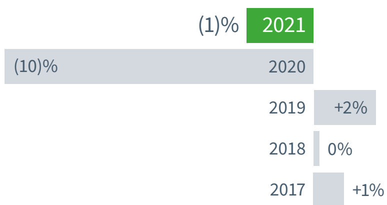
- Improving operational execution
- Increasing portfolio focus
- Maintaining financial flexibility

Description | **Relevance** | **Performance** | **Narrative** | **Strategic priority**

Underlying revenue growth^

Relevance: Underlying revenue growth compares revenues on a like-for-like basis and is an important indicator of the health and trajectory of the individual businesses and the Group as a whole.

Performance:



Narrative:

Underlying revenue decrease

(1)%

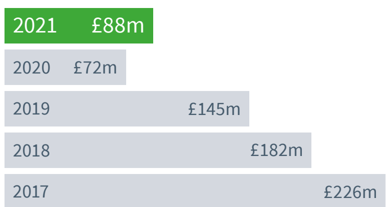
2020: (10)%

The underlying revenue performance reflects the adverse impact of the Covid-19 pandemic on Events and Exhibitions and Consumer Media's Metro newspaper more than offsetting growth in Property Information and the rest of Consumer Media.

Group adjusted* profit before tax

Relevance: DMGT actively manages its portfolio and allocates capital to increase adjusted profit before tax over the long term.

Performance:



Narrative:

Group adjusted profit before tax

£88m

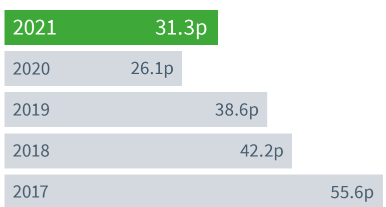
2020: £72m

Group adjusted profit before tax includes discontinued operations and increased by £16 million, driven by Property Information.

Adjusted* earnings per share

Relevance: Over the long term, management seeks growth in adjusted earnings per share to maximise overall returns for DMGT's shareholders.

Performance:



Narrative:

Adjusted earnings per share

31.3p

2020: 26.1p

Adjusted earnings per share (EPS) include discontinued operations and increased by 20%, reflecting the growth in adjusted profit before tax. On a pro forma basis, the adjusted EPS for continuing operations was 17.8p.

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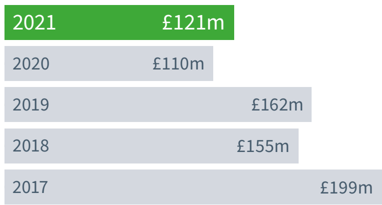
Description	Relevance	Performance	Narrative	Strategic priority

Group adjusted* cash operating income

This metric adds back depreciation and amortisation and deducts capital expenditure from Group adjusted operating profit. It reflects the cash generation of the Group's businesses.



Group adjusted cash operating income

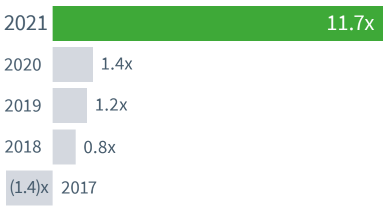
£121m

2020: £110m

Group adjusted cash operating income increased by £11 million due to the growth in operating profit, driven by Property Information.

Net cash§/(debt): EBITDA ratio

Management aims to maintain a strong balance sheet and retain DMGT's investment-grade status and consequently targets the net (debt):EBITDA ratio to be no more than (2.0) throughout the year.



Net cash/(debt):EBITDA

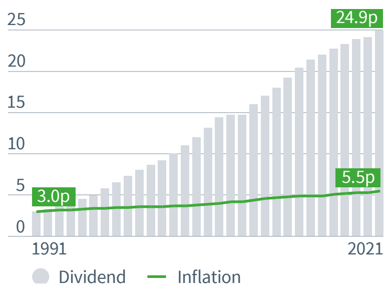
11.7x

2020: 1.4x

DMGT continues to maintain significant financial flexibility. The disposal of the Group's Insurance Risk and EdTech businesses during the year further strengthened DMGT's net cash position.

Dividend per share

The Board's existing policy has been to maintain dividend growth in real terms and, in the medium term, to distribute about one-third of the Group's adjusted earnings.



Dividend per share

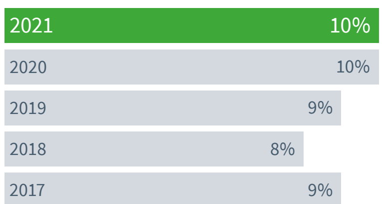
24.9p

2020: 24.1p

A total full-year dividend of 24.9 pence has been proposed, up by 3% from last year, delivering a 7% cumulative annual growth rate over the past 30 years. The Board has withdrawn the existing dividend policy and intends to review the policy applicable to FY 2022.

Organic investment¥ as a percentage of revenues

Investing back into the businesses to support product innovation and effective use of technology is key to delivering DMGT's sustained long-term growth. The Board expects at least 5% of revenues to be used for organic investment.



Organic investment as a % of revenues

10%

2020: 10%

DMGT continued to reinvest in the businesses during the year, particularly in the B2B Information Services portfolio, notably Insurance Risk. For continuing operations, organic investment was 4% of revenues during the year.

^ Underlying revenue growth is on a like-for-like basis, adjusted for constant exchange rates, the exclusion of disposals and business closures, the inclusion of the year-on-year organic growth from acquisitions and for the consistent timing of revenue recognition. For Consumer Media, underlying revenues exclude low-margin newsprint resale activities. For events, the comparisons are between events scheduled to be held in the year and the same events held, or that were scheduled to be held, the previous time. Underlying growth includes the negative impact of events held in FY 2020 that are usually annual but which were not held in FY 2021. See pages 27 and 32.

§ See inside front cover.

* Before exceptional items, other gains and losses, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, pension finance charges or credits and fair value adjustments; see Consolidated Income Statement on page 106 and the reconciliation in Note 13 to the Accounts.

¥ Organic investment is expenditure that is incurred with the objective of delivering long-term growth. It includes expenditure on product development, whether capitalised or expensed directly, and the adjusted operating losses of early-stage subsidiary businesses.

Operating Business Reviews
B2B Information Services

Summary

The B2B division has been separated into B2B Information Services and B2B Events and Exhibitions to help investors understand the drivers of revenue, profitability and valuation. Our B2B Information Services division now operates in one sector, Property Information, following the disposal of the Insurance Risk and EdTech businesses during the year.

B2B Information Services	2021 £m	2020 £m	Movement %	Underlying^ %
Revenue*	**484**	527	(8)%	+25%
Cash operating income*	**89**	75	+18%	+57%
Operating profit*	**84**	65	+29%	+89%
Cash operating income margin*	**18%**	14%		
Operating margin*	**17%**	12%		

The Insurance Risk business, RMS, was disposed of in September 2021; the EdTech business, Hobsons, was disposed of in March 2021; and the Energy Information business, Genscape, was disposed of in November 2019. The figures above include their performance prior to disposal, other than the underlying growth rates which exclude them completely.
* Adjusted results rather than statutory; see pages 27, 28 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 27, 28 and 32 for details.

Performance

The EdTech business, Hobsons, was disposed of in March 2021 and the Insurance Risk business, RMS, was disposed of in September 2021, following the disposal of the Energy Information business, Genscape, in November 2019. The disposals have created substantial value for shareholders and were consistent with DMGT's strategy of increasing portfolio focus. DMGT now operates in one B2B Information Services sector, compared to four at the start of the prior year.

B2B Information Services adjusted revenue totalled £484 million for the year, down 8% in absolute terms including the adverse impact of disposals and the weaker US dollar. The B2B Information Services underlying growth rates exclude sold businesses and are entirely attributable to Property Information, which delivered strong underlying revenue growth of 25%.

B2B Information Services cash operating income (cash OI) grew 18% to £89 million, including 57% underlying growth from Property Information, and the margin increased to 18%. Adjusted operating profit grew 29%, including 89% underlying growth from Property Information, and the operating margin increased to 17%. The margin improvement was largely driven by Property Information revenue growth.

Outlook

The US Property Information business, Trepp, generates over 90% of its revenues from subscriptions and benefits from high renewal rates. It is well positioned to deliver continued revenue growth in FY 2022.
The year-on-year performance for the UK Property Information business, Landmark, will reflect the dynamics in residential property transaction volumes.

Read more on the risks affecting our B2B Information Services businesses in Principal Risks, pages 40 to 47

Property Information

	2021 £m	2020 £m	Movement %	Underlying^ %
Revenue	**227**	187	+22%	+25%
Cash operating income*	**44**	29	+51%	+57%
Operating profit*	**44**	24	+81%	+89%
Cash operating income margin*	**19%**	16%		
Operating margin*	**19%**	13%		

* Adjusted results rather than statutory; see pages 27, 28 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 27, 28 and 32 for details.

The Property Information portfolio is comprised of two businesses: Landmark Information Group (Landmark), which operates in the UK, and Trepp in the US. Both companies are market leaders in their sectors and play an important role as strong cash generators for DMGT.

Business model

Landmark derives revenues from providing services across the value chain, using technology, data and workflow to streamline and help reduce the risk associated with residential and commercial property transactions. The majority of Landmark's revenues are generated from volume-related transactions, underpinned by a predictable minimum base level. Trepp provides risk, valuation and data solutions for the commercial mortgage-backed securities (CMBS) market as well as tools, analytics and models for commercial real estate (CRE) investors and lenders. The majority of Trepp's revenues are from subscriptions.

Performance highlights

Property Information revenues for the year grew by 25% on an underlying basis, with particularly strong growth from Landmark, which accounted for three-quarters of Property Information revenues in the year. Cash OI was £44 million with margin increasing from 16% to 19%, whilst the adjusted operating margin increased from 13% to 19%. The margins benefitted from strong revenue growth. There was also a £6 million increase in organic investment, including a £4 million increase in capital expenditure at Landmark which adversely affected the cash OI growth rate.

Landmark

Landmark benefitted from high transaction volumes in the UK residential property market during the year and delivered underlying revenue growth of 30% to £170 million. Adjusted operating profit grew to £26 million, an adjusted operating margin of 15%. There was strong revenue growth during the first nine months of the year, particularly in the third quarter compared to significant declines in the prior year during the first UK lockdown. Higher volumes were supported by reductions in stamp duty, introduced in July 2020, and in the early months of the year by pent-up demand following the first UK lockdown. Stamp duty was increased at the end of June and September 2021, which has adversely impacted new listings of residential properties in recent months.

Landmark made encouraging strategic and operational progress in the year, continuing to strengthen its product lines and market position including the development of its Valuation Hub for lenders and surveyors. At DMGT's Investor Briefing event in February 2021, investors had the opportunity to learn about the vision for an end-to-end ecosystem that Landmark has started to build through acquisitions and organic investment. The progress made integrating Landmark's businesses during the year will help enable future development of an open platform to increase the speed and transparency of the transaction process in the UK residential property market, which presents exciting opportunities for Landmark to expand its scale and profitability. Consistent with DMGT's strategy, in April 2021, Landmark disposed of its operations in the Republic of Ireland to increase its focus on the opportunities described above.

Trepp

Trepp's revenues grew an underlying 11% to £57 million, driven by increased demand as customers sought to further understand their portfolio risk exposure using Trepp's tools, analytics, data and models. There was particularly strong growth from the CRE and Banking businesses which have benefitted from previous organic investment in product and technology initiatives. Investment in technology and product development continues, notably the data lake, application programming interfaces (APIs) and business intelligence tools. These are expected to form the foundation, over the coming years, of both Trepp's unified technology infrastructure and its delivery platform for customers, enabling Trepp's growth to continue. Trepp's adjusted operating profit was £18 million in the year, an adjusted operating margin of 32%. Trepp's long-term growth potential, supported by its strong core business and strategy to enter adjacent market segments, was presented at DMGT's February 2021 Investor Briefing event.

Priorities in the year ahead

In the US, Trepp is well positioned to deliver growing subscription revenues in FY 2022, but at a lower percentage growth rate than the 11% achieved in FY 2021. Over 90% of revenues are from subscriptions and, as expected, revenue growth has slowed a little in recent months.

In the UK, property transaction volumes are likely to continue at a more normal level, following the increases in stamp duty at the end of June and September 2021, compared to the first nine months of FY 2021.

Landmark and Trepp are investing organically in their businesses to enhance their market-leading positions and support future revenue growth, and investment is expected to increase in FY 2022. Initiatives include increased investment at Landmark to continue the integration and modernisation of technology across its businesses and increased investment at Trepp in product development and enhancements.

Insurance Risk

	2021 £m	2020 £m	Movement %	Underlying^ %
Revenue	**223**	248	(10)%	N/A
Cash operating income*	**42**	35	+21%	N/A
Operating profit*	**40**	34	+17%	N/A
Cash operating income margin*	**19%**	14%		
Operating margin*	**18%**	14%		

* Adjusted results rather than statutory; see pages 27, 28 and 31 for details.
^ Underlying growth rates are not shown as the Insurance Risk division was no longer part of DMGT as at 30 September 2021.

DMGT no longer operates in the Insurance Risk sector, following the disposal of RMS in September 2021.

Performance highlights

RMS was sold to Moody's Corporation (Moody's) for approximately £1,425 million on 15 September 2021.

Consistent with DMGT's strategy and long-term approach to value creation, over the past few years RMS has made substantial organic investments in software, data, data analytics, models and applications.

Operating Business Reviews

B2B Information Services

The business successfully delivered its accelerated product development programme and the deployment of Risk Intelligence, the world's first software-as-a-service (SaaS) unified catastrophe model and analytics platform, which was a major achievement. The premium valuation achieved is testament to the strategic progress RMS made in this period. Moody's is well positioned to drive the next stage of RMS's growth and deliver revenue synergies.

Revenue decreased 10% in absolute terms, reflecting the weaker US dollar and that the business was not held for the full 12 months of FY 2021. Following peak investment in FY 2020, the cash OI and adjusted operating income margin increased to 19% and 18% respectively. Cash OI and adjusted operating profit increased 21% and 17% respectively in absolute terms, despite the adverse impact of exchange rates and the timing of the disposal.

EdTech

	2021 £m	2020 £m	Movement %	Underlying^ %
Revenue	**34**	85	(61)%	N/A
Cash operating income*	**2**	10	(75)%	N/A
Operating profit*	**1**	6	(81)%	N/A
Cash operating income margin*	**7%**	12%		
Operating margin*	**3%**	7%		

* Adjusted results rather than statutory; see pages 27, 28 and 31 for details.
^ Underlying growth rates are not shown as the EdTech division was no longer part of DMGT as at 30 September 2021.

DMGT no longer operates in the EdTech sector, following the disposal of Hobsons on 4 March 2021.

Performance highlights

Hobsons was sold for approximately US$410 million in total from two separate transactions which both completed in March 2021. Naviance, the K-12 college and career readiness solution, and Intersect, the higher education student match and fit business, were sold to US-based PowerSchool, a leading provider of K-12 education technology solutions, for approximately US$320 million. Starfish, the higher education student retention and success platform, was sold to EAB, a US-based education company, for approximately US$90 million.

The highly attractive valuations achieved in these two transactions reflected the significant progress made since Hobsons was restructured in 2017 to increase its focus on the businesses with the most potential for value creation. Over the subsequent four years, Hobsons invested organically in technology and improved its operational execution, creating a firm foundation for long-term profitable growth.

Revenues, cash OI and adjusted operating profit decreased in absolute terms due to the disposal in March. As expected, investment in modernising the core product platforms resulted in a reduction in margins.

Energy Information

	2021 £m	2020 £m	Movement %	Underlying^ %
Revenue*	**–**	7	(100)%	N/A
Cash operating income*	**–**	1	(100)%	N/A
Operating profit*	**–**	2	(100)%	N/A
Cash operating income margin*	**N/A**	20%		
Operating margin*	**N/A**	23%		

* Adjusted results rather than statutory; see pages 27, 28 and 31 for details.
^ Underlying growth rates are not shown as the Energy Information division was no longer part of DMGT as at 30 September 2021.

DMGT no longer operates in the Energy Information sector, following the disposal of Genscape for US$364 million in November 2019.

Operating Business Reviews

B2B Events and Exhibitions

	2021 £m	2020 £m	Movement %	Underlying^ %
Revenue	**34**	79	(57)%	(56)%
Cash operating income*	**1**	4	(86)%	(147)%
Operating profit*	**–**	4	(89)%	(150)%
Cash operating income margin*	**2%**	5%		
Operating margin*	**1%**	5%		

* Adjusted results rather than statutory; see pages 27, 28 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 27, 28 and 32 for details. Cash OI and adjusted operating profit both reduced by an underlying £15 million.

The Events and Exhibitions business, dmg events, is an organiser of B2B exhibitions and conferences with industry-leading events in the energy, construction, interiors, hotel, hospitality and leisure sectors. The business has been severely affected by the impact of Covid-19. To ensure the safety of customers, employees, delegates and visitors, no significant physical events were held in the first seven months of the financial year. Prior to Covid-19, dmg events hosted over 50 events each year, attracting over 300,000 visitors and exhibitors from more than 100 different countries.

Business model

dmg events has strong market and brand positions, emerging market experience and an entrepreneurial culture. This creates opportunities for growth through geo-cloning existing events into new locations and by creating spin-off sections to become stand-alone events. Conversely, when the exhibition sector or end-markets are challenged, events can be combined to save costs and support attendance.

The key branded events are Big 5, ADIPEC, Gastech, INDEX and the Hotel Show, which all provide opportunities to develop the spin-off and geo-clone strategy. dmg events derives its revenues from exhibitor, sponsorship and delegate fees, with the top three events usually generating over half of the revenues.

Performance highlights

Throughout the year, dmg events worked closely with major customers, sponsors and venues to ensure the safety of all stakeholders and to support the long-term value of its brands. The implications of the Covid-19 pandemic remained unpredictable. As recently as September 2021, the Global Energy Show in Calgary, Canada, was cancelled less than one week before it was scheduled to be held, due to the implementation of emergency restrictions.

The business's largest exhibition, ADIPEC, is usually held each November but did not occur in FY 2021 because of the pandemic. Big 5 Dubai and Gastech, the business's second and third largest events, were both held in Dubai in September 2021, following the relocation of Gastech from Singapore, to reduce the risk of cancellation, and the postponement of Big 5 Dubai from November 2020. A few smaller physical events were held in the year, including the Hotel Show and INDEX interior design events in Dubai in May and Big 5 Egypt, a construction event, in June 2021. Nigeria Oil & Gas, one of the events acquired from CWC Group in April 2020, was held in July 2021.

As expected, physical events held in the year were significantly smaller than prior to the Covid-19 pandemic, with revenues and profits affected accordingly. This reflected the reduced ability and willingness of exhibitors and delegates to travel, particularly between continents, and consequently events were regional rather than truly international. Virtual versions of several events were held, notably ADIPEC in November 2020, to help maintain the brand profiles, expand audiences and sustain customer relationships. Customer feedback was positive but the virtual events were not financially significant.

Revenues decreased by 56% on an underlying basis and by 57% in absolute terms to £34 million. The Covid-19 pandemic continues to have a substantial impact, with second-half revenues from events that are usually held annually down approximately 51% compared to the last time they were held.

The business recognised £4 million of costs in the year relating to cancelled or postponed events. This compared to £18 million recognised in the prior year, of which £7 million related to events that had been scheduled in FY 2021. The business does, however, have insurance cover for communicable diseases, of up to US$20 million per financial year until September 2022 and the full cover was recognised in both FY 2021 and FY 2020. Including the benefit from insurance, cash OI and adjusted operating profit were £1 million and a break-even performance respectively. For the purposes of the underlying growth calculations, the costs for cancelled events are in the period that the event was scheduled to occur and consequently the £7 million of costs referred to above are reclassified from FY 2020 to FY 2021.

Both the rate and extent of the recovery of physical exhibitions remain uncertain as do the longer-term implications of climate change. DMGT believes that face-to-face events will remain important in a digitising world and consequently the business will continue to launch new events where opportunities arise.

Priorities in the year ahead

Other than Big 5 Dubai, which is scheduled to be held in December 2022, all of dmg events' significant shows are currently scheduled to be held in FY 2022. This includes the other two of the three major shows: ADIPEC in Abu Dhabi in November 2021 and Gastech in Milan in September 2022. Almost all events, including these two major shows, are expected to be significantly smaller than when they were held in 2019, prior to the onset of the Covid-19 pandemic.

The portfolio of events continues to evolve, adjusting to circumstances, notably climate change as well as the impact of the Covid-19 pandemic, and to reduce the business's reliance on carbon-focused sectors. There are 22 shows that were held pre-Covid that are either not in the current schedule at all or have been merged into other larger events. Nine new physical events are currently scheduled in FY 2022, including the World Utilities Congress in Abu Dhabi in May 2022.

Events are likely to remain subject to late cancellations and uncertainty due to changing restrictions for venues and travel.

Based on the current schedule, dmg events is expected to deliver revenue growth in FY 2022. The business is likely to continue to derive some benefit from its insurance cover in FY 2022 in respect of reductions in profit attributable to Covid-19, with the total amount dependent on the specific circumstances and financial performance of each event.

Read more on the risks affecting our B2B Events and Exhibitions business in Principal Risks, pages 40 to 47

Operating Business Reviews
Consumer Media

	2021 £m	2020 £m	Movement %	Underlying^ %
Revenue	**624**	604	+3%	(2)%
Cash operating income*	**69**	64	+7%	+2%
Operating profit*	**60**	56	+7%	+2%
Cash operating income margin*	**11%**	11%		
Operating margin*	**10%**	9%		

* Adjusted results rather than statutory; see pages 27, 28 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 27, 28 and 32 for details.

The Consumer Media business, dmg media, is focused on delivering high-quality, popular journalism to a large global audience. dmg media has prospered in an increasingly digital-oriented consumer media market. The combined strength of the Mail, Metro, 'i' and New Scientist brands creates innovative and exciting opportunities for advertisers through a sophisticated and targeted multi-channel approach.

Business model

dmg media's portfolio includes two of the UK's most-read paid-for newspapers, Daily Mail and The Mail on Sunday; Metro, its free newspaper, which is the UK's highest circulation weekday newspaper; as well as MailOnline, one of the world's leading English-language newspaper websites.

The New Scientist, one of the world's leading science publishing titles, was acquired in March 2021, following the acquisition of the 'i', the UK national newspaper and website, in November 2019, with both businesses now benefitting from synergies as part of a larger media portfolio. dmg media provides its businesses with shared functions and expertise, including advertising sales, some editorial content, centralised support teams and the production and distribution of print products.

The Mail brand reaches an average of over 26 million UK adults each month across its print and digital platforms. It has also achieved scale in other geographic markets, including the US and Australia. Combined, the Mail, Metro and 'i' brands reach around 65% of the UK's adult population on average each month, or one in five of UK adults each day.

dmg media's revenues are generated mainly from circulation and advertising revenues, with a small but growing portion from subscriptions. Strong profits and cash flow continue to be generated by the paid-for newspapers and MailOnline. dmg media's future growth is expected to be driven by the digital and subscription businesses. The outlook for the newspaper sector is more challenging and the longer-term implications of climate change are uncertain.

Performance highlights

The trading conditions for Consumer Media improved during the year with the easing of lockdown restrictions in the UK and a partial recovery in the advertising market. Total revenues decreased by an underlying 2%, including a 13% underlying reduction in the first half of the year and 13% underlying growth in the second half. The year-on-year growth rates reflect a particularly challenging final seven months of FY 2020, following the onset of Covid-19.

Total advertising revenues grew an underlying 1% to £284 million. Underlying growth of 16% from MailOnline was largely offset by a 15% decrease in print advertising due to Metro, which is facing particularly challenging market conditions. Circulation revenues, including subscriptions, decreased by an underlying 3% for the full year, including 2% growth in the second half, to £288 million. There was strong growth in subscriptions, notably for 'The Digital Edition', a paid-for enhanced digital version of the Mail newspaper. Excluding subscriptions, circulation revenues decreased by an underlying 6%. The decline in newspaper volumes was partly offset by Daily Mail cover price increases of 10p to £1.10 for the Saturday edition in January 2020 and 10p to 80p for the Monday to Friday editions in March 2021.

Digital revenues continued to grow, up an underlying 15%, and accounted for 32% of the combined revenues from our news brands in the year, compared to 28% in the prior year.

Total Consumer Media revenues were £624 million, 3% growth in absolute terms, including the benefit of the acquisition of three printing plants in October 2020 and New Scientist in March 2021, as well as the full 12-month benefit of the acquisition of the 'i' in November 2019.

The Consumer Media cash OI margin remained unchanged at 11%, whilst the adjusted operating margin increased from 9% to 10%. Cash OI was £69 million and adjusted operating profit was £60 million, both up 2% on an underlying basis despite a particularly challenging year for Metro, which made a loss. There was a continued focus on managing the cost base of the newspaper business and driving synergies across the portfolio, as well as good profit contribution growth from MailOnline. dmg media continued to invest organically to support revenues and growth opportunities, notably in technology and developing its digital subscription products as well as capabilities in content-led performance marketing where growth opportunities have been identified.

Mail businesses

Revenues for the combined Mail newspaper, website and TV businesses (Daily Mail, The Mail on Sunday, MailOnline and DailyMailTV) grew by an underlying 3% to £518 million, of which £164 million was generated by MailOnline.

Total advertising across the Mail businesses grew by an underlying 9% to £249 million, including 16% growth from MailOnline and 1% growth in print advertising revenues. Digital advertising accounted for 67% of total advertising across the combined Mail businesses. The full-year growth in print advertising included 33% in the second half of the year, despite continued structural and competitive challenges facing the UK national newspaper advertising market, reflecting the particularly pronounced impact Covid-19 had on the prior year.

The Mail newspapers' competitive position remains strong, with large and growing UK retail market shares held by the Daily Mail and The Mail on Sunday, estimated to be 27.3% and 24.5% for the year respectively. Demand for the digital version of the Mail newspapers' content increased, with subscribers to 'The Digital Edition' averaging over 90 thousand during the year, a 51% increase on the prior year. The 'Mail+' briefings service, which offers readers additional insight, news and entertainment via video, podcast and articles, attracted an average of over 370 thousand unique visitors a month during the year. Mail circulation revenues, including subscriptions, decreased 4% to £255 million, despite the benefit of cover price increases.

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MailOnline continues to focus on attracting traffic directly to its homepages, on desktop and mobile, or its apps. Following particularly high traffic levels in 2020, driven in part by the Covid-19 pandemic, total minutes spent on the site, excluding time viewing videos, decreased by 7% to a daily average of 135 million in the year. The direct audience accounted for 81% of minutes spent, an increase from 79% in the prior year, demonstrating high levels of engagement with these valuable and loyal customers. The total average daily global unique browsers, excluding other platforms such as Snapchat and Facebook video, decreased by 15% to 14.7 million, due to lower levels of indirect traffic.

In April 2021, dmg media filed an anti-trust lawsuit in New York, alleging anti-competitive behaviour by Google in respect of the manipulation of digital advertising auctions and bias in search results. The litigation process is expected to progress slowly.

DailyMailTV is currently in its fifth season and is aired daily across the US, continuing to raise awareness of MailOnline. Revenues at DailyMailTV of £6 million were down 26% on an underlying basis. MailOnline's revenue growth resulted in margin progression and the business's profit contribution remains accretive to the dmg media margin.

Metro

Metro revenues decreased by £21 million or 46% year-on-year to £26 million, a substantial reduction compared to the £79 million achieved in FY 2019. The performance reflects the combination of fewer copies being distributed, as the business has been severely affected by lower commuter volumes, and the weak print advertising market. This resulted in Metro making a substantial loss in the year, as the majority of the revenue reduction flowed through to cash OI and operating losses.

Readership has increased as more commuters have returned to using public transport and the daily weekday average circulation volumes were 1.1 million copies in September 2021. This compares to a daily weekday average of 0.8 million over FY 2021 as a whole and 0.3 million in May 2020, but volumes remain below the pre-Covid-19 level of over 1.4 million. Prior to Covid-19, Metro was read by an average of 2.3 million people each day and had the largest Monday to Friday share by volume of the UK newspaper advertising market, excluding supplements. Revenues would benefit from increased usage of public transport and a recovery in the print advertising market.

The 'i'

The 'i', the UK national newspaper and website, has an established reputation for quality journalism, with a loyal and engaged readership, and DMGT is committed to preserving its distinctive and politically independent editorial style. Revenues were £32 million, an underlying decrease of 1%, reflecting lower circulation revenues largely offset by advertising growth following the successful integration of the sales team.

New Scientist

In early March 2021, dmg media acquired New Scientist for £67 million. New Scientist's high-quality editorial content attracts a large and growing international readership and we believe there are significant digital growth opportunities to be achieved. The acquisition improves the quality of dmg media's revenue streams, as approximately 75% of revenues are derived from subscriptions. The business is well positioned for growth. Revenues in the seven months to September 2021 were £13 million, with underlying growth of 9%.

Other revenues

In October 2020, dmg media acquired three printing plants for £10 million to strategically strengthen its position in the newspaper production market, consistent with DMGT's long-term approach. Printing publications for third-parties generated £10 million of low-margin revenues in the year.

Other revenues also include £22 million of low-margin sales of newsprint to other publishers, which is excluded from underlying revenue growth calculations.

Priorities in the year ahead

dmg media will continue to harness the value of the Mail, 'i', Metro and New Scientist brands for both readers and advertisers and invest in the quality of their popular journalism to drive and engage audiences. The cost base of the newspaper businesses will continue to be managed carefully, with a measured approach that ensures the quality of the content is not compromised, consistent with DMGT's strategy of supporting the longevity of the newspapers' strong cash generation.

The strength of the advertising market, which inherently lacks visibility and is volatile, will reflect the status of the post-Covid-19 economy. Circulation volumes of the Mail and 'i' are expected to decline from current levels whilst Metro's will depend on commuter traffic.

There have been substantial recent increases in distribution and energy costs, as well as increases in the cost of newsprint at levels not seen since 1996, and these have started to impact the profitability of the newspaper businesses. Newsprint is the second largest cost item for the Consumer Media business and DMGT is currently exploring a number of options to mitigate the impact of these cost increases, including a review of employee numbers.

Due to the publishing cycle, dmg media's results include a whole number of weeks' performance in each year and the FY 2022 results will include a 53rd week up to Sunday 2 October 2022. The additional week will be excluded from underlying growth rates but will benefit reported results. Reported results will also benefit from the inclusion of 12 months of New Scientist following its acquisition.

Read more on the risks affecting our Consumer Media businesses in Principal Risks, pages 40 to 47

Operating Business Reviews

Joint ventures, associates and dmg ventures

As well as a diverse portfolio of operating companies, DMGT holds minority stakes in early-stage businesses, primarily through its dmg ventures arm.

Joint ventures and associates

	2021 £m	2020 £m	Movement %	Underlying^ %
Share of pre-tax adjusted operating losses*	**(3)**	(8)	**(59)%**	**(59)%**

* Adjusted results rather than statutory; see pages 27 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 27 and 32 for details.

Current notable associates include:

- c.45% stake in Yopa, a UK hybrid estate agent;
- c.22% stake in Kortext, the leading supplier of digital textbook solutions to UK universities; and
- c.24% stake in Excalibur, which operates the online discount businesses Wowcher and LivingSocial UK.

DMGT holds a portfolio of early-stage associates and the Group's net share of adjusted operating losses from its joint ventures and associates was £3 million in the year, compared to £8 million in FY 2020. Yopa continues to disrupt the estate agency sector and made good operational progress during the year. It is influenced by the same UK residential property market dynamics as Landmark, the Property Information business, and delivered strong revenue growth as well as a significantly reduced adjusted operating loss.

In June 2021, dmg ventures invested a further £17 million in Kortext. The investment is expected to fund additional product development, helping the seamless delivery of digital textbooks and other course materials to students.

Investments and dmg ventures

In addition to joint ventures and associates, DMGT also invests in and develops early-stage businesses in which the Group holds smaller stakes. As the percentage holdings are too small, or DMGT's level of influence insufficient, for the companies to be associates, the Group does not recognise a share of profits or losses from these investments.

dmg ventures is responsible for DMGT's minority and early-stage investments, including some associates. It focuses on investing in companies with disruptive consumer propositions which need to scale and can leverage the Group's assets to do so. In some cases, equity stakes are acquired by providing advertising in DMGT's Consumer Media products, reflecting the extensive reach of the Mail, Metro and 'i' brands.

DMGT's most significant investment is Cazoo, which aims to transform the car buying experience for consumers across Europe. In October 2020, dmg ventures participated in a further Cazoo funding round and invested £34 million, increasing DMGT's total investment in Cazoo to £117 million.

In March 2021, Cazoo announced its intention to become publicly listed on the New York Stock Exchange (NYSE) through a business combination with AJAX I, a publicly-traded special purpose acquisition company (SPAC) which was already listed on the NYSE. The transaction completed in August 2021 with DMGT receiving US$5 million net cash proceeds and retaining c.132.6 million shares in Cazoo Group, equivalent to c.17% of the common stock on a fully diluted basis, valued at £763 million as at 30 September 2021.

Lock-up restrictions apply to DMGT's holding in Cazoo Group for up to six months to 26 February 2022 and DMGT is subject to US securities law restrictions, including customary blackout periods relating to releases of Cazoo Group's results and other non-public information. Consequently, it may be more than six months before some or all of DMGT's stake in Cazoo Group can be realised.

Other notable investments include Farewill, the UK-based provider of a legal and financial services platform intended to deal with all paperwork after death, and Taboola, the content delivery platform, which listed on Nasdaq's US exchange through a merger with a SPAC in June 2021. dmg ventures' stake in Taboola was valued at £5 million as at 30 September 2021, compared to a cost of £2 million in 2015.

The year ahead

DMGT's joint ventures and associates are primarily investment-stage businesses and DMGT does not control them, unlike subsidiaries.

Disciplined approach to value creation

Financial Review

"DMGT has a strong balance sheet and has created substantial shareholder value."

Tim Collier
Group CFO

Financial highlights: statutory results

Revenue
£885m
2020: £870m

Operating loss
£(6)m
2020: £(3)m

Profit/(loss) before tax
£(2)m
2020: £34m

Profit for the year
£1,540m
2020: £189m

Earnings per share (EPS)
676.2p
2020: 83.1p

Dividend per share
24.9p
2020: 24.1p

Go online to www.dmgt.com to read more about our Financial highlights

DMGT's clear portfolio roles, strong balance sheet and disciplined approach to value creation position the Group well to invest in opportunities and to deliver growth over the long term.

The Financial Review details DMGT's performance during a year when some of DMGT's businesses continued to face particularly challenging market conditions because of the Covid-19 pandemic whilst the Property Information businesses benefitted from favourable market conditions.

The statutory results reflect the exclusion of discontinued operations, from revenue, operating profit and profit before tax. They include gains on disposals and exceptional items. The discontinued operations are Genscape, the Energy Information business, Hobsons, the EdTech business, and RMS, the Insurance Risk business. Profit for the year was £1,540 million, a £1,351 million increase on the prior year, including gains on the disposal of RMS and Hobsons. Similarly, statutory earnings per share increased 714%.

Maintaining financial flexibility remains a key strategic priority and DMGT's balance sheet was strong throughout the year. The position at the year end was particularly strong, following the disposal of RMS in September 2021, with pro forma net cash of £1,542 million. In addition, DMGT's listed stake in Cazoo was valued at £763 million at year end.

The recommended final dividend of 17.3 pence per share will give a total for the year of 24.9 pence, up 3% on the prior year, continuing DMGT's 30-year track record of delivering annual real dividend per share growth and consistent with our existing dividend policy.

The Board and management team use adjusted results and measures, rather than statutory results, as the primary basis for providing insight into the financial performance of the Group and the way it is managed. Similarly, adjusted results are used in setting management remuneration. Adjusted results exclude certain items which, if included, could distort the understanding of comparative performance of the business during the year. Consequently, this Financial Review focuses primarily on adjusted measures. The explanations for the adjustments and the reconciliations to statutory results are shown on pages 27, 28, 29 and 31.

When assessing revenue and profit growth, the Board and management focus on underlying growth rates as the most meaningful like-for-like comparison between the current year and the prior year. A more detailed explanation and the calculations are shown on pages 27, 28 and 32.

Disciplined approach to value creation

Financial Review

Financial highlights: adjusted measures*

Underlying^ revenue decrease
(1)%
2020: (10)%

Underlying^ cash operating income decrease
(1)%
2020: (29)%

Underlying^ operating profit growth
+5%
2020: (35)%

Operating margin
9%
2020: 7%

Profit before tax
£88m
2020: £72m

EPS growth
+20%
2020: (32)%

Pro forma net cash§
£1,542m
2020: £168m

Pro forma net cash§:EBITDA
11.7x
2020: 1.4x

Footnotes in this Financial Review are defined on the inside front cover with the exception of that below.

^ Underlying growth rates are on a like-for-like basis, see pages 27, 28 and 32. Underlying revenues, cash operating income (cash OI) and operating profits are adjusted for constant exchange rates, the exclusion of disposals and business closures, the inclusion of the year-on-year organic growth from acquisitions and for the consistent timing of revenue recognition. For Consumer Media, underlying revenues exclude low-margin newsprint resale activities. For events, the comparisons are between events scheduled to be held in the year and the same events held, or that were scheduled to be held, the previous time. Consequently, underlying growth rates include all costs for events that were originally scheduled in FY 2021 and that were cancelled or postponed. Similarly, the prior year comparatives include all revenues and costs for the previously scheduled occurrence of the same event, whether it occurred or not. Underlying growth rates include the negative impact of events held in FY 2020 that are usually annual but which were not held in FY 2021. Due to cancellations or postponements, the operating profit and cash OI in both years include costs recognised in advance of the scheduled occurrence of an event; but for the calculation of underlying growth rates, the costs are recognised when the event was scheduled to be held.

Performance highlights

The Group's overall financial performance in the year reflected the varied market conditions resulting from the Covid-19 pandemic. Events and Exhibitions was particularly affected, with no significant physical events held in the first seven months of FY 2021, and Consumer Media's Metro newspaper was loss-making throughout the year. The Property Information businesses benefitted from strong customer demand, particularly in the UK where there were high volumes of residential property transactions. The financial performance also reflects the impact of disposals in the B2B Information Services portfolio and the weaker US dollar.

Group revenues decreased 1% on an underlying basis. Underlying growth rates exclude RMS and Hobsons, which were disposed of in March and September 2021 respectively. By revenue stream, underlying growth was achieved in subscriptions, digital advertising and transactions but this was more than offset by the decrease in events, print advertising and circulation. Statutory revenue grew 2% in the year to £885 million.

Cash operating income (cash OI) decreased 1% on an underlying basis and adjusted operating profit grew by an underlying 5%. The underlying performance reflected a strong growth from Property Information, largely offset by Events and Exhibitions. Both cash OI and adjusted operating profit grew in absolute terms including the comparative benefit of written-off costs of £7 million recognised in the prior year relating to events scheduled in FY 2021. Group adjusted operating margin was 9%, compared to 7% in the prior year.

Adjusted profit before tax was £88 million, an increase of 22% in absolute terms including the benefit of a reduction in share of operating losses from associates and the adverse impact of increased net finance costs. The year-on-year performance benefitted from the timing of recognition of costs for cancelled events whereas adjusted profit before tax grew 7% on an underlying basis.

DMGT continues to maintain significant financial flexibility, consistent with the Group's key strategic priorities, and was in a net cash position throughout the year. Following the disposal of RMS, DMGT ended the year with pro forma net cash§ of £1,542 million. The year-end pro forma net cash to adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) ratio, which is stated after adjusting EBITDA to include lease costs, was 11.7.

Revenue performance

Group revenues in the financial year decreased 1% on an underlying basis. Statutory revenues were £885 million, a 2% increase.

Adjusted revenues, which include discontinued operations prior to their disposal, decreased 6% in absolute terms to £1,142 million. This was due to the disposal of DMGT's Energy Information, EdTech and Insurance Risk businesses as well as the adverse impact of the weaker US dollar. The average exchange rate during the year was £1:$1.37, compared to £1:$1.28 in the prior year.

Adjusted revenues from B2B Information Services decreased 8% to £484 million because of disposals and exchange rates. B2B Information Services underlying growth rates are entirely attributable to Property Information and revenue growth was 25%. This included 30% from the UK business, Landmark, following challenging market conditions in the prior year, and 11% from the US business, Trepp. B2B Events and Exhibitions revenues decreased by 56% on an underlying basis and by 57% in absolute terms to £34 million. The Covid-19 pandemic continues to have a substantial impact, with second-half revenues from events that are usually held annually down approximately 51% compared to the last time they were held.

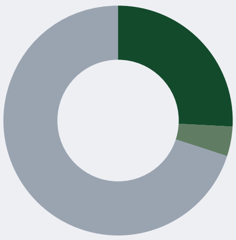
Revenues from the Consumer Media business, dmg media, grew 3% in absolute terms, including the benefit of acquisitions, to £624 million. The trading conditions improved during the year with the easing of lockdown restrictions in the UK and a partial recovery in the advertising market. Consumer Media revenues decreased by an underlying 2%, including a 13% reduction in the first half of the year and 13% growth in the second half. The year-on-year growth rates reflect a particularly challenging final seven months of FY 2020, following the onset of Covid-19.

The charts on page 25 demonstrate the diverse profile of DMGT's revenues, albeit less than historically following the disposal of RMS and Hobsons.

Read more on each operating business's revenue performance, pages 16 to 22

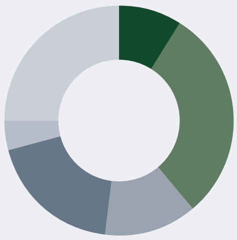
Statutory revenue profile

By business (%)



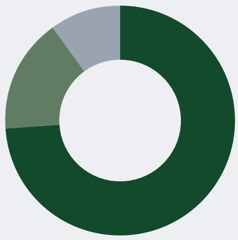
Property Information	26
Events and Exhibitions	4
Consumer Media	70

By type (%)



Subscriptions	9
Circulation	30
Print advertising	13
Digital advertising	19
Events	4
Transactions and other	25

By destination (%)



UK	74
North America	16
Rest of the World	10

Statutory revenues exclude Insurance Risk and EdTech, as both were disposed of during the year and are discontinued operations.

Cash operating income

Cash OI is a performance metric used by DMGT to assess the cash generation of its businesses. It is calculated by adding back depreciation and amortisation expenses, which are non-cash items, to adjusted operating profit and then deducting capital expenditure. The depreciation charge on right-of-use assets, which has resulted since the adoption of IFRS 16, the lease accounting standard, is not added back when calculating cash OI. In the financial year, cash OI for the Group as a whole was £121 million, growth of 10% in absolute terms, including strong growth from Property Information. There was, however, a £15 million underlying reduction in cash OI from Events and Exhibitions which resulted in the Group cash OI being down 1% on an underlying basis. The absolute performance in Events and Exhibitions includes the comparative benefit of written-off costs for events scheduled for FY 2021 which were required to be recognised in FY 2020. Underlying growth, on the other hand, includes the reclassification of these £7 million of event cancellation costs from FY 2020 to FY 2021. Consumer Media delivered modest underlying cash OI growth, with growth in the Mail businesses largely offset by losses from the Metro newspaper.

Business performance

	Revenues*				Cash operating income*				Operating profit*			
	FY 2021	FY 2020	Growth		FY 2021	FY 2020	Growth		FY 2021	FY 2020	Growth	
	£m	£m	Reported	Underlying^	£m	£m	Reported	Underlying^	£m	£m	Reported	Underlying^
Property Information	**227**	187	+22%	+25%	**44**	29	+51%	+57%	**44**	24	+81%	+89%
Insurance Risk	**223**	248	(10)%	N/A	**42**	35	+21%	N/A	**40**	34	+17%	N/A
EdTech	**34**	85	(61)%	N/A	**2**	10	(75)%	N/A	**1**	6	(81)%	N/A
Energy Information	**–**	7	(100)%	N/A	**–**	1	(100)%	N/A	**–**	2	(100)%	N/A
B2B Information Services	**484**	527	(8)%	+25%	**89**	75	+18%	+57%	**84**	65	+29%	+89%
B2B Events and Exhibitions	**34**	79	(57)%	(56)%	**1**	4	(86)%	(147)%	**–**	4	(89)%	(150)%
Consumer Media	**624**	604	+3%	(2)%	**69**	64	+7%	+2%	**60**	56	+7%	+2%
Corporate costs					**(37)**	(34)	+9%	+10%	**(38)**	(35)	+9%	+10%
DMGT	**1,142**	**1,211**	(6)%	(1)%	**121**	**110**	+10%	(1)%	**106**	**90**	+18%	+5%

Cash operating income

£ million	Source	FY 2021	FY 2020
Adjusted Group operating profit	Table on page 27	**106**	90
Add: Depreciation of tangible fixed assets	Note 3	**21**	23
Add: Amortisation of intangible fixed assets (e.g. products and software)	Note 3	**10**	15
Less: Purchase of tangible fixed assets	Cash flow	**(8)**	(12)
Less: Expenditure on intangible fixed assets (e.g. products and software)	Cash flow	**(7)**	(6)
DMGT Cash operating income		**121**	**110**

Footnotes in this Financial Review are defined on the inside front cover. 'Underlying' is defined in the footnote to the table on page 24.
Amounts in the tables are stated rounded to the nearest million pounds. Consequently, totals may not equal the sum of the component integers.

Disciplined approach to value creation

Financial Review

There were also increased Corporate costs, reflecting particularly low incentive plan costs in the prior year. The absolute performance benefits from the timing of the recognition of event cancellation costs and from acquisitions as well as including the adverse impact of B2B Information Services disposals and the weaker US dollar.

Excluding RMS and Hobsons, the pro forma Group cash OI was £76 million in the year.

Operating profit performance

Adjusted operating profit of £106 million grew 18% in absolute terms, primarily due to the operational dynamics described above. On an underlying basis, including the reclassification of event cancellation costs between years, operating profit grew 5%.

The adjusted operating profit of the Group's B2B Information Services operations grew 29% to £84 million, including RMS and Hobsons. The underlying growth was 89% and was entirely attributable to Property Information. The £60 million adjusted operating profit from Consumer Media was up 2% on an underlying basis, despite Metro's losses, reflecting a continued focus on managing the cost base of the newspaper businesses and driving synergies across the portfolio, as well as good profit contribution growth from MailOnline. Corporate costs increased by an underlying 10% to £38 million.

The year-on-year adjusted operating profit performance was stronger than the cash OI performance. This was largely due to increased capital expenditure at Landmark, which adversely affected cash OI.

On a pro forma basis, excluding RMS and Hobsons, Group adjusted operating profit was £66 million in the year as shown on page 29.

Joint ventures and associates

The Group's net share of the adjusted operating losses* from its joint ventures and associates was £3 million, compared to £8 million in the prior year. In August 2021, Cazoo Group became publicly listed on the New York Stock Exchange (NYSE) through a business combination with AJAX I, a publicly-traded special purpose acquisition company (SPAC). As at 30 September 2021, DMGT held c.132.6 million shares in Cazoo Group, equivalent to c.17% of the common stock on a fully diluted basis, valued at £763 million.

Read more on our JVs and associates' performance and about DMGT's investments, page 22

Financing costs

Adjusted net finance costs were £15 million. The 48% increase in total net costs was due to a £6 million reduction in interest income on DMGT's gross cash deposits due to lower interest rates. Net finance costs included £13 million of charges on bond debt.

The pension finance credit, which is excluded from adjusted results, was £2 million compared to £4 million in the prior year.

Results before taxation

Adjusted profit before tax was £88 million, up an underlying 7% with the growth in adjusted operating profit and reduction in losses from joint ventures and associates more than offsetting increased net finance costs. On a pro forma basis, excluding RMS and Hobsons, adjusted profit before tax was £50 million.

Taxation

The adjusted tax charge for the year, after excluding the effect of exceptional items, was £17 million, see Note 11, compared to £13 million in the prior year. The adjusted tax rate was 20%, a slight increase on 18% in the prior year and in line with expectations, reflecting the geographical mix of profits.

The statutory tax credit for the year was £62 million, including exceptional credits of £40 million in respect of the recognition of previously unrecognised US deferred tax assets following the disposal of Hobsons and £17 million in respect of the recognition of previously unrecognised UK deferred tax assets. There was also a statutory tax charge of £104 million on discontinued operations, notably an exceptional charge of £97 million on the disposal of RMS and Hobsons, giving a total net statutory tax charge of £42 million. There were £25 million of net exceptional tax charges in total.

Go online to www.dmgt.com to read our tax policy on the Policies and Documents page

Profit after tax

Adjusted Group profit after tax and minority interests was £71 million, an increase of 20%.

Earnings per share (EPS)

Adjusted basic EPS was 31.3 pence, up 20%. On a pro forma basis, excluding RMS and Hobsons, adjusted basic EPS was 17.8 pence, as shown on page 29. The weighted average number of shares in issue during the year, excluding shares held in Treasury and the Employee Benefit Trust, was 228.1 million, broadly consistent with 227.8 million in the previous year.

Pro forma net cash and cash flow

Pro forma net cash§ at the end of the year was £1,542 million, an increase of £1,374 million compared to the start of the year, reflecting £1,535 million of net disposal proceeds partly offset by £139 million spent on acquisitions and investments. Pro forma net cash is stated after adjusting to exclude lease liabilities that are included in net cash in the financial statements following the adoption of IFRS 16. The lease liabilities largely reflect the future operating costs of renting office space and are not considered a component of net debt when the Board reviews the Group's available capital. Consequently, they are excluded from pro forma net cash.

The pro forma net cash:EBITDA ratio was 11.7 at the year end.

The Group's cash OI of £121 million is stated after £16 million of capital expenditure, a reduction on £18 million in the prior year. DMGT remains committed to investing for the long term and the Group's organic investment was equivalent to 10% of revenues in the year. For continuing operations, organic investment was equivalent to 4% of revenues. Other operating cash net outflows totalled £25 million including costs. Group operating cash flow was £96 million, a 90% conversion rate of operating profits to operating cash flow, compared to 110% in the prior year, reflecting an increase in exceptional cash costs in the year.

Net cash

£ million	FY 2021	FY 2020
Net cash as at 30 September (see Note 16)	1,505	185
Exclude cash made available to pension schemes	–	(117)
Exclude IFRS 16 lease liabilities	37	100
Pro forma net cash as at 30 September	**1,542**	**168**

Footnotes in the text of this Financial Review are defined on the inside front cover.

Revenue: reconciliation of statutory to adjusted and underlying performance

£ million	Property Information	Insurance Risk	EdTech	Energy Information	B2B Information Services	Events and Exhibitions	Consumer Media	Group	Explanation[1]
FY 2021 statutory revenue	**227**	**–**	**–**	**–**	**227**	**34**	**624**	**885**	
Discontinued operations	–	223	34	–	257	–	–	257	i
FY 2021 adjusted revenue	**227**	**223**	**34**	**–**	**484**	**34**	**624**	**1,142**	
M&A	(3)	(223)	(34)	–	(260)	–	10	(250)	U/L
Other	–	–	–	–	–	–	(22)	(23)	U/L
FY 2021 underlying revenue	224	–	–	–	224	34	611	869	
FY 2020 statutory revenue	**187**	**–**	**–**	**–**	**187**	**79**	**604**	**870**	
Discontinued operations	–	248	85	7	340	–	–	340	i
FY 2020 adjusted revenue	**187**	**248**	**85**	**7**	**527**	**79**	**604**	**1,211**	
M&A	(3)	(248)	(85)	(7)	(343)	4	42	(298)	U/L
Exchange rates	(4)	–	–	–	(4)	(5)	(3)	(12)	U/L
Other	–	–	–	–	–	1	(20)	(19)	U/L
FY 2020 underlying revenue	180	–	–	–	180	79	623	881	
Underlying revenue growth	**+25%**	**N/A**	**N/A**	**N/A**	**+25%**	**(56)%**	**(2)%**	**(1)%**	

Operating profit: reconciliation of statutory to adjusted and underlying performance

£ million	Property Information	Insurance Risk	EdTech	Energy Information	B2B Information Services	Events and Exhibitions	Consumer Media	Corporate costs	JVs and associates	Group	Explanation[1]
FY 2021 statutory operating profit	**37**	**–**	**–**	**–**	**37**	**(17)**	**53**	**(69)**	**(10)**	**(6)**	
Discontinued operations	–	40	1	(5)	35	–	–	–	–	35	i
Exceptional operating costs	1	–	–	5	6	–	2	31	–	39	ii
Intangible impairment and amortisation	6	–	–	–	6	17	5	–	7	35	iii
Exclude JVs and associates									(3)	3	
FY 2021 adjusted operating profit	**44**	**40**	**1**	**–**	**84**	**–**	**60**	**(38)**		**106**	
M&A	(1)	(40)	(1)	–	(41)	–	2	–		(40)	U/L
Other	–	–	–	–	–	(5)	–	–		(5)	U/L
FY 2021 underlying operating profit	43	–	–	–	43	(5)	61	(38)		61	
FY 2020 statutory operating profit	**15**	**–**	**–**	**–**	**15**	**(10)**	**43**	**(40)**	**(11)**	**(3)**	
Discontinued operations	–	13	5	13	32	–	–	–	(1)	31	i
Exceptional operating costs	1	20	–	(11)	10	2	7	5	–	24	ii
Intangible impairment and amortisation	8	–	1	–	8	13	6	–	4	31	iii
Exclude JVs and associates									(8)	8	
FY 2020 adjusted operating profit	**24**	**34**	**6**	**2**	**65**	**4**	**56**	**(35)**		**90**	
M&A	–	(34)	(6)	(2)	(42)	1	5	–		(36)	U/L
Exchange rates	(1)	–	–	–	(1)	(1)	–	–		(2)	U/L
Other	–	–	–	–	–	6	–	–		6	U/L
FY 2020 underlying operating profit	23	–	–	–	23	10	60	(35)		58	
Underlying operating profit growth	**+89%**	**N/A**	**N/A**	**N/A**	**+89%**	**(150)%[2]**	**+2%**	**+10%**		**+5%[2]**	

1. The 'Explanation' references in Roman numerals i to vi refer to the explanations on page 31. 'U/L' refers to underlying adjustments which are explained more on page 32 and in the footnote to the table on page 24.
2. Events and Exhibitions adjusted operating profit decreased by £3 million and by an underlying £15 million, which is also included in the Group underlying operating profit growth rate.

Amounts in the tables are stated rounded to the nearest million pounds. Consequently, totals may not equal the sum of the component integers.

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Cash operating income (cash OI): reconciliation to adjusted operating profit and underlying performance

£ million	Property Information	Insurance Risk	EdTech	Energy Information	B2B Information Services	Events and Exhibitions	Consumer Media	Corporate costs	Group	Explanation[1]
FY 2021 adjusted operating profit	**44**	**40**	**1**	**–**	**84**	**–**	**60**	**(38)**	**106**	See page 27
Depreciation and amortisation[2]	6	4	3	–	13	–	15	2	30	
Purchase of fixed assets[2]	(6)	(1)	(2)	–	(9)	–	(6)	–	(16)	
FY 2021 cash operating income	**44**	**42**	**2**	**–**	**89**	**1**	**69**	**(37)**	**121**	
M&A	(1)	(42)	(2)	–	(46)	–	2	–	(44)	U/L
Other	–	–	–	–	–	(5)	–	–	(5)	U/L
FY 2021 underlying cash OI	43	–	–	–	43	(5)	70	(37)	72	
FY 2020 adjusted operating profit	**24**	**34**	**6**	**2**	**65**	**4**	**56**	**(35)**	**90**	See page 27
Depreciation and amortisation[2]	7	5	8	–	20	–	16	2	38	
Purchase of fixed assets[2]	(2)	(4)	(4)	–	(10)	–	(7)	(1)	(18)	
FY 2020 cash operating income	**29**	**35**	**10**	**1**	**75**	**4**	**64**	**(34)**	**110**	
M&A	(1)	(35)	(10)	(1)	(47)	1	5	–	(41)	
Exchange rates	(1)	–	–	–	(1)	(1)	–	–	(2)	
Other	–	–	–	–	–	6	–	–	6	
FY 2020 underlying cash OI	27	–	–	–	27	10	69	(33)	73	
Underlying cash OI growth	**+57%**	**N/A**	**N/A**	**N/A**	**+57%**	**(147)%[3]**	**+2%**	**+10%**	**(1)%[3]**	

Profit before tax (PBT): reconciliation of statutory to adjusted and underlying performance

£ million	FY 2021	FY 2020	Underlying growth	Explanation[1]
Statutory (loss)/profit before tax	**(2)**	**34**		
Discontinued operations	1,584	165		i
Exceptional operating costs	39	24		ii
Intangible impairment and amortisation	35	31		iii
Gain on sale or purchase of assets	(1,566)	(177)		iv
Pension finance credit	(2)	(4)		v
Other adjustments	–	(1)		vi
Adjusted profit before tax	**88**	**72**		
M&A – Group	(40)	(36)		U/L
Exchange rates – Group	–	(2)		U/L
Other – Group	(5)	6		U/L
Underlying profit before tax	**43**	**40**	**+7%[4]**	

1. The 'Explanation' references in Roman numerals i to vi refer to the explanations on page 31. 'U/L' refers to underlying adjustments which are explained more on page 32 and in the footnote to the table on page 24.
2. Amortisation of intangible assets and expenditure on purchasing intangible assets refers to products and software, not assets acquired as part of business combinations. The depreciation charge on the additional right-of-use assets, which has resulted since 1 October 2019 from the adoption of IFRS 16, the lease accounting standard, is not added back when calculating cash OI.
3. Events and Exhibitions cash OI decreased by £4 million and by an underlying £15 million, which is also included in the Group underlying cash OI growth rate.
4. Events and Exhibitions adjusted operating profit decreased by £3 million and by an underlying £15 million, which is also included in the Group underlying PBT growth rate.

Amounts in the tables are stated rounded to the nearest million pounds. Consequently, totals may not equal the sum of the component integers.

Net finance costs: reconciliation of statutory to adjusted

£ million	FY 2021	FY 2020	Explanation[1]
Statutory investment revenue	**2**	**7**	
Statutory net finance costs	**(13)**	**(13)**	
Discontinued operations	(2)	–	i
Pension finance credit	(2)	(4)	v
Reclassification of associates' interest payable	–	(1)	vi
Adjusted net finance costs	**(15)**	**(10)**	

Adjusted pro forma income statement: FY 2021

The adjusted pro forma results show the adjusted results, rather than statutory results, after adjusting to deconsolidate the EdTech and Insurance Risk businesses, which are discontinued operations, as if the disposals had occurred on 1 October 2020.

£ million	Adjusted results	Pro forma adjustments	Adjusted pro forma results
Operating profit: continuing operations	66	–	66
Operating profit: discontinued operations	41	(41)	–
Total operating profit	106	(41)	66
JVs and associates	(3)	–	(3)
Net finance costs	(15)	2	(13)
Profit before tax	**88**	**(39)**	**50**
Tax and non-controlling interests	(17)	8	(9)
Profit after tax	71	(31)	41
Earnings per share (basic)	**31.3 pence**	**(13.5) pence**	**17.8 pence**

Amounts in the tables are stated rounded to the nearest million pounds. Consequently, totals may not equal the sum of the component integers.

Disposal proceeds included net proceeds of approximately £1,228 million from the disposal of RMS and £288 million from the disposal of Hobsons. Expenditure on acquisitions and investments included £67 million to acquire New Scientist, the science publishing title, £34 million of investment in Cazoo, £17 million of investment in Kortext, the digital textbook solutions business, and £10 million to acquire printing plants.

Total pension funding payments in the year were £135 million including £117 million previously ring-fenced for the schemes and which was excluded from pro forma net cash as at 30 September 2020. Consequently, on a pro forma basis, the adverse impact of pension funding on net cash during the year was £18 million. Other cash payments in the year included dividends of £56 million, taxation of £22 million and net interest payments of £13 million. The weaker US dollar at year end, relative to the prior year end, resulted in an adverse cash revaluation of £9 million.

The Group's cash, cash equivalents and short-term deposits, net of overdrafts, totalled £1,745 million at year end. Bond debt was £200 million, maturing in June 2027, and there was also £4 million of net debt in respect of derivatives and collateral. The Group's committed bank facilities, which mature in March 2023, were £316 million and were completely unutilised.

In September 2021, Fitch downgraded DMGT's corporate credit rating from BBB- to BB+ following the disposal of RMS. Standard & Poor's rating of DMGT's corporate credit remains unchanged at BB, although it was placed on 'CreditWatch Negative' in July 2021, following the announcement of the possible major reorganisation of the Group. The revised assessments would be expected to impact the cost of borrowing, if DMGT is required to do so in the future, and are likely to be a consideration for the Trustees of DMGT's defined benefit pension schemes.

The Group's preferred upper limit for gearing remains a net debt to EBITDA ratio of 2.0, below the requirements of the Group's bank covenants.

Capital allocation framework

DMGT prioritises organic investment opportunities and takes a long-term approach, investing through the cycle, avoiding a focus on short-term EPS growth. The dividend remains DMGT's second capital allocation priority and is normally considered the primary mechanism for returning capital to shareholders.

The Group adopts a balanced and flexible approach to uses of capital across the two remaining categories: acquisitions and shareholder returns. DMGT currently has capacity for meaningful acquisitions and remains highly disciplined in its use of capital. We will prioritise the allocation of capital towards opportunities that build on our skills in combining proprietary content, data science and sophisticated analytics, across both B2B and Consumer Media. Currently, valuations are relatively more attractive in the Consumer Media sector and DMGT's most recent acquisitions reflect the opportunity to invest here and deliver compelling financial returns.

If the offer by Rothermere Continuation Limited (RCL) to acquire all the issued and to be issued DMGT A Shares not already owned by RCL (the Offer) becomes or is declared unconditional (Offer Acceptance), DMGT intends to declare a special dividend.

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This conditional special dividend would include the distribution of Cazoo shares to DMGT's shareholders and a cash special dividend of £5.68 per share. The distribution and related funding of the pension schemes would substantially reduce the capital available to the Group and its capacity for future acquisitions.

DMGT has always taken a long-term approach to capital management, avoiding issuing new equity to shareholders. Maintaining financial flexibility remains a strategic priority, enabling the Group to be acquisitive in the future, as opportunities arise.

Read more on the Offer on page 13

Pensions

The Group's three defined benefit pension schemes provide retirement benefits for UK staff, largely in dmg media. These schemes are closed to new entrants. The pro forma net surplus on the schemes, on an accounting basis, increased from £240 million at the start of the year to £416 million at 30 September 2021, calculated in accordance with IAS 19 (Revised). The pro forma surplus includes £121 million in escrow, held for the benefit of the pension schemes but classified as an 'other financial asset' on DMGT's balance sheet, as well as the statutory net surplus of £295 million. At the start of the year, the pro forma surplus included £117 million that had been ring-fenced for the pension schemes and that was paid into escrow in October 2020. During the year, funding payments directly into the main schemes were £14 million and payments into escrow were £121 million, including the £117 million referenced above. In aggregate, the schemes remain in deficit on an actuarial, technical provisions basis.

The proposed special dividend would constitute a significant portion of the current value of DMGT and a number of significant payments and protections would take effect in the event of Offer Acceptance and the special dividend being declared. They include the payment of £402 million in cash, including the release of current escrow arrangements. For more information, please see page 24 of the 'Major reorganisation and recommended cash offer for DMGT' announcement in the 'Recommended offer for DMGT' section on DMGT's website, www.dmgt.com/investors.

In the event of the special dividend not being declared, the existing funding plan is that from FY 2022 to FY 2025 inclusive, payments of £11 million p.a. will be made directly into the schemes and, in addition, payments of £7 million p.a. will be paid into escrow. The FY 2022 payments were made in October 2021. The existing arrangement also includes funding of £58 million that is payable following the disposal of RMS and its retirement as a guarantor in respect of one of the schemes. There is also an agreement for a further £10 million of funding if two of the schemes are merged as currently planned and which is not conditional on Offer Acceptance or the special dividend being declared.

The next actuarial valuation is scheduled for 31 March 2022.

Dividends

DMGT's existing dividend policy has been to grow the dividend per share in real terms and, in the medium term, to distribute around one-third of the Group's adjusted earnings.

The Board is recommending the payment on DMGT's issued Ordinary Shares and A Ordinary Non-Voting Shares (A Shares) of a final dividend of 17.3 pence. This will make a total for the year of 24.9 pence, increasing the dividend by more than inflation.

The recommended FY 2021 full year dividend is equivalent to 80% of the adjusted EPS for the year, since earnings have been adversely affected by the impact of Covid-19 and disposals, and 140% of the adjusted pro forma EPS, excluding RMS and Hobsons.

Also, in the event of the Offer becoming or being declared unconditional, DMGT intends to declare a special distribution payable to all DMGT shareholders, comprising cash and Cazoo shares.

The Board intends to review the dividend policy applicable to FY 2022 with a view to communicating a revised policy with the half year results for the six months ended 31 March 2022.

In formulating its policy, the Board will take account of several factors including: shareholdings in DMGT; the near-term trading and cash generation or absorption of the Group following the business disposals in FY 2021; any capital returned in connection with the special dividend and the related Offer; the desire for reinvestment of DMGT's capital for future organic and inorganic investment; and the outlook for the remaining businesses in the Group.
As these matters are currently uncertain, the Board notes that it is not in a position to determine its policy at this time and has consequently withdrawn its existing policy that increased dividends by more than inflation. Nevertheless, if the Offer is declared unconditional and the special dividend is paid, the DMGT Board anticipates that any future dividends per share paid to holders of the DMGT A Shares will be materially lower than they have been historically.

Exceptional items, impairments and amortisation

As explained in more detail below, certain items, including exceptional costs, impairments and some amortisation are excluded from adjusted results. The exceptional cash costs in the year were £33 million, compared to £15 million in the prior year. Total exceptional operating costs, including £5 million from discontinued operations, were £39 million, compared to £24 million in the prior year. There were £18 million of exceptional professional fees including in respect of restructuring advice relating to the possible offer for DMGT by RCL.

The charge for amortisation of intangible assets arising on business combinations was £16 million (2020 £11 million). Total impairment charges in the year, including £7 million in respect of associates, were £20 million, compared to £19 million in the prior year. The charge includes £13 million in respect of CWC, the Events and Exhibitions business, due to uncertainty caused by the Covid-19 pandemic.

The Group recorded other net gains on disposal of businesses and investments of £1,566 million (2020 £177 million), including £1,551 million on discontinued operations, notably £1,320 million on the disposal of RMS, the Insurance Risk business.

Outlook

The duration and severity of the Covid-19 pandemic remain unclear, particularly for our Events and Exhibitions business and Metro publication. DMGT continues not to provide formal quantitative guidance and instead provides a qualitative indication of direction for each business in FY 2022. In addition, the requirements of the Takeover Code apply, notably in respect of restrictions on profit forecasts or guidance.

The underlying financial performance in FY 2022, for the Group as a whole, will depend on the dynamics of the individual businesses, as described in the Operating Business Reviews on pages 16 to 22.

We expect there to be continued significant organic investment in the year, to support revenues and create value over time.

The Group's financial performance in FY 2022 will be adversely affected by the impact of disposals, notably RMS.

Net finance costs in FY 2022 are expected to include a £13 million charge on the Group's bond debt, whilst additional interest costs and interest income will depend on any use of the Group's bank facilities and the amount of any gross cash deposits.

The adjusted tax rate will continue to depend on the geographical mix of profits. The FY 2022 rate is currently expected to increase slightly from the FY 2021 rate of 20%.

The Board is confident that DMGT is positioned to withstand the uncertainties of the period ahead and to continue to adopt a long-term approach. The Group benefits from a diversified portfolio of market-leading businesses that operate across multiple sectors, geographies and business models.

Our strategy, combined with a balanced and flexible approach to capital allocation, positions us to deliver on the Group's long-term revenue, profit and cash flow potential.

Read more on the outlook for our businesses in Operating Business Reviews, pages 16 to 22

Adjusted results

The Board and management team use adjusted results and measures, rather than statutory results, to give greater insight to the financial performance of the Group and the way it is managed. The tables on pages 27, 28 and 29 show the adjustments, for both FY 2021 and FY 2020, between the Group's statutory revenue and adjusted revenue and its statutory profit before tax and adjusted profit before tax, as well as between statutory operating profit and adjusted operating profit by business.

Note 13 shows the full list of adjustments between statutory and adjusted results.

The explanation for each type of adjustment is as follows:

i. Discontinued operations: the adjusted results include the pre-disposal results of discontinued operations, namely Genscape, the Energy Information business, Hobsons, the EdTech business, and RMS, the Insurance Risk business. Statutory revenue, operating profit and profit before tax, however, only include continuing operations. The gains on the disposal of Genscape in FY 2020 and on the disposal of both Hobsons and RMS in FY 2021 are excluded from both statutory and adjusted profit before tax.

ii. Exceptional operating costs: businesses occasionally incur exceptional costs, including severance and consultancy fees, in respect of a reorganisation that is incremental to normal operations. These are excluded from adjusted results.

iii. Intangible impairment and amortisation: when acquiring businesses, the premium paid relative to the net assets on the balance sheet of the acquired business is classified as either goodwill or as an intangible asset arising on a business combination and is recognised on DMGT's balance sheet. This differs to organically developed businesses where assets such as employee talent and customer relationships are not recognised on the balance sheet. Impairment and amortisation of intangible assets and goodwill arising on acquisitions are excluded from adjusted results as they relate to historical M&A activity and future expectations rather than the trading performance of the business during the year. Software, including products, is also recognised as an intangible asset on the balance sheet but the ongoing amortisation of software is similar to the depreciation of tangible assets and is an everyday cost of doing business, so is included in both statutory and adjusted results.

iv. Gain on sale or purchase of assets: the Group makes gains or losses when disposing of businesses, for example on the disposal of BuildFax, the US Property Information business, in FY 2020. These items are excluded from adjusted results as they reflect the value created since the business was formed or acquired rather than the operating performance of the business during the year. Similarly, the gains or losses made by joint ventures or associates when disposing of businesses are excluded from adjusted results. Rarely, the Group may make a gain when acquiring a business where the value of identifiable net assets is more than the consideration paid, as with the purchase of three printing plants in October 2020. The gain is excluded from adjusted results as it is unrelated to the operating performance during the year.

v. Pension finance credit: the finance credit on defined benefit schemes is a formulaic calculation that does not necessarily reflect the underlying economics associated with the relevant pension assets and liabilities. It is effectively a notional credit and is excluded from adjusted results.

vi. Other adjustments: other items that are excluded from adjusted results include changes in the fair value of certain financial instruments and changes to future acquisition payments. They are considered to be unrelated to the ongoing cost of doing business. The share of joint ventures' and associates' tax charges is included in statutory profit before tax but, since it is a tax charge, is excluded from adjusted profit before tax. The share of joint ventures' and associates' interest charges is reclassified to financing costs in the adjusted results.

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Underlying growth

When assessing the performance of the different businesses, the Board considers the adjusted results. The year-on-year change in adjusted results may not, however, be a fair like-for-like comparison as there are a number of factors which can influence growth rates but which do not reflect underlying performance.

When calculating underlying growth, adjustments are made to give a like-for-like comparison. For example, adjustments are made to exclude disposals from both FY 2020 and FY 2021 years completely. When businesses are acquired, the prior year comparatives are adjusted to include the acquisition.

The timing of events within Events and Exhibitions can also be a distortion. To give a like-for-like basis, the comparisons are between events scheduled to be held in the year and the same events held, or that were scheduled to be held, the previous time. Due to cancellations or postponements, the reported results in both years include costs recognised in advance of the scheduled occurrence of an event; but for the calculation of underlying growth rates, the costs are recognised when the event was scheduled to be held. Adjustment to reclassify £7 million of costs from FY 2020 to FY 2021 in respect of events that had been scheduled in FY 2021 had a significant adverse impact on the underlying profit and cash OI growth rates.

In FY 2021, on a reported basis, DMGT's adjusted revenues decreased by 6%, whilst cash OI increased by 10%, adjusted operating profit by 18% and adjusted profit before tax by 22%. The growth rates benefitted from the acquisition of New Scientist and the timing of recognition of event cancellation costs as well as being adversely affected by disposals and the weaker US dollar. After adjusting for these factors as well as others, such as other acquisitions, the underlying decreases were 1% for revenues and 1% for cash OI, whilst there were underlying increases of 5% for adjusted operating profit and 7% for adjusted profit before tax, as shown in the tables on pages 27 and 28.

Tim Collier
Group CFO

Viability Statement

In accordance with Provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company. The Board has determined that a three-year period is an appropriate term to assess DMGT's viability based on DMGT's business model, trends in the market in which we operate, the Group's strategy and our principal risks.

The Board's assessment of the Company's future prospects and viability determined the Group's overall risk capacity by considering banking and bond covenants, other financial commitments and borrowing capacity to determine the maximum loss from risk events that the Group could endure whilst remaining viable. The assessment has also been made with reference to the Group's current position and prospects, the Group strategy, the Board's risk appetite and principal risks, which the Directors review at least annually.

Importantly, the Directors have considered the projected performance of the Group and its financial resources both in the circumstances that the Offer is accepted and if the Offer does not proceed (as defined in Note 45).

The key factors affecting the Group's future prospects and viability are:

- DMGT manages a portfolio of operating companies with diversity across sector, revenue stream and geography. See page 25 for the Group's revenue profile;
- the Group's ability to restructure quickly through the portfolio management of operating company subsidiaries; and
- the long-term view of the Company afforded by the family shareholding.

Group forecast revenue, operating profit, EBITDA and cash flows were subject to robust downside stress testing over the assessment period, which involved modelling the impact of a combination of hypothetical and severe adverse scenarios. This was focused on the impact of a number of severe but plausible principal risks crystallising, including:

- Product launches and internal investment: the impact of successive key product investment failures across the Group;
- Market disruption: the impact of a significantly accelerated decline in circulation volumes and print advertising and lower growth in digital advertising affecting profits from the Consumer Media business;
- Market disruption: the impact of uncertainties caused by Brexit and other macroeconomic factors, resulting in a significant decline in UK housing transaction volumes which affects profits from the UK Property Information business, and increases in cost and reduction in the availability of newsprint for the Consumer Media business;
- Information security breach or cyber attack: the impact of a severe cyber attack resulting in the loss of high volumes of data, considering the reputational impact, recovery costs and regulatory fines;
- Economic uncertainty: the impact of macroeconomic factors including large foreign exchange fluctuations, significant increases in interest rates and corporation tax increases; and
- Business continuity event: the impact of continued disruption caused by the Covid-19 pandemic on the Group's Consumer Media, UK Property Information and Events & Exhibitions businesses.

Mitigations considered as part of the stress testing included a number of cost reduction programmes and revenue levers, including newspaper cover price increases. The Directors have also assumed the renewal of committed bank facilities which mature in March 2023.

Based on the analysis described above, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due over the next three years. This is also the case in the event that the Offer is not accepted and neither the special dividend nor additional pension funding are paid, as the Group would have an additional £1,526 million cash available to it.

Entrepreneurism, Purpose and Excellence
Our Stakeholders

Introduction from our CEO

We have never been a business to stand on the sidelines if there is an opportunity to give support. We have always tried to play an active role in the communities in which we work, and have considerable strengths as a Group that can be applied on the ground.

DMGT has five core values that remain the same. Each one was brought to life in tangible ways during 2021:

- **People:** we supported our staff to help them stay safe as they returned to the office.
- **Purpose:** we continued to support our communities, in particular through the tremendous impact of the partnership with Mail Force Charity, donating computers to schools across the UK.
- **Patience:** we continued to invest in our businesses through the cycle.
- **Product:** we adapted products quickly to address our customers' changing needs.
- **Performance:** we showed our resilience with strong recoveries from Landmark and dmg media. Both returned to profitability due to an immense effort from our teams.

Read more in CEO Review, pages 10 to 13

Paul Zwillenberg
CEO

Our culture

DMGT encourages curiosity and innovation amongst its people, and is built around a set of values that are common across our portfolio of operating companies. Our culture combines entrepreneurism, purpose, excellence and performance management. DMGT fosters constant innovation, growth and talent development. Our businesses have a clear sense of delivering for their customers and society whilst also improving operational execution. We live out these values through our relationships with our stakeholders, employees and suppliers.

Our people

We believe that talented, motivated people are the key to our success and are committed to providing a working environment that allows people to reach their full potential.

We invest in our people, developing high-potential leaders at early stages in their careers. Our leadership programmes, run at operating company level, are designed to equip talented people with stretching experiences to accelerate their development and realise their potential. Our ambition is to enable people to be the best they can be, to deliver today and build for tomorrow. Our people have the chance to develop at DMGT doing meaningful and interesting work that will stretch them, taking advantage of all the opportunities that our diverse group of businesses can offer.

DMGT holds a wealth of top leadership talent and sector expertise at Group level and across its operating companies. Our people are supported by a range of tailored local learning and development programmes. Staff have access to a wide range of training and development programmes and wellbeing support.

During FY 2021, these courses focused on support programmes for employees whilst working remotely and as they began to come back to our offices.

We also offer work experience and professional development support to all our staff, including external training and qualifications, and the opportunity to apply for additional funding for these.

Keeping our people informed

One of the challenges of a geographically diverse organisation is ensuring that we can effectively communicate with all of our people.

We continue to enhance employee collaboration by using platforms such as instant messaging, video conferencing, a Group-wide microsite to share policies and information, refining our internal newsletters, circulating a daily email news bulletin and holding regular 'Town Hall' meetings, whether virtually or in person.

Wellbeing

We have a suite of policies designed to promote the health and wellbeing of our employees, including a range of fitness and mindfulness programmes. During the year, there were numerous examples of programmes to support employee wellbeing and good mental health, including wellbeing workshops, medical support and Town Hall meetings.

Diversity and inclusion

Our Equal Opportunities Policy is designed to comply with the Equality Act 2010 and the Equality and Human Rights Commission Employment Statutory Code of Practice, and to promote best practice. Managers must set an appropriate standard of behaviour, lead by example and ensure that those they manage adhere to this policy. This policy applies to all aspects of the employee relationship. All decisions must be based on merit.

DMGT's Human Resources Information System enables us to monitor the levels of diversity in our business, and also promote an inclusive culture. Diversity data including gender, ethnicity, race and disability is tracked across job levels and assessed against a number of key areas, including recruitment processes, attrition and promotions. We regularly ask employees for their feedback on diversity and inclusion, supported with regular internal communications on a range of activities that promote a collaborative and inclusive culture.

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Our Career Boards ensure job opportunities are open to internal candidates, with training and mentoring offered to support promotions and internal mobility.

For our UK-based businesses, we also provide an inclusive apprenticeship programme for new talent and existing employees, with development opportunities ranging up to MBA level. We believe this is a highly effective and sustainable way to support the progression of more people in our business.

Gender breakdown of our employees

The table below sets out the gender breakdown of our employees. Our aim is to promote equality and diversity in accordance with our Group Code of Conduct and Diversity Policy.

	At 30 September 2021			
	Male		Female	
Board Directors	10	83%	2	17%
Operating company CEOs and direct reports to the Group CEO*†	5	63%	3	38%
All employees*	2,311	57%	1,723	43%

* Excluding Executive Board Directors, operating company CEOs, and direct reports to the Group CEO.
† In accordance with section 414C of the Companies Act 2006 this is how DMGT reports senior managers.

Gender pay reporting

DMGT's UK-based operating companies, Landmark Information Limited (LIL) and Associated Newspapers Limited (ANL), are required to report on their Gender Pay Gap. Due to the impact of Covid-19, the Equality and Human Rights Commission announced that enforcement of gender pay gap reporting for the 2020/2021 reporting year will not begin until 5 October 2021. Both companies published data this year: LIL in June and ANL in September. DMGT as an employer believes in 'equal pay for equal work', is committed to equal pay and conducts ongoing reviews to ensure we have the best possible processes in place.

Responsible business

DMGT is a responsible business that adheres to strong ethical standards with a clear, robust Code of Conduct (see below). We encourage responsible business practice and respond to the needs of our stakeholders in several ways:

- promoting strong governance and leadership which encourages responsible business attitudes and actions across the Group;
- maintaining our Code of Conduct and supporting Group policies;
- ensuring DMGT employees understand key legal and reputational issues through in-person training and e-learning;
- operating effective risk management and internal controls; and
- encouraging business-level participation in corporate responsibility (CR) and community support.

Whistleblowing

Employees who have concerns regarding criminal activity, gross misconduct and/or a breach of the DMGT Code of Conduct or supporting policies have a duty to report such activity. DMGT operates a confidential Speak Up facility to aid any such reports. The Speak Up facility is actively promoted to employees and managed externally by a specialist third party. All incidents are tracked to ensure appropriate follow-up.

Code of Conduct and Group policies

Our Code of Conduct sets the standards for our corporate and individual conduct. The Code of Conduct includes standards for equal opportunities, anti-bribery, conflicts of interest, share dealing and fair competition, among other topics. The Code of Conduct contains clear guidance regarding equality, diversity and inclusion. Many of the topics in the Code of Conduct are supported by detailed policies and procedures for our employees.

In addition, stand-alone policies regarding equal opportunities, entertainment and gifts, information security, data privacy and health and safety apply to DMGT employees. These policies, as well as our Code of Conduct, safeguard the welfare of our employees and the integrity of our businesses. All DMGT policies are available for employees to access on a Group-wide Policy Microsite. Where appropriate, certain policies are housed on the DMGT website.

We have a rolling review programme to update DMGT policies and deliver continuous training to reinforce compliance.

DMGT's equal opportunities statement can be found on the DMGT website and applies to both employees and the Company's supervisory bodies.

Go online to https://www.dmgt.com/careers/working-with-us

Human rights

DMGT believes that our exposure to the associated risks in the context of human rights frameworks is minimal. DMGT does not have a specific human rights policy but has a number of policies that cover areas such as health and safety, modern slavery, bribery and corruption. In addition, new suppliers are evaluated with a questionnaire to ensure they are ethical and lawful.

Flexible working

DMGT supports its employees to maintain a work-life balance. Policies and guidance to enable this are in place across the Group, including special leave policies to support employees with various family circumstances, and an Employee Assistance Programme that offers a family care service. This programme offers various services to help staff achieve a healthy balance between work and home.

Our partners

Payment practices reporting

In April and May 2021, DMGT's UK-based operating companies, LIL and ANL, published their payment practices data. DMGT is committed to ensuring that all of its suppliers are paid within the agreed terms.

Go online to www.gov.uk/check-when-businesses-pay-invoices

More information on how we work with our suppliers can be found on dmgt.com.

Entrepreneurism, Purpose and Excellence

Our Stakeholders

Our customers

Our customers are at the heart of our success and each business across the Group seeks to invest in relationships with its market and audience.

Our communities

Through a range of local partnerships within the communities our operating companies serve, and Group-wide programmes such as our Corporate Responsibility (CR) Champions Network, DMGT supports and encourages purpose within our communities.

We believe that supporting our operating companies' local communities is particularly important as it allows our employees to choose a cause close to their heart. This is actioned by the CR Champions Network which has volunteers from across the operating companies. More information about our involvement with our communities, including Group-wide community initiatives, can be found on our website. Group charitable donations during the year were £0.8 million (2020 £1.6 million).

Go online to www.dmgt.com to find out more about our charitable initiatives

Environmental Social Governance (ESG)

We as a portfolio of companies have begun to further recognise and address our environmental and social impact, and how this is defined by our approach to governance. We believe our governance policies are effective and supportive of our company structure. We have already made significant progress in reducing the environmental impact of our printing operations and we are putting in place plans to minimise our environmental impact across our other business activities.

Environmental impact

At DMGT we evaluate and manage our environmental impact by measuring and reporting on our greenhouse gas (GHG) emissions. As a minimum, our operating companies comply with current regulation of the country that they operate in and are prepared for future legislation. However, we expect our operating companies to further mitigate against the negative impacts from their activities wherever possible.

DMGT's most significant environmental impact comes from the printing facilities in our Consumer Media business. We have made a concerted effort to ensure our printing has circular systems wherever possible.

At our Harmsworth Printing facility, 100% of our waste paper, cardboard and packaging is recycled. Our printed production waste from the presses has been reduced to only 4% on average. This is due to our use of flexographic printing, which enables lower production waste and less energy use. Flexographic printing also enables us to use environmentally friendly cleaning products in place of solvents as there are no oil bases in our printing inks.

We have been systematically reducing our specialist waste streams, through improvements in the recycling process. Our waste from this stream has been reduced by a further 5% in FY 2021. At our Harmsworth Printing facility, we have a 100-tonne rainwater harvesting tank which meets approximately 80% of our process water demand, reducing our reliance on mains water. We have also invested in the latest heat pump technology for our domestic water heating and have converted 90% of the lighting in the plant to energy saving LED systems. This investment is ongoing. Our Building Management System uses free cooling algorithms to minimise the use of high-energy demand chillers, minimising our energy consumption during the winter months.

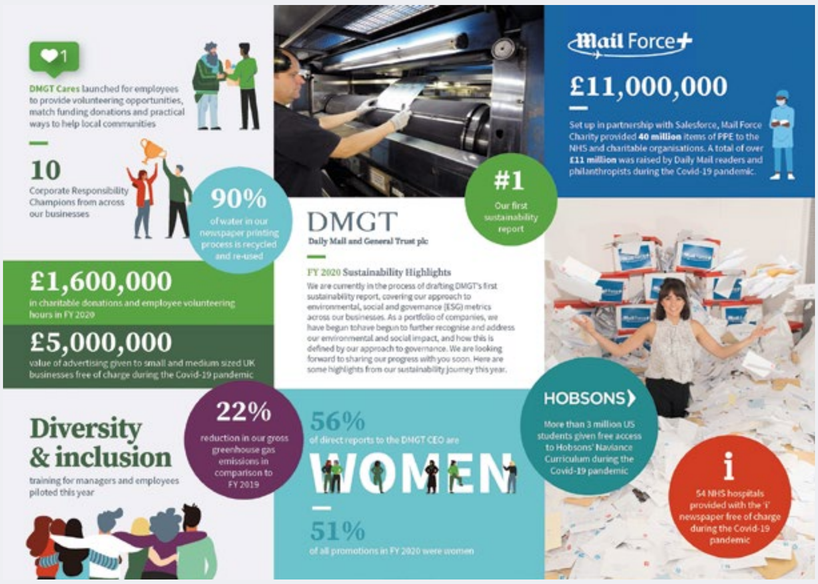
We endeavour to ensure that the paper we buy is sourced from PEFC and FSC certified forests. We ensure our paper matches the industry standard ratio for Combined Waste Paper and Certified Virgin Fibre Content, ensuring that raw material use is at the lowest possible, whilst producing high-quality newspapers.

Our printing facilities at Portsmouth, Dinnington and Carn focus heavily on their sites' environmental impact. These sites are ISO14001 accredited, ensuring that management systems for waste and other environmental considerations are managed and improved proactively. 100% of waste paper, cardboard and packaging is recycled.

All capital expenditure projects are evaluated with environmental considerations, as is the selection of suppliers, examples being the electricity supply for our Portsmouth and Dinnington facilities which are fully renewable. Our building management systems have been upgraded to enable better control and monitoring of plant energy usage and projects are in place to reduce consumption.

Read more in our Energy and Carbon Disclosures, page 37

Read more on Climate Change in Principal Risks, page 40



Go online to www.dmgt.com to access a copy of our Sustainability Report and where ESG content is regularly updated

Energy and Carbon Disclosures

Methodology

DMGT is committed to comprehensive and transparent reporting of our environmental performance. Our baseline year for carbon emissions is 2015 and we use an operational control consolidation approach.

The data supporting our carbon footprint is collated and independently reviewed by environmental consultancy ICF. The results of the footprint have not been audited by a third-party assurance company.

The footprint is developed in accordance with the GHG Protocol Corporate Accounting and Reporting Standards, and the methodology is also in line with HMG Environmental Reporting Guidelines. Emission factors used are predominately sourced from BEIS conversion factors 2021. Other data sources are used for the emission factors for the electricity consumed in non-UK operations. This report is in alignment with the requirements of the Streamlined Energy & Carbon Reporting (SECR) regulation for UK businesses.

For the purpose of this report, the Scope 1, 2 and 3 emission sources included in our footprint were:

- **Scope 1 (direct emissions):** combustion of natural gas for heating purposes, use of diesel and gasoline in our fleet.
- **Scope 2 (indirect emissions):** production of electricity imported from the grid and consumed by our operating groups globally.
- **Scope 3 (other indirect emissions):** outsourced delivery of newspapers, as well as use of taxis, third-party vehicles, rail and air travel for business purposes.

For FY 2022 we are looking to enhance the way we consider emissions from our value chain through undertaking a materiality assessment and incorporating other material scope 3 emissions.

Footprint Results

Our FY 2021 carbon footprint, which covers the period from 1 October 2020 to 30 September 2021, totalled 12,300 tCO_2e. Emissions from UK operations corresponded to 96% and amounted to 11,800 tCO_2e.

The table below shows our footprint for FY 2021, by scope as well as our energy use. For the purposes of comparability, the FY 2019 and FY 2020 figures have been restated to be consistent with the businesses in the portfolio during FY 2021.

Gross GHG emissions (in tCO_2e)	FY 2021		FY 2020		FY 2019	
	Global, incl. UK	UK only	Global, incl. UK	UK only	Global, incl. UK	UK only
Scope 1	**900**	**900**	1,100	1,000	1,500	1,400
Scope 2	**4,800**	**4,500**	5,600	5,000	6,700	6,000
Scope 3	**6,600**	**6,400**	6,900	6,500	8,100	7,400
Scopes 1 + 2 + 3	**12,300**	**11,800**	13,600	12,500	16,300	14,800
Energy Consumption (in kWh)	**FY 2021**		**FY 2020**		**FY 2019**	
	Global, incl. UK	UK only	Global, incl. UK	UK only	Global, incl. UK	UK only
Scope 1	**5,000**	**4,700**	5,600	5,300	7,600	7,300
Scope 2	**21,900**	**21,100**	23,200	21,600	25,300	23,800
Scopes 1 + 2	**26,900**	**25,800**	28,800	26,900	32,900	31,100
GHG emissions intensity (tCO_2e/£m)	**FY 2021**		**FY 2020**		**FY 2019**	
	Global, incl. UK	UK only	Global, incl. UK	UK only	Global, incl. UK	UK only
Scope 1 + 2	**6.4**	**6.8**	7.7	8.3	8.1	9.1
Scope 1 + 2 +3	**13.7**	**14.9**	15.6	17.4	16.1	18.2

Comparison of historical emissions

We strive to reduce our impact on the environment wherever possible and have succeeded in this by reducing our gross GHG emissions by 10% and our GHG emissions intensity by 12% in comparison to FY 2020.

These reductions can largely be attributed to our energy management practices and to the implications of restrictions associated with the ongoing Covid-19 pandemic on our operations. The reduced use of office spaces in the past months and the termination of tenancy contracts have invariably led to a reduction in both Scopes 1 and 2 emissions. Consumer Media displayed the highest reduction in these Scopes, due to the reduced attendance in its offices.

Another reason for the reduction was the decrease in the emission factors for electricity generation in the UK. As noted by UK's Department for Business, Energy and Industrial Strategy, the CO_2e factor has decreased by 9%, in comparison to the 2020 factor due to a reduction in the use of coal for electricity generation in the country.

Similarly, the disruption of travel and a reduction in face-to-face meetings were the main drivers for the decrease in our Scope 3 emissions. This has particularly impacted the activities of our Property Information and Events and Exhibitions businesses.

Energy management practices

We have actively reduced our energy consumption across our offices and printing facilities through implementing operational efficiency enhancements and building modifications identified during the Energy Savings Opportunities Scheme (ESOS) audits in 2019. Some of the initiatives undertaken during the financial year have helped us reduce our carbon footprint; examples include:

- Installation of solar panels at one of our Property Information offices.
- Upgrading the lighting systems by replacing conventional light bulbs with LEDs and installing sensors and building management systems (BMS) at our largest sites.
- Installation of electric car charge points at several of our sites.

Go online to https://www.dmgt.com/sustainability/sustainability-environmental-policies to read our Environment Policy.

Entrepreneurism, Purpose and Excellence

Our Stakeholders

Section 172 Statement

The Board of Directors are mindful of their duty to promote the success of the Company. They believe they have acted in the way they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its shareholders.

How the Board engages with our stakeholders

The Board is committed to generating continued sustainable value for shareholders, considering the interests of DMGT's employees, and maintaining positive relationships with our customers, suppliers and other stakeholders. Here are some examples:

Stakeholder group	How the Board engages
Employees	Directly via Company events, Board and Committee meetings. Through regular reports on initiatives and employee feedback.
Customers	Updates included in Board presentations and reports.
Partners	Updates included in Board presentations and reports.
Shareholders	Direct through one-to-one meetings, when relevant, at Company events such as the Investor Briefings and regular reports to the Board.
Communities, the environment	Updates included in Board presentations and reports.

The table below shows where more information can be found on the matters referred to in section 172 CA 2006.

(a) Long-term results – the likely consequences of any decision in the long term	Strategic Report: • Our Business Model (pages 6 to 7) • Chairman's Statement (pages 2 to 4) • CEO Review (pages 10 to 13) • Key Performance Indicators (pages 14 to 15) • Viability Statement (page 33) Corporate Governance: • Audit & Risk Committee Report (pages 61 to 66)
(b) Our workforce – the interests of the Group's employees	Strategic Report: • Our Business Model (pages 6 to 7) • Chairman's Statement (pages 2 to 4) • CEO Review (pages 10 to 13) • Our Stakeholders (pages 34 to 39) Corporate Governance Report: • Chairman's Statement on Governance (page 50) • Board of Directors and Company Secretary (pages 48 to 49) • Directors' Remuneration Report (pages 68 to 90)
(c) Our business relationships – the importance of developing the Group's business relationships with suppliers, customers and others	Strategic Report: • Our Business Model (pages 6 to 7) • Operating Business Reviews (pages 16 to 22) • Our Stakeholders (pages 34 to 39)
(d) The community and our environment – the impact of the Group's operations on the community and the environment	Strategic Report: • Our Business Model (pages 6 to 7) • Our Stakeholders (pages 34 to 39) • Principal Risks (pages 40 to 47)
(e) Our reputation/our desire to maintain our reputation for high standards of business conduct	Strategic Report: • Chairman's Statement (pages 2 to 4) • Our Stakeholders (pages 34 to 39) • Non-Financial Information Statement (page 39)
(f) Fairness between our shareholders – our aim to act fairly as between members of the Company	Strategic Report: • Chairman's Statement (pages 2 to 4) • Our Stakeholders (pages 34 to 39) Corporate Governance Report: • Board activities and stakeholder engagement – Shareholders (page 55) • Directors' Remuneration Report (pages 68 to 90) • Board of Directors and Company Secretary (pages 48 to 49)

Non-Financial Information Statement

We aim to comply with the non-financial reporting requirements contained in sections 414CA and 414CB of the CA 2006. The table below, and the information it refers to, is intended to help stakeholders understand our position on key non-financial matters.

Reporting requirement	Policies and standards which govern our approach	Risk management and additional information
Environmental matters	• Carbon footprint • Environment Policy	• Our Stakeholders (pages 34 to 39)
Our people	• Code of Conduct • Equal Opportunities Policy • Health and Safety Policy • Whistleblowing Policy	• Directors' Report (pages 48 to 93) • Our Stakeholders (pages 34 to 39)
Human rights	• Modern Slavery Statement • Privacy Policy • Information Security Policy	• Audit & Risk Committee Report (pages 61 to 66) • Directors' Report (pages 48 to 93)
Social matters	• Code of Conduct	• Our Stakeholders (pages 34 to 39)
Anti-bribery and anti-corruption	• Anti-Bribery and Corruption Policy • Code of Conduct • Tax Policy	• Directors' Report (pages 48 to 93) • Financial Review (pages 23 to 32)
Policy embedding, due diligence and outcomes		• Principal Risks (pages 40 to 47) • Financial Review (pages 23 to 32) • Directors' Report (pages 48 to 93) • Our Stakeholders (pages 34 to 39) • Audit & Risk Committee Report (pages 61 to 66)
Description of principal risks and impact of business activity		• Principal Risks (pages 40 to 47)
Description of the business model		• DMGT at a Glance (page 5) • Our Business Model (pages 6 to 7)

Actively monitoring and managing our risks

Principal Risks

Board oversight of risk management and internal controls

The Board delegates day-to-day oversight of management's operation of internal controls and risk management to the Audit & Risk Committee. The Board considers that the Audit & Risk Committee possesses the requisite skills and experience to meet its obligations and provide the relevant assurance to the Board. Operating and investment decisions are delegated to the Investment & Finance Committee. Further details of the activities of these Committees are on pages 60 to 66.

The Board has overall responsibility for establishing, monitoring and maintaining an effective system of risk management and internal controls. This system provides reasonable, rather than absolute, assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board.

It is the responsibility of the Group's operating companies to ensure that they have established an appropriate level of risk and internal control systems, and this is overseen by the Executive Committee. Certain functions are undertaken centrally, including: Group Accounting; Investor Relations; Strategy; Risk; Group Assurance; Corporate Tax; Treasury; and Insurance.

The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Group. Monitoring is an ongoing process and principal risks are reviewed at operating company Board meetings, Executive Committee meetings and at half year and year end by the Audit & Risk Committee.

Risk management

Care has been taken to avoid the threat of self-review across our 'three lines of defence' model (see page 41). Subject matter experts provide guidance to operating company management and the Executive Committee, to help manage risk and maintain best practice approaches. To ensure an open discussion of emerging risks, a regular item on the Audit & Risk Committee agenda is the oversight of emerging risks. Two recent examples are:

- the risk of inflationary pressures and challenges facing supply chains having an impact on several business areas, namely increasing costs, with print cost being a primary example, and;
- an assessment of the impact of climate change on the Group and its subsidiaries. This has also been included in our impairment testing this year.

Group Assurance

The Group Assurance function undertakes an agreed programme of internal independent assurance reviews. The function sources external expertise as required. Group Assurance seeks to comply with relevant professional standards, notably those issued by the Chartered Institute of Internal Auditors.

The Internal Audit Charter (the Charter) sets out the purpose and objectives of Group Assurance. The Charter takes a systematic and disciplined approach to both the evaluation of and improvements in control and governance processes. It strengthens the function's independence and objectivity by means of the function's reporting lines and access to all records, personnel, property and operations of the Group. To ensure his independence from management, the Group Assurance Director reports directly to the chairman of the Audit & Risk Committee. The Charter confirms the high-level responsibilities of operational management (first line of defence) and ensures that the Group Assurance function undertakes its third line of defence duties, avoiding any first or second line duties. The Charter is reviewed annually and updated as required to take account of changing practices and standards.

The Audit & Risk Committee is satisfied that the provisions of the Charter have been achieved in the year.

The Board formally evaluated the system of risk management and internal control in conjunction with the Audit & Risk Committee during the year. This evaluation focused on material controls relating to principal risks and entity-level controls, as well as additional controls and processes required to support the Company's Viability Statement (see page 33). The evaluation also considered any control weaknesses identified by Group Assurance or External Audit, as a result of incidents of fraud, or as a result of the Group's risk management process.

Monitoring and oversight

The Group operates a 'three lines of defence' model. The benefits of this approach are shown in the table on page 41. The Board delegates day-to-day responsibility for internal controls to operational management with oversight by the Executive Committee and the Audit & Risk Committee.

During the year, it was noted that there were no detected breakdowns in material controls that protect against the Group's principal risks.

Three lines of defence table

First line of defence	Second line of defence	Third line of defence
Each operating company is responsible for the identification and assessment of risks, understanding the Group's risk strategy, and operating appropriate controls.	The Executive Committee, supported as appropriate by other functional areas, particularly information technology, legal, tax and finance, reviews the completeness and accuracy of risk assessments and reporting, as well as the adequacy of mitigation plans.	Group Assurance provides independent and objective assurance on the robustness of the risk management framework and the effectiveness of internal controls.
Benefits • Ownership and responsibility remains close to the operating companies and their performance. • Promotes a strong culture of adhering to limits and managing risk exposures in accordance with each business's risk appetite and the regulatory environment. • Promotes a healthy risk culture and long-term approach to risk management.	**Benefits** • Understand aggregated risk positions. • Objective oversight and challenge to the business areas and internal control and risk management framework used in the first line. • Provide ongoing training and support on Group-wide risks to the operating companies.	**Benefits** • Independent assurance on the system of risk management and internal controls. • Assessment of the appropriateness and effectiveness of internal controls. • Group Assurance provides assurance to the Audit & Risk Committee.

Key features of the risk management and internal controls system

The main features of the system of risk management and internal controls in relation to the financial reporting process are described below:

1. Confirmation of key internal controls and the fraud and bribery assessment
Each operating company confirms the operation of key internal controls to Group Assurance annually. The purpose of the assessment is to confirm the operation of a framework of internal controls, including anti-fraud controls, which are expected to be in place in each business unit. These internal controls are intended to provide standards against which the control environments of DMGT's business units can be monitored. An annual fraud and bribery risk assessment is completed simultaneously, detailing risks and mitigating controls. In each case, the Group Assurance team reviews and follows up on these submissions, as appropriate.

2. Review of relevant and timely financial information
Each of the operating companies and DMGT executive management regularly review relevant and timely financial information. This is produced from a financial information system operated across the Group. It is supported by a framework of forecasts as well as annual budgets that are approved by the Executive Committee and confirmed by the Investment & Finance Committee.

3. Senior Accounting Officer sign-off
The Group CFO is the Senior Accounting Officer and is required by HMRC to certify that the Company and its subsidiaries have established and maintained appropriate arrangements to ensure that tax liabilities are calculated accurately in all material respects.

Actively monitoring and managing our risks

Principal Risks

The Directors confirm that they have completed a robust assessment of the Group's principal risks and a thorough review of risk management processes.

The Group's risks are categorised as either strategic or operational. Strategic risks are linked to the Group's strategic priorities and impact the whole Group. Operational risks are those arising from the execution of the business functions and typically impact one or more of the principal businesses.

Further details of the Group's risk management process, the governance structure surrounding risk and the Audit & Risk Committee can be found in the Governance Report on pages 61 to 67.

Strategic risks

Description and impact	Examples
Market disruption Market disruption creates opportunities as well as risks. Disruption enables us to move into new markets and geographies and encourages us to innovate to grow the business. Failure to anticipate and respond to market disruption may affect demand for our products and services and our ability to achieve long-term growth.	Market disrupters include changes to customer behaviours and demands, new technologies, the emergence of competitors or structural changes to markets. Examples from the operating companies include: • Consumer Media: decline in print advertising revenue. • Consumer Media: changes in algorithms and strategies of tech giants materially impacting online traffic and digital advertising revenue across properties. • Consumer Media: impact of inflation causing an increase in the cost base. • Events and Exhibitions, UK Property Information and Consumer Media: governments' restrictions on the movement of people.
Success of new product launches and internal investments A lack of innovation or failure to evolve our products and services successfully may compromise their appeal. Some may fail to achieve customer acceptance and yield expected benefits. This could result in lower than expected revenue and/or impairment losses. Uncertainty also results from geographic expansion into new and emerging markets.	The Group is continually investing in our products and services, developing new offerings and enriching existing products and services. Examples include: • Consumer Media: increased monetisation of its online user-base and newly created products. • Events and Exhibitions: innovation within and expansion of events and launches across new locations.
Portfolio management Increasing portfolio focus is key to the Group's strategy. This could be compromised by portfolio changes not delivering expected benefits, failure to deliver acquisition or operating targets, and/or delay or failure in divesting from non-core businesses at the right time.	• Growth opportunities and potential synergies lost through failure to identify or succeed with acquisitions and investments. • Conversely, continued divestiture presents risk of lost economy of scale and less synergistic opportunity. • Lost acquisitions may allow competitors to gain footholds in key markets. • Underperforming acquisitions and investments may lead to reduced return on capital and/or impairment losses, as well as diversion of management time and bandwidth. • Optimal value may not be achieved from divestments.

Risk increased   Risk did not change   Risk decreased

Mitigation	Trend
• The Group's presence in different market segments reduces the overall Group impact of any single market disruption. • Organic investment initiatives across the Group to innovate our products and services and to remain competitive in the markets we serve. Organic investment was 4% of total revenues for continuing operations in FY 2021 and 10% for the Group as a whole, including RMS and Hobsons. • The Executive Committee, supported by operating company management teams, monitor markets, the competitive landscape and technological developments; regular dialogue and in-person meetings ensure proactive, coordinated responses. • Analysis of the performance management dashboard and detailed financial management information for each operating company to highlight and react to early indicators of market disruption. • DMGT executive membership of operating company boards.	The risk of market disruption is now more concentrated than it was 12 months ago, as a result of the recent disposals.
• The culture of the Group encourages an entrepreneurial approach to identifying growth opportunities and new products. • Central capital allocation ensures focused investment in quality business opportunities. • A new innovation or business line is ring-fenced, where required, to ensure it receives autonomous execution, dedicated talent, budget and undiluted management focus. • Direct engagement from DMGT functional leads and DMGT Board Directors contribute relevant expertise and guidance. • Executive management works with each operating company to support achievement of key milestones, KPIs and financial plans. • Significant investments are approved by the Investment & Finance Committee and/or the Board.	This risk has increased in profile due to increasing levels of organic investment in both Consumer Media and Landmark.
• The Executive Committee continues to evaluate the Group's portfolio in order to optimise resource allocation according to portfolio roles, business opportunities and risk-adjusted execution. • Investments and divestments are approved by the Investment & Finance Committee and, where warranted, the Board. • Extensive due diligence is conducted pre-acquisition and comprehensive integration plans implemented post-acquisition by dedicated integration managers. • Proactive, detailed divestment roadmaps, including sell-side narrative, seller due diligence and talent incentives/retention. • The Executive Committee and the Investment & Finance Committee monitor post-acquisition performance. • DMGT executive membership of operating company boards and the boards of associates and investments (e.g. Yopa, Cazoo).	The risk did not change during the period, with disposals of RMS and Hobsons, counterbalanced by the acquisitions of the New Scientist and print sites.

Actively monitoring and managing our risks

Principal Risks

Strategic risks (continued)

Description and impact	Examples
Economic and geopolitical uncertainty Group performance could be adversely impacted by factors beyond our control, such as the economic conditions in key markets and sectors, and political uncertainty.	• The economic impact of Covid-19 containment measures directly affecting Consumer Media, UK Property Information and Events and Exhibitions. • Government interventions, caused by Covid-19 restrictions, preventing events and exhibitions from taking place. • Government-led interventions to reduce carbon emissions and compliance reporting on measures in place to achieve that objective. • Continued uncertainty surrounding the conditions of Brexit and trade agreement negotiations directly impacts the UK macroeconomic climate (Consumer Media) and UK property transaction volumes (Property Information). • Fluctuations in the global energy and commodity markets could impact revenue for associated trade shows once fully resumed (Events and Exhibitions). • Political and economic uncertainty, particularly in the Middle East, could negatively impact the exhibitors and attendees of events and exhibitions once fully resumed. • The return of inflation and rising interest rates may impact margins for global investors, including property (Property Information).
Talent Our ability to identify, attract, retain and develop the right people for senior and business-critical roles could impact the Group's performance.	• Entrepreneurship and leadership skills are a priority for the Group and key to the continued success of many of our operating companies. • Technology and software development skills remain crucial to many of our businesses where there is significant investment in software platforms and technology infrastructure to support next-generation product development. • The strategy to build out our data analytics and artificial intelligence capabilities places focus on developing and attracting specialists in emerging technologies. These skills are in high demand, which makes attracting and retaining people with these skills highly competitive. • Enterprise sales and operational execution expertise with market and product knowledge continue to be a strategic imperative.

Operational risks

Description and impact	Examples
Business continuity event A pandemic, epidemic or disaster, whether natural or man-made, could cause significant disruption. This could affect DMGT's operating companies, customers, suppliers and/or end-markets.	• Major disruption may prevent the delivery of products and services to customers, for example print newspapers (Consumer Media). • Measures to prevent the spread of a pandemic could result in it not being possible to hold physical events (Events and Exhibitions) or distribute print newspapers (Consumer Media). They could also disrupt the functioning of the UK property market (Property Information). • Travel restrictions or disruption could adversely affect the attendance of exhibitors and delegates at events (Events and Exhibitions). • The closure of offices could disrupt operating companies' ability to deliver products and services, support customers, and develop new products.
Information security breach or cyber attack An information security breach, including a failure to prevent or detect a malicious cyber attack, ransomware event, or failure in data protection, could cause reputational damage and financial loss. The investigation and management of an incident would result in remediation costs and the diversion of management time. A breach of data protection legislation could result in financial penalties for the affected business and potentially the Group.	The risk is relevant to all businesses in the Group due to the nature of products and services across the portfolio. Examples which could impact the Group include: • Loss or unauthorised access to personal information and sensitive client data. • Unavailability or disruption of online products and services. • Integrity of online products, services and data being compromised. • Disruption to critical systems that support business operations. • Theft of intellectual property. • Failure in data protection that leads to data loss.

Mitigation	Trend
• The Group's diverse and balanced portfolio of businesses and products reduces the overall impact of any single trend. • Quarterly Emerging Risk papers provided to the Audit & Risk Committee ensure both DMGT and operating company management consider and remain vigilant regarding emerging risks and their potential impact. • The portfolio of Events and Exhibitions continues to evolve, adjusting to circumstances, notably climate change, the impact of the Covid-19 pandemic, as well as reducing the reliance on carbon-focused sectors. • Initiatives to assess alternative energy use throughout the Group's print production operations.	Apart from events being cancelled/ postponed at short notice, due to Covid-19 and government intervention, the risk has not significantly changed.
• Local HR specialists focused on recruitment, critical skills planning, identifying and developing internal talent combined with central oversight of reward. • Central Technology function with specialised expertise in artificial intelligence, machine learning, data architecture and management, platform development and scaling. • Central Technology function oversight of technology hires. • Executive management works with operating companies' management, advising on critical skills to improve operational and commercial performance, including pricing and packaging strategies, go-to-market and sales execution and business case development and planning. • Executive management is involved in the recruitment of all operating company leadership roles and their ongoing development. • Payment of competitive rewards for key senior roles, developed using industry benchmarks and external specialist input.	With recent wage inflation pressures, changes in lifestyle choices and remote working, the challenge of employee retention and hiring top talent has been affected. This has specifically been evident in the information security space. As a result, the risk has increased.

Mitigation	Trend
• All operating companies have business continuity plans in place and these have been updated to reflect lessons learned from the Covid-19 pandemic. The successful uninterrupted delivery of products and services throughout FY 2021 demonstrated the effectiveness of the business Group's continuity plans. • Technology capabilities have been enhanced to increase operating companies' resilience if a business continuity event occurs. • The Group has insurance cover in place to help mitigate the financial impact of a business continuity event.	The risk has not changed given that there are updated business continuity plans in place for all divisions. However, these now need to be tested given that employees are now returning to work.
• The Technology Council and Information Security and Data Privacy Review meeting provides oversight of information security initiatives Group-wide. • Additional measures were implemented during the year to protect against the increased risk of attack. • The Group Chief Information Security Officer is responsible for reviewing and recommending actionable roadmaps to improve information security procedures and protections at each operating company and draws upon internal and external experts. • Group Information Security Policy and detailed information security standards with regular reviews reported to the Technology Council. Periodic reviews of the standards themselves are performed to ensure they keep pace with best practice. • Where possible, cyber insurance policies have been put in place. • Dedicated budget for information security investments and access to third-party cyber security specialists.	The risk has increased due to an increase in the frequency of attacks.

Actively monitoring and managing our risks

Principal Risks

Operational risks (continued)

Description and impact	Examples
Reliance on key third parties Certain third parties are critical to the operations of our businesses. A failure of one of our critical third parties may cause disruption to business operations, impact our ability to deliver products and services and result in financial loss. The reputation of our businesses may be damaged by poor performance or a regulatory breach by critical third parties, particularly outsourced service providers.	Key third parties include: • Data centre and cloud service providers. • Search engine traffic partners. • Technology and online advertising partners. • IT development support. • Data providers for core products. • Newsprint, flexographic plate and ink suppliers. • Newspaper distributors and wholesalers. • Event venues.
Compliance with laws and regulations The Group operates across multiple jurisdictions and sectors. Increasing regulation increases the risk that the Group is not compliant with all applicable laws and regulations across all of the jurisdictions in which it operates, which could result in financial penalties and reputational damage. Increasing regulation also results in increasing costs of compliance.	Particular areas of focus for DMGT businesses are: • Anti-money laundering. • Business payment practices reporting. • Competition and anti-trust legislation. • Data protection, including the EU General Data Protection Regulation (GDPR) and the proposed ePrivacy Regulation. • Entering regulated markets or sectors. • EU Market Abuse Regulation. • Gender pay gap reporting. • Libel legislation. • Modern slavery statement. • Tax compliance. • Trade sanctions.
Pension scheme deficit Defined benefit pension schemes, although now closed to new entrants, remain ultimately funded by DMGT, with Pension Fund Trustees (Trustees) controlling the investment allocation. There is a risk that the funding of the deficit, which is calculated on an actuarial (technical provisions) basis, could be greater than expected.	Future pension costs and funding requirements could be increased by: • Adverse changes in investment performance. • Valuation assumptions and methodology. • Inflation and interest rate risks.

Mitigation	Trend
• The Group's diverse and balanced portfolio of businesses and products reduces the overall impact of the failure of an individual third party. • Operational and financial due diligence is undertaken for key suppliers on an ongoing basis. • Close management of key supplier relationships including contracts, service levels and outputs. • Robust business continuity arrangements for the disruption to key third parties. • Event cancellation and business interruption insurance policies. • The acquisition of three printing plants in October 2020 reduced the Consumer Media business's reliance on third parties for producing newspapers.	There have not been any major third party supplier defaults, and the business has de-risked by purchasing print sites that were previously outsourced.
• Changes in laws and regulations are monitored and potential impacts discussed with the relevant persons, Board, or Committee, and escalated as appropriate. • Developments in the legal and regulatory landscape are reviewed by the Audit & Risk Committee. • Implementation and monitoring of Group-wide policies to address new legislation and regulation where applicable. • Group-wide working groups for key compliance areas, such as the GDPR. • Monitoring and management of tax risks is performed by the DMGT Tax Sub-Committee.	There have not been any major changes to laws and regulation which have impacted our business globally.
• The agreed funding plan gives certainty over the financial commitment. • Monitoring and management of pension risks is performed by the DMGT Pensions Sub-Committee. • Company-appointed Trustees.	This risk is trending down as a result of agreed additional payment into escrow for the pension schemes, to compensate for the RMS sale. This is in addition to a further funding commitment which is contingent on the completion of the RCL Offer.

The Strategic Report was approved by the Board on 17 November 2021 and signed on its behalf by the Group CFO

By order of the Board

Tim Collier
Group CFO

Governance
Board of Directors and Company Secretary

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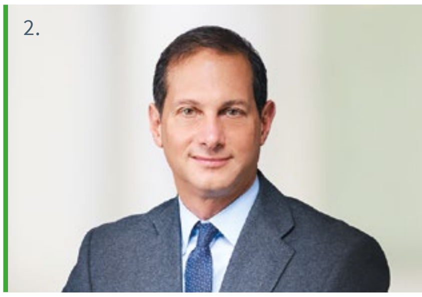

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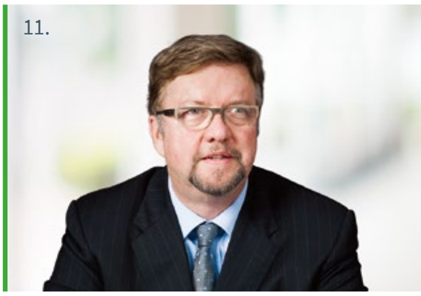

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Key to Board and Committees

- Audit & Risk Committee
- Remuneration & Nominations Committee
- Investment & Finance Committee

As announced on 3 November 2021, Tim Collier has decided to step down from the Board as an Executive Director and Group CFO during FY 2022.

As announced on 16 November 2021, Kevin Beatty has decided to retire as Executive Director and CEO of dmg media. Kevin will remain on the DMGT Board as a Non-Executive Director.

1. The Viscount Rothermere

Chairman

Appointed to the Board: 1995
Appointed Chairman: 1998

Skills and experience:

Lord Rothermere brings significant experience of media and newspapers. He worked at the International Herald Tribune in Paris and the Mirror Group before moving to Northcliffe Newspapers in 1995. In 1997 he became Managing Director of the Evening Standard.

Other appointments: Cazoo Group Limited (Director), Rothermere Continuation Limited (Director).

2. P A Zwillenberg

CEO

Appointed to the Board and CEO: 2016

Skills and experience:

Paul Zwillenberg has over 30 years' experience across the media and technology sectors. He set up the digital division of dmg media (formerly Associated Newspapers digital) in 1996. Prior to joining DMGT, Paul was the Global Leader of the Media Sector, Western Europe and LatAm Leader of the TMT practice and Senior Partner and Managing Director at Boston Consulting Group. Before that he founded a pre-internet interactive media company and launched a European technology services firm.

Other appointments: None.

3. T G Collier

Group Chief Financial Officer

Appointed to the Board and Group Chief Financial Officer: 2017

Skills and experience:

Prior to joining DMGT, Tim Collier was Chief Financial Officer of Thomson Reuters Financial and Risk Business where he was responsible for driving financial and risk performance, optimising resources and enhancing growth through organic and strategic investments. Tim's experience has spanned media and business information industries and functions including banking, corporate finance, treasury, insurance, internal audit, accounting and M&A.

Other appointments: None.

4. K J Beatty

Executive Director

Appointed to the Board: 2004

Skills and experience:

Kevin Beatty brings many years of media industry experience and is Chief Executive of dmg media. Before joining the Group he was Managing Director of the Scottish Daily Record and Sunday Mail. Kevin has been Managing Director of The Mail on Sunday, the Evening Standard and London Metro, COO of Associated New Media and Managing Director of Northcliffe Newspapers.

Other appointments: Excalibur (Director); News Media Association (Director); Regulatory Funding Company (Chairman).

5. A H Lane

Non-Executive Director

Appointed to the Board: 2013

Skills and experience:

Andrew Lane brings a range of experience of dealing in complex legal and regulatory matters. He is a partner at Forsters LLP and specialises in private client law.

Other appointments: Trustee of the Pension Fund of the Royal Agricultural Society of England; Mail Force Charity CIO (Chairman).

6. F L Morin

Non-Executive Director (Canadian)

Appointed to the Board: 2017

Skills and experience:

François Morin brings a broad range of experience and skills to the Board arising from his role as Partner at the Canadian law firm Borden Ladner Gervais. He is a qualified lawyer admitted to the Québec Bar. In particular, he brings an international perspective relevant to the Group's global operations and experience of regulatory matters across a range of areas. François also has a strong record of community involvement including as director on a number of charitable boards.

Other appointments: Rothermere Continuation Limited (Director).

7. D H Nelson

Non-Executive Director

Appointed to the Board: 2009

Skills and experience:

David Nelson provides the Board and its Committees with relevant financial expertise, gained through a career in accounting. He is a Partner at Dixon Wilson, Chartered Accountants. He is an adviser to UK-based families and their businesses, advising on financial and tax matters in the UK and overseas. He is a trustee of a number of substantial UK trusts.

Other appointments: Mind Gym plc (Non-Executive Director); Dulwich Preparatory Schools Trust, a registered charity (Chairman).

8. K A H Parry OBE

Independent Non-Executive Director

Appointed to the Board: 2014

Skills and experience:

Kevin Parry is a chartered accountant who brings a broad range of experience and skills to the Board. He serves on a number of company boards and has previously been a Non-Executive Director of Schroders plc, Knight Frank LLP and the Homes and Communities Agency. He has extensive experience chairing companies as well as audit, risk and nominations committees. He is chairman of Royal London Mutual Insurance Society Limited and senior independent director and Chairman elect at Nationwide Building Society. He has previously served on the boards of three FTSE 100 companies: Schroders plc, Standard Life Aberdeen plc and Intermediate Capital Group plc where he was chairman.

Other appointments: The Royal London Mutual Insurance Society Limited (Chairman); Nationwide Building Society (Senior independent director and Chairman elect).

9. JP Rangaswami

Independent Non-Executive Director

Appointed to the Board: 2017

Skills and experience:

JP Rangaswami brings extensive knowledge and experience in the fields of data and computer science. He was Chief Data Officer and Group Head of Innovation at Deutsche Bank until he retired in September 2018. Prior to that he was Chief Scientist at Salesforce (2010-14) and at BT (2006-10). He is chairman and trustee of the Web Science Trust and adjunct professor in Electronics and Computer Science at the University of Southampton.

Other appointments: Independent Non-Executive director at: Admiral Group PLC, Allfunds Bank S.A, Allfunds Group Plc, EMIS Group PLC, National Bank of Greece S.A. and Cumberland Lodge (Trustee).

10. J H Roizen

Independent Non-Executive Director (American)

Appointed to the Board: 2012

Skills and experience:

Heidi Roizen provides the Board with experience in digital media, entrepreneurial growth and business development in both public and private companies in the US. She teaches entrepreneurship at Stanford University. Heidi was Vice President of Worldwide Developer Relations for Apple Computers, as well as being CEO and co-founder of pioneering consumer software company T/Maker. She is a Partner at Threshold Ventures, a venture capital firm in California.

Other appointments: Threshold Ventures, Invitation Homes, Planet, Upside Foods and Polarr.

11. D Trempont

Non-Executive Director (American)

Appointed to the Board: 2011

Skills and experience:

Dominique Trempont brings experience as a Chief Executive Officer, Chairman and Independent Board Director in large multinational high-tech companies and start-ups. He has extensive knowledge of software and digital data/content businesses, artificial intelligence, machine learning, cyber security, online B2C and B2B markets. He is currently on the board of companies focusing on disruptive innovation and emerging markets.

Other appointments: Airspan (Chair of Audit & Risk Committee), ON24 (Lead Independent Director, Chair of Compensation and Nomination and Governance Committees).

12. F Wallestam

Independent Non-Executive Director (Swedish)

Appointed to the Board: 2020

Skills and experience:

Filippa Wallestam brings extensive knowledge and experience in the fields of broadcasting and digital media strategy. She is currently EVP & Chief Content Officer at Nordic Entertainment Group, the international streaming challenger. Her previous roles at the company include, EVP & CEO of Nordic Entertainment Group Sweden and Head of Strategy for Free-TV and Radio. Formerly, she worked at Boston Consulting Group in the media practice, working with flagship clients including DMGT.

Other appointments: Nordic Entertainment Group.

F L Sallas

Company Secretary

Appointed as Company Secretary: 2017

Skills and experience:

Fran Sallas is Secretary to the Board, Audit & Risk Committee, Remuneration & Nominations Committee, Investment & Finance Committee and a member and Secretary of the Disclosure Committee. Fran has more than 20 years of company secretarial experience and is a Fellow of the Institute of Chartered Secretaries and Administrators.

Governance

Chairman's Statement on Governance

The Viscount Rothermere
Chairman

Recommended Offer for DMGT by RCL

Read more about the Recommended Offer for DMGT by RCL on page 13.

> "Strong governance is essential to the way DMGT operates."

Strong governance is essential to the way DMGT operates; it is promoted by the Board and cascades throughout the Group. It is a key factor in our ability to achieve growth in a profitable, responsible and sustainable manner and in how we maximise shareholder value over the long term. DMGT's approach to governance is distinctive; our corporate procedures are strengthened by the significant benefits we derive from the family shareholding, and the long-term view that this engenders.

Our approach to governance

Our governance framework sets out clear parameters for decision-making. This is achieved through delegated authorities which ensure decisions are made by the appropriate body and that there is clear accountability to the DMGT Board.

During FY 2021, DMGT has voluntarily applied the 2018 UK Corporate Governance Code (the Code) provisions where appropriate and we explain when we were not in compliance and the reasons why in this report.

Areas of focus

The Board continues to work closely with executive management, offering support and robust challenge in a spirit of openness and transparency. Areas of particular focus for the Board include our businesses and their continued growth, portfolio management, rigorous financial management, balanced capital allocation and maintaining a strong balance sheet. Additionally, the Board has focused on our people agenda and leadership capabilities throughout the year.

Stakeholder Engagement

The Code places emphasis on the Board's engagement with the world beyond the Company – customers, shareholders and employees. This supports the requirements of Section 172 of the Companies Act 2006, which states that the Board should act in ways that are most likely to promote the success of the Company for the benefit of its stakeholders as a whole.

The Board is committed to generating continued sustainable value for shareholders, considering the interests of DMGT's employees, and maintaining positive relationships with our customers, suppliers and other stakeholders.

Read more about how we engage and interact with stakeholders on pages 34 to 39

Board composition

Filippa Wallestam joined DMGT's Board as an Independent Non-Executive Director in November 2020. Filippa brings extensive knowledge and experience in the fields of broadcasting and digital media strategy.

The Board would like to thank Tim Collier, who has decided to step down as an Executive Director and Group CFO during FY 2022, for the commitment and dedication he has shown to DMGT in his nearly five years with the Group.

The Board would also like to thank Kevin Beatty, who announced his intention to retire as Executive Director of dmg media. Kevin will remain a Non-Executive Director on the Board. I am hugely grateful to Kevin for all he has done for dmg media over 25 years. He has driven immense change and ushered in a new future for the business. I look forward to continuing to work with him as a Board Director.

The Viscount Rothermere
Chairman

Governance

Corporate Governance

2018 UK Corporate Governance Code

The below table sets out how various sections of the Annual Report map to the pillars of the Code:

Board leadership and Company purpose	Strategic Report	2 to 47
	Board activities and stakeholder engagement	55 and 56
	Our stakeholders	34 to 39
	Audit & Risk Committee Report	61 to 66
	Conflicts of interest	93
Division of responsibilities	Board composition	57
	Committee structure	60
	Leadership	53
	Group policies	34 to 39
Composition, succession and evaluation	Board composition and diversity	57
	Board evaluation	58
	Effectiveness	55
	Remuneration & Nominations Committee Report	67
	Succession planning	57
Audit, risk and internal control	Audit & Risk Committee Report	61 to 66
	Strategic Report	2 to 47
	Fair, balanced and understandable	57
	Accounting judgements	64 and 65
	Viability Statement	33
Remuneration	Remuneration & Nominations Committee Report	67

Code Compliance

The Code forms an important part of how we operate. It allows a 'comply or explain' approach to achieving best governance practice. We have chosen to explain our governance practices if these do not fully meet the provisions of the Code. This allows us to recognise our requirements under the Code and the benefits of our shareholding structure. Where we have opted to take a different approach to the Code, this has been set out in the table on page 53 and in the relevant sections of this Corporate Governance Report. We believe that the approach we have taken is in the best interests of the structure of the Company and all of its stakeholders, and that we are effective and attentive in our approach to governance. Implementing the Code has led to a greater focus on how we can connect and invest in the communities around us. This is particularly apparent in our continued response to Covid-19.

Read more in Our Stakeholders, pages 34 to 39

The Code is available at www.frc.co.uk. Information required under DTR 7.2.6 is provided on page 91 and forms part of this report. Key features of the risk management and internal control systems can be found on pages 40 to 47.

Governance

Corporate Governance

Committee structure

The Board and Committee structure is set out below.

DMGT

DMGT Board

Collectively responsible for the long-term success of the Company.

Audit & Risk Committee

The Audit & Risk Committee has responsibility for:

- the Company's financial reporting;
- narrative reporting;
- the Internal and External Audit processes; and
- the signing off of external disclosures.

The Committee also oversees:

- the Group's system of risk management and internal controls;
- the Group's risk register, risk appetite and tolerance, included as part of the Viability Statement; and
- developments in relevant legislation and regulation.

Time is allocated at each meeting for both Audit and Risk matters, to ensure that both duties are adequately addressed.

Remuneration & Nominations Committee

The Remuneration & Nominations Committee ensures that remuneration arrangements support the strategic aims of the business and enables the recruitment, motivation and retention of senior executives in a manner that is aligned to shareholder interests, while also complying with the requirements of regulation. It also reviews the structure and composition of the Board and its Committees, in particular the skills, knowledge and experience of Directors.

Time is allocated at each meeting for both Remuneration and Nominations matters, to ensure that both duties are adequately addressed.

Investment & Finance Committee

The Investment & Finance Committee evaluates investment opportunities and financing proposals and monitors returns on investments made.

Executive Committee

The Executive Committee meets to discuss all aspects of the Group's performance and strategy, particularly performance management, capital allocation, risk management and senior talent considerations.

Family shareholding

DMGT has a holding company called Rothermere Continuation Limited (RCL). RCL is incorporated in Jersey, in the Channel Islands. The main asset of RCL is its controlling shareholding in DMGT, being its 100% holding of DMGT's issued Ordinary Shares and the largest single holding of DMGT A Ordinary Non-Voting Shares (A Shares). RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family (the family). The Trust is the ultimate controlling party of the Company and has controlled the Company for many years. Both the Trust and its subsidiary company, RCL, are administered in Jersey. The directors of RCL, of which there are six, include two Directors of DMGT during the reporting period: Lord Rothermere and François Morin.

As holding company and ultimate controlling party, RCL and the Trust maintain that the Company should continue to be managed in accordance with high standards of corporate governance for the benefit of all shareholders.

RCL has again indicated to the Company that its intentions for the Company's governance are long term in nature and that it will discuss with the Board of the Company any material change in its intentions. In particular, and subject to the changes that are contemplated by the Offer announced on 3 November 2021, RCL has confirmed its intention that the Company will:

- continue to observe the Listing Principles in their current form;
- continue to maintain a securities dealing code for certain of its employees;
- continue to voluntarily observe the UK Code on a 'comply or explain' basis; and
- have an appropriate number of Independent Non-Executive Directors on its Board.

Subject to the above, it is also intended by RCL that the Company's Independent Directors would take decisions on behalf of the Company in relation to any proposed transaction between the Company and RCL, or between the Company and an associate of RCL, where any such proposed transaction would have been a related party transaction under Chapter 11 of the Listing Rules.

We have applied the principles throughout FY 2021 and complied with the provisions of the Code, except as explained below.

Code provision	Subject	Explanation
9 and 19	Independence and tenure of the Chairman	Our Chairman is Lord Rothermere. He has held this position since 1998. As the holder of all the Ordinary Shares and the largest holder of A Shares of the Company through the Trust, the Board considers that Lord Rothermere's interests are fully aligned with those of other shareholders. The Board believes that his business experience, extensive knowledge of the Group, long-term perspective and commitment to the business are important contributors to the continued success of DMGT. For more details of the family shareholding and the Trust, see page 52.
11	Independence of at least half of the Non-Executive Directors	Kevin Parry, JP Rangaswami, Heidi Roizen and Filippa Wallestam are independent within the meaning of Provision 10 of the Code. The Board believes that its current composition is effective and appropriate, notwithstanding that less than half of the Board are deemed independent Non-Executive Directors within Provision 11 of the Code. Taking into account the heritage of the Group, and the interests of our operating companies represented on the Board, the Board considers that a good balance is achieved from the Board's Non-Executive Directors in terms of skills and independence. The Board is well balanced with Directors representing a range of relevant backgrounds and countries in which DMGT operates. These backgrounds include media, data science, insurance, venture capital, software and digital content. Companies our Directors represent or have represented include 3Com, Apple, Draper Fisher Jurvetson, Nationwide, Royal London, Salesforce, Schroders and Standard Life Aberdeen amongst others. The Board receives a report from the Chairman of the Remuneration & Nominations Committee at every meeting. The report details Committee discussions regarding the performance of executives and management against performance metrics. Non-Executive Directors are then given the opportunity to scrutinise the performance of the Executive Directors.
12	Senior Independent Director	Lord Rothermere has a significant interest in DMGT's shares and the Board feels that there is no need for an individual Senior Independent Director to represent shareholders. Instead, the Board feels it is appropriate that the responsibilities that the Code defines for the Senior Independent Director are shared between the Non-Executive Directors, aligning their skills and experience with specific requirements as necessary. For more information see page 55.
17	Composition of the Remuneration & Nominations Committee	The Chairman of the Committee is Lord Rothermere, the majority of its members are not considered to be independent under the Code. As the holder of all the Ordinary Shares and the largest holder of A Shares of the Company through the Trust, the Board considers that Lord Rothermere's interests are fully aligned with those of other shareholders. The Committee is confident its membership ensures that it carries out all aspects of its role with proper and appropriate regard to long-term shareholder interests.
21	Annual evaluation of the Board	The Board does not complete an externally facilitated evaluation once every three years. Instead, the Board carries out a review of its own performance and those of its Committees annually. The review is conducted through an internal process facilitated by the Company Secretary. The Board believes that self-assessment through an internal evaluation process is appropriate. For more information see page 58.
24	Composition of the Audit & Risk Committee	All members of the Audit & Risk Committee are Non-Executive Directors and two are Independent Non-Executive Directors. Andrew Lane and David Nelson are advisers to RCL and not Independent Directors. The Board considers that their membership adds value to the deliberations of the Audit & Risk Committee, and the Committee chairman confirmed there was no conflict of interest during the year. Once it became apparent that RCL was considering an offer for DMGT, the Committee chairman ensured that any potential conflict of interest as between the interests of RCL and DMGT was considered carefully and avoided.

Leadership: the Board

The Board has a duty to promote the long-term success of the Company for its shareholders. This includes: the review and monitoring of strategic objectives; approval of major acquisitions, disposals and capital expenditure; financial performance; reviewing the effectiveness of the Group's systems of internal controls; governance; risk management; and training and development.

Our purpose: the Board's role

DMGT has three key strategic priorities: improving operational execution; increasing portfolio focus; and maintaining financial flexibility. DMGT's businesses hold market-leading positions and are in growing, digitising sectors. Our strategy aims to deliver sustainable returns over the long term.

The family-owned nature of the Company gives DMGT a unique long-term perspective, and the relationship between RCL and the Board ensures that DMGT is managed in accordance with high standards of corporate governance for the benefit of all shareholders. The Board sets the Company's purpose and strategy with this valuable perspective in mind.

Read more on page 59 for examples of how the Board contributes to delivery of the Group's strategy

Governance

Corporate Governance

Alongside our commitment to entrepreneurism, DMGT's businesses and people operate with a clear sense of purpose, beyond profit. DMGT is able to invest for long-term sustainable growth and quality and in businesses that share our ethos of satisfying the need to know, whether that's driving towards ever-greater transparency across property markets, enriching connections between businesses and communities with industry-leading exhibitions or holding authority to account through high-quality journalism.

Our purpose and culture are communicated to all operating companies through our Code of Conduct and policies, our Corporate Responsibility (CR) Champions Network, regular meetings between the Board and senior leadership of our subsidiaries, and our engagement with our stakeholders. Read more on how the Board engages with our stakeholders on pages 34 to 39.

Our culture

The Board is responsible for setting the Group culture, which plays a key role in delivering high standards of business conduct and promoting long-term success. DMGT's five core values focus on people, purpose, patience, product and performance. During 2021, we continued to make good progress in focusing on these values to develop the way we work.

The Board receives regular updates from DMGT's CEO, Group CFO, Chief HR Officer and operating companies on our progress in aligning our strategy with our culture. These updates report progress through the results of DMGT's regular employee surveys.

The Board further supports DMGT's culture by seeking to appoint and promote the right people, enhancing governance controls and processes to uphold and incentivise the right behaviours, and training and developing employees.

During the year, the Board's discussion of culture centred on employees' experience of DMGT and our ways of working, particularly during the continuing Covid-19 pandemic.

The Audit & Risk Committee on behalf of the Board considered, amongst other culture related items, our whistleblowing policy and procedures.

Directors seek to lead by example. For example, members of the Executive Committee have participated in key training and awareness modules, including:

DMGT Board: membership

Member	Member for the full period	Meetings held	Meetings attended
Chairman The Viscount Rothermere	Yes	8	8
CEO P A Zwillenberg	Yes	8	8
Group CFO T G Collier	Yes	8	8
Executive Directors			
K J Beatty	Yes	8	8
Non-Executive Directors			
A H Lane	Yes	8	8
F L Morin	Yes	8	8
D H Nelson	Yes	8	8
K A H Parry	Yes	8	8
JP Rangaswami	Yes	8	8
J H Roizen	Yes	8	8
D Trempont	Yes	8	8
F Wallestam (from November 2020)	No	8	8

Additional meetings were held during FY 2021 to consider items relating to the listing of Cazoo on the NYSE, the sale of RMS and the Offer for DMGT by RCL.

- Code of Conduct.
- Anti-bribery and corruption.
- Inclusion and diversity.
- Modern slavery and human trafficking.

Persons discharging managerial responsibilities (PDMRs)

As part of the Company's continuing obligation to ensure compliance with the Listing Rules and related regulations, we have identified that the Board, Executive Committee and regular attendees at the Investment & Finance Committee are PDMRs. This is because they have regular access to inside information and the power to make managerial decisions affecting the future development and business prospects of the Company.

How the Board operates

There is a schedule of matters reserved to the Board. This details key matters in respect of the Company's management that the Board does not delegate. This can be seen at www.dmgt.com. If any Director had any concerns about the way the Board was operating, these would be recorded in the minutes. No such concerns were raised during this reporting period. Day-to-day management of the Company is the responsibility of the Executive Committee and of the executive management of the operating companies.

Delegation of authority

The Board has delegated certain activities to Board Committees, under formal terms of reference, details of which are set out on our website.

Go online to www.dmgt.com

Division of Chairman and CEO responsibilities

In accordance with Provision 9 of the Code, the roles of Chairman and CEO are exercised by separate individuals and have clearly defined responsibilities. The division was set out in writing on appointment of the CEO and was reviewed by the Board. The Chairman is responsible for leading the Board and overseeing operations and strategy. The CEO is responsible for the execution of the strategy and the day-to-day management of the Group, and is supported by the Executive Committee.

Non-Executive Directors

The Non-Executive Directors, as members of the Board and its Committees, are responsible for ensuring the Company has effective systems of risk management and internal controls, and additionally, for monitoring financial performance. All committee chairmen report to the Board on committee activity at each Board meeting.

Senior Independent Director

Lord Rothermere has a significant interest in DMGT's shares and the Board considers that there is no need for an individual Senior Independent Director to represent shareholders. Accordingly, the Board has not appointed a Senior Independent Director as specified in Provision 12 of the Code.

Instead, the Board considers it is appropriate that the responsibilities that the Code defines for the Senior Independent Director are shared between the Non-Executive Directors, aligning their skills and experience with specific requirements. Examples of this include:

- The Offer for DMGT by RCL, for which Kevin Parry was appointed as chairman of the DMGT Working Group set up to oversee the process; and
- a Committee of Non-Executive Directors, who during the year acted as a sounding board for the chairman and for the Board as a whole in relation to DMGT's investment in RMS. It consisted of Kevin Parry and JP Rangaswami who provided relevant financial advice, and Heidi Roizen and Dominique Trempont who provided Silicon Valley insight and technology expertise.

Chairman evaluation

The annual evaluation of the Chairman is carried out by the Remuneration & Nominations Committee (without the Chairman being present). Lord Rothermere's performance is evaluated and his remuneration is determined by non-executive members of the Committee: JP Rangaswami and Heidi Roizen (who are independent), David Nelson and Dominique Trempont.

Effectiveness

The Board reviews its effectiveness within the context of Provision 21 of the Code. In addition to its review of independence and the Board evaluation process, discussed separately, the Board discharges its Code duties as follows:

- Appointments: the Remuneration & Nominations Committee is responsible for referring potential appointments to the Board for approval and is assisted by the CEO. Further details are in the Remuneration & Nominations Committee Report on page 67.
- Time: the time commitment of each Non-Executive Director is set out in his/her Letter of Engagement. Each Letter of Engagement is renewed annually following consideration by the Remuneration & Nominations Committee and a shareholder vote at the Annual General Meeting (AGM).
- Multiple commitments: the Remuneration & Nominations Committee recognises that Board members may be directors of other companies and that this additional experience is likely to enhance discussions at the Board. Details of any additional directorships are on page 49. Executive Directors are generally permitted to hold non-executive directorships as long as they do not lead to conflicts of interest or time.
- Development and information: on joining, Directors receive a comprehensive, tailored induction programme, which includes time with the Company Secretary, the Executive Directors and a range of senior managers across the Group. During the year, as part of a rolling training programme, the Board received updates on key areas of finance and governance as well as detailed presentations by operating companies.
- Re-election: in line with Provision 18 of the Code, all Directors are eligible to stand for re-election annually and will do so at the 2022 AGM.

Board activities and stakeholder engagement

Shareholders

There is a unity of interests between the family and other shareholders. Any concerns raised by shareholders in relation to the Company and its affairs are communicated to the Board through regular briefings. Institutional feedback is circulated to Directors following results and trading updates. Shareholders have access to the Company Secretary and Company's Registrars to discuss queries or raise issues they may face. The Company's website, www.dmgt.com, provides the latest news, historical financial information, details about forthcoming events for shareholders and analysts, and other information relevant to shareholders regarding the Group.

Senior executives hold regular Investor Relations (IR) meetings with institutional investors, including IR roadshows following the half-year and full-year results, as well as attending investor conferences to meet potential investors. In accordance with Provision 3 of the Code, the Chairman was due to meet with major shareholders in person to understand their views on governance and performance against strategy; due to Covid-19 this meeting was postponed.

Some of the key topics raised by shareholders during the financial year were:

- Capital allocation: given the strength of DMGT's balance sheet, investors were keen to understand the types of business that the Group would be particularly interested in acquiring and the different valuation multiples across sectors.
- Covid-19: shareholders remained keen to understand how the Covid-19 pandemic, including associated restrictions and future repercussions, were affecting and were likely to affect the Group's different businesses over time. The impact on Events and Exhibitions, Landmark and Metro were of particular interest.
- RMS: prior to the announcement of its disposal, investors wanted to gain assurance that the expectations for RMS's future performance had not changed.
- MailOnline: shareholders were interested in the digital advertising dynamics and the business's litigation against Google in the US.
- Cazoo: shareholders were interested in understanding Cazoo's potential and the business combination with AJAX I, resulting in Cazoo being listed on the New York Stock Exchange.

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In addition:

- an Investor Briefing was held virtually in February 2021 and focused on our Property Information businesses, Landmark and Trepp; and
- the IR team ensures that relevant materials are available online in an easily accessible format to better inform existing and potential shareholders, as well as engaging with analysts on a regular basis.

Employee engagement

Under Provision 5 of the Code, the Board has considered methods of employee engagement and which is most effective for the Group. Due to DMGT's disparate nature, the Board considers alternative methods of employee engagement to be more appropriate. Examples of engagement with employees have included:

- Emerging Leaders events where Directors meet employees from DMGT Centre and the operating companies who have been identified as future leaders.
- Director visits to operating companies as part of Board and Committee trips.
- Director attendance at DMGT events such as RMS Exceedance, where they meet with employees and customers.
- Directors invited to attend CR events such as the Community Champions Awards ceremonies.
- Engagement surveys are carried out at operating company level, the results of which are summarised and shared with the Board through a regular report.
- Virtual Town Hall events held throughout the Group.

Some of the physical items listed above were unable to take place during 2021 due to Covid-19. They will resume as soon as it is possible and safe to do so.

We use a range of indicators to assess and monitor cultural health and employee engagement across the Group. Some examples include:

- Monitoring the Salary Substitution Plan (SSP) participation where c.99% of employees eligible to participate took part. The SSP was introduced across DMGT Centre, dmg media and Landmark in April 2020 enabling DMGT to avoid using government grants and 'furlough' during the Covid-19 pandemic.
- Considering Employee Engagement Survey coverage.
- Reviewing Gender Pay Gap reporting.
- Monitoring DMGT SharePurchase+ participation where c.8% of employees eligible to participate do so, typical for schemes such as this.
- Updates regarding DMGT businesses running employee engagement wellbeing initiatives.

Read more in Our Stakeholders, pages 34 to 39

Interaction with executive management

The Board and executive management team interact regularly. The executive management team attend Board and Committee meetings, joined by operating company leadership teams and subject matter experts, presenting and answering questions on specific matters. Regular Board papers from the CEO, Group CFO, Head of Investor Relations and the Company Secretary also provide insight and reflections on the day-to-day activities within the Group, and include updates from around the Group.

Whistleblowing procedures

Principle 6 of the Code specifies that the workforce should be able to raise any matters of concern to the Board.

The Audit & Risk Committee is provided with a summary of any incidents and the Board informed through the regular report from the Committee chairman.

For more information on whistleblowing procedures see page 35

Suppliers

Information relating to DMGT's suppliers and business partners is included in reports shared with the Board by executive management in presentations given by operating company leadership. This helps the Board understand the processes in place and that suppliers are treated appropriately. An example of this is the annual payment practices report. 80% of payments to suppliers of our UK businesses were made on time in accordance with our payment terms.

Customers

Information relating to DMGT's customers is included in reports shared with the Board by executive management and in presentations given by operating company leadership. Directors also attend customer events such as RMS Exceedance, where they have the opportunity to interact with clients and hear their views.

Our communities

The regular CEO Report to the Board contains updates on community and charity partnerships. Directors are invited to attend the DMGT Community Champions Awards ceremony where they not only interact with employees, but also representatives from the charities and community initiatives the Group supports.

The environment

The Board oversees Group policies, via the Audit & Risk Committee, including those regarding the environment and DMGT's carbon footprint. The Committee also reviews disclosures relating to the carbon footprint as part of its role to consider the content of the Annual Report. During the year, the Audit & Risk Committee reviewed DMGT's first sustainability report, including the risks associated with climate change.

Read more in Our Stakeholders, pages 34 to 39

Go online to www.dmgt.com to access a copy of our Sustainability Report and where ESG content is regularly updated

Board composition and diversity

The Board has continued to review its composition during FY 2021 to ensure that it has the right combination of members to contribute effectively to the development of strategy and how DMGT operates. DMGT considers diversity in its broadest sense when reviewing how the Board operates and its composition.

The global nature of our operations, including our US operations, our strategy and the range of activities undertaken across the Group has been reflected over recent years in our Board appointments. Maintaining this broad range of appropriate skills, including international and specific-sector experience, will continue to be a factor in our Board succession planning. The appointment of Filippa Wallestam reflected the Board's view that her broadcasting and digital media strategy expertise would be a useful complement to the skills and experience of existing Board members. The Board is aware of and takes into account the diversity of its senior management. Read more about the diversity of our management on page 34. This is considered as part of the senior management appointment process. Further details on our approach to composition and succession planning for Board members are included in the Remuneration & Nominations Committee Report on page 67.

The Directors represent a range of relevant backgrounds and countries in which DMGT operates. These backgrounds include media, data science, insurance, venture capital, software and digital content. Companies our Directors represent or have represented include Apple, Nationwide, Royal London, Salesforce, Schroders and Standard Life Aberdeen amongst others.

DMGT is committed to equal opportunities for all our employees at all levels of our organisation. The Board and management seek to encourage a diverse and inclusive culture throughout the Company, including the Board itself.

The Board receives a report from the Chairman of the Remuneration & Nominations Committee at every meeting. The report details Committee discussions regarding the performance of executives and management against performance metrics. Non-Executive Directors are then given the opportunity to review the performance of the Executive Directors. There is a deep-dive session focusing on succession planning at each operating company at which Non-Executive Directors scrutinise plans for leadership. Attention is paid to ensuring the diversity of pipeline for leadership positions.

The Group reviews the make-up of the Executive team in all its businesses on a regular basis to ensure that it has the right balance of entrepreneurial talent and experience to lead the Company now and in the future. DMGT aims to attract and retain the best possible talent right across our businesses, and has a detailed bottom-up annual talent review process. This is reviewed by the Board annually and also by Non-Executives at a private session.

Fair, balanced and understandable

One of the key governance requirements of a group's annual report is for it to be fair, balanced and understandable. The coordination and review of Group-wide input into the Annual Report is a specific project, with defined time frames, which runs alongside the formal audit process undertaken by the External Auditor. The Audit & Risk Committee's and the Board's confirmations of satisfaction with the process and the statements being made is underpinned by:

- comprehensive guidance being provided to the operating companies in respect of each of the requirements for, and each of their contributions to, the Annual Report;
- a verification process in respect of the factual content of the submissions made;
- comprehensive sign-off process by owners of all statements made; and
- comprehensive reviews undertaken at different levels of the Group with the aim of ensuring consistency and overall balance.

As a result of this process, the Audit & Risk Committee and the Board are satisfied that the Annual Report, when taken as a whole, is fair, balanced and understandable, and that it provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

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Board evaluation

The Board carries out a review of its own performance and those of its Committees annually. The review is conducted through an internal process facilitated by the Company Secretary in the format of an online questionnaire, which is circulated to Directors and their responses summarised for discussion. The conclusion of the 2021 review was that the Board and its Committees function well.

The Board believes that self-assessment through an internal evaluation process facilitated by the Company Secretary is appropriate. The evaluation process focuses on Board structure and processes, oversight and review, and Board dynamics. The process is considered to be appropriate because it continues to deliver constructive results such as recalibrating focus, agreeing priorities, raising issues and improving Board dynamics.

DMGT has not incurred the cost of an external review as, further to the reasons above, the Board finds the internal review to be sufficiently rigorous as well as productive. The Board keeps this under review, and would seek an external evaluation if the internal process was considered to be insufficient and an independent review was felt to be required.

The annual performance review ensures that the Board is committed to optimising its performance and effectiveness. Below is a summary of the progress that has been made against the areas identified for further development in our FY 2020 evaluation.

Areas identified for action	Actions taken during FY 2021
Portfolio focus	Continued discussions regarding the size and shape of the portfolio, including a strategic review of the Group. Additional Board meetings were held and additional time was allocated to considering the portfolio. Evident in the disposals of Hobsons and RMS and the acquisitions of New Scientist.
Cyber risk	Continued to prioritise cyber risk at Board level and ensuring that appropriate resource was in place. Specifically the establishment of the Information Security and Data Privacy Review meeting to inform and enhance Board understanding of cyber risk.
Succession planning across the Group	Continued to ensure comprehensive succession plans were in place at Board and senior management level. A dedicated Board succession/talent session was held, setting out succession plans. An established process for Board members to engage with future leaders continued during the year, with Board members meeting those indentified for senior roles.

Areas of focus for the Board during FY 2021 can be found on page 59.

The Board's focus in FY 2021

Board members have received presentations and functional area updates from DMGT's operating companies on a rolling basis. During the year, as part of the Directors' ongoing development and follow-up from the FY 2020 Board evaluation process, these updates were a combination of presentations to the whole Board and smaller groups as deemed appropriate, as detailed below.

Portfolio management and strategy

- A strategic review of the portfolio and acquisitions pipeline.
- Non-Executive Directors François Morin, David Nelson, Kevin Parry, JP Rangaswami, Heidi Roizen and Dominique Trempont attended RMS Exceedance virtually in May 2021.
- Presentations by the operating companies.
- The Group's property strategy.
- Consideration of major divestitures such as Hobsons and RMS.

Read more in CEO Review, pages 10 to 13

Risk management

- With the support of the Audit & Risk Committee, review of the Group's principal risks, emerging risks, other key risk areas and performance against risk appetite.
- Approval of the Group's Viability Statement and risk appetite for FY 2022.

Read more in Principal Risks, pages 40 to 47

Offer

- Consideration of the Offer, its terms and related documentation.

Read more about the Offer for DMGT by RCL, page 13

People

- Discussions regarding senior appointments and succession planning.
- Updates on talent management and diversity.
- Presentation to Non-Executive Directors on succession and senior executives.
- Non-Executive Directors were given the opportunity to meet with emerging leaders across the Group.
- People updates, including measures taken to ensure employee wellbeing during the continuing Covid-19 pandemic.

Read more in Our Stakeholders, pages 34 to 39

Finance and capital

- Assessment and monitoring on a regular basis of performance against agreed financial targets, budget and returns on investment.
- Approval of authority limits and process for investments.
- Assessment and monitoring of approach to pensions and tax policy.
- Assessment and monitoring of the continued response to Covid-19.

Read more in Financial Review, pages 23 to 33

Governance

- Regular updates throughout the year including on Market Abuse Regulation, 2018 UK Corporate Governance Code, payments practices reporting, Gender Pay Gap reporting, Modern Slavery and Human Trafficking and General Data Protection Regulation, as well as reports from committee chairmen.
- Approval of Terms of Reference and matters reserved to the Board.
- Review of the quality of the External Audit.
- Review of 'DMGT Essentials', the Group internal governance guide for operating companies.
- Feedback from major shareholders.

Technology

- Review of technology debt, mission-critical outsourcing, cyber security and business continuity.
- Data security in the context of increased remote working.
- Review of investment in platform modernisation at operating companies.

Read more in Market Overview pages 8 and 9

Culture

- Updates about employee, community, partner and customer initiatives.
- The Board reviewed updates on how operating companies were adapting to new ways of working during the continuing Covid-19 pandemic.
- Reviewing the Group's Code of Conduct. The Code embodies the Group's values and expectations.

Read more in Our Stakeholders pages 34 to 39

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Board Committees

Executive Committee

The Executive Committee is responsible for the day-to-day operation of the Group in line with the overall strategic aims set by the Board.

Membership

Member	Member for the full period
The Viscount Rothermere (Chairman)	Yes
P A Zwillenberg	Yes
T G Collier	Yes
K J Beatty	Yes
R Chandhok	Yes

The Executive Committee meets regularly.

It has a broad remit covering strategy and its execution, and operational performance oversight.

Key activities

- Review of key investment and divestment opportunities and capital allocation decisions.
- Review of operating company and Group risk registers.
- Budget approval and tracking against budget.
- Review of key policies.
- Continued response to Covid-19: regular meetings to discuss business continuity, employee safety, remote working, return to work and to hear from operating companies regarding trading impact. Supported in this respect by the Publisher of dmg media, Chief HR Officer and the Company Secretary.

Governance

The Executive Committee is designed to represent key businesses and functions. It ensures that there is appropriate support for, and challenge to, the operating companies.

Investment & Finance Committee

The Investment & Finance Committee evaluates the benefits and risks of investment opportunities and financing proposals up to a value threshold. The Investment & Finance Committee provides regular updates to the Board including monitoring returns on investments made and progress against agreed targets.

Membership

There were eight meetings held in the year.

Member	Member for the full period
The Viscount Rothermere (Chairman)	Yes
P A Zwillenberg	Yes
T G Collier	Yes
A H Lane	Yes
D H Nelson	Yes
K A H Parry*	Yes

* Independent.

The Investment & Finance Committee reviewed its membership and approved that Lord Rothermere continue as its Chairman.

Governance

- The Investment & Finance Committee reviewed its Terms of Reference and those of the Pensions and Tax Sub-Committees.
- The Investment & Finance Committee confirmed that it and its Sub-Committees had complied with their Terms of Reference and had been effective throughout the year.

Key activities

- Reviewing all acquisitions, disposals and capital expenditure within its remit, including presentations made by operating companies to request support in line with strategic objectives.
- Reviewing performance against budget and plan including reviewing debt position, tracking performance against the original investment case and assumptions for acquisitions and investments.
- Oversight of the Company's pension scheme planning, including discussions with the various scheme Trustees and their advisers and the latest triennial valuations.
- Reviewing the appropriateness of the Company's dividend policy in light of the current reduced size of the Group, M&A and disposals and challenging market conditions during FY 2021.
- Reviewing and approving the Company's tax strategy.
- Reviewing and approving the Company's treasury strategy.
- Reviewing the Committee's effectiveness.

Audit & Risk Committee

Dear Shareholders

I am pleased to present the Audit & Risk Committee Report. The Committee operates as a combined Audit and Risk Committee.

There is a comprehensive process to review significant business risks to the Group, including financial risk, operational risk and compliance risk that could affect or impact the achievement of the Group's strategy and business objectives.

During the year, we maintained our focus on threats to our cyber security and a deep dive session focusing on Information Security was held during June 2021.

As a Committee, we have focused our audit work on judgemental areas of accounting and auditing, and our risk work on high-impact possible events.

The Audit & Risk Committee reviewed financial information connected with acquisitions and disposals to ensure appropriate accounting. In addition, the Committee carefully reviewed financial information in the context of the Offer for DMGT by RCL (the Offer) and so as to avoid any conflicts of interest as regards the Offer.

The Group has maintained its attention on operational effectiveness during the year. The Committee focuses on ensuring our risk management procedures and internal and external audits address changing requirements. For example, we are planning for the possible introduction of reporting on the controls over financial reporting and progressing the quantification of risks by the use of financial models.

The following pages set out the Audit & Risk Committee's Report for the financial year. The report is structured in four parts:

- How the Audit & Risk Committee operates: membership, key responsibilities, governance, effectiveness and operating practices.
- Review of the year: key activities and the significant financial reporting and auditing issues and other financial matters.
- Oversight: risk and controls, and internal audit.
- External Auditor: auditor independence; and audit quality and materiality.

Kevin Parry
Audit & Risk Committee chairman

Key responsibilities

The integrity of the Group's financial results and internal control systems are important to the Directors and the shareholders.

Consequently, the Audit & Risk Committee encourages and seeks to safeguard high standards of integrity and conduct in financial reporting and internal control. The Committee tests and challenges the results and controls in conjunction with management and the Internal and External Auditors.

The Committee has fulfilled its responsibilities during the year and confirms the Group is in compliance with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. The Committee is permitted to obtain its own external advice at the Company's expense. No such advice was sought during the year.

Governance

The Audit & Risk Committee met seven times during the year.

All members of the Audit & Risk Committee are Non-Executive Directors and two are Independent Non-Executive Directors. Kevin Parry and JP Rangaswami are both Independent under Provision 10 of the Code.

Andrew Lane and David Nelson are advisers to RCL and not Independent Directors. This is a deviation from Code Provision 24. The Board considers that their membership adds value to the deliberations of the Audit & Risk Committee, and the Committee chairman confirmed, having taken careful precautions, there was no conflict of interest during the year.

Membership

Member	Member for full period	Meetings held	Meetings attended
K A H Parry (chairman)*	Yes	7	7
A H Lane	Yes	7	7
D H Nelson	Yes	7	7
JP Rangaswami*	Yes	7	7

* Independent.

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The Committee as a whole has competence relevant to the sectors in which DMGT operates, providing an effective level of challenge to management. Kevin Parry is a former senior audit partner, a former chief financial officer and has extensive experience as an audit committee chairman. David Nelson is a partner of an accounting practice. Consequently, Kevin Parry and David Nelson are designated under Provision 24 of the Code as the financial experts with competence in accounting and auditing.

The Committee, being combined, fulfils the recommendation that the Risk Committee includes at least one member of the Audit Committee. David Nelson and JP Rangaswami also serve on the Remuneration & Nominations Committee. Members have appropriate knowledge, skills and expertise to fully understand risk appetite and strategy.

The Committee provides advice to the Remuneration & Nominations Committee on malus and clawback provisions.

The Audit & Risk Committee's Terms of Reference are on our website at www.dmgt.com.

Effectiveness

The Audit & Risk Committee reviews its Terms of Reference and effectiveness annually. The review, including a questionnaire completed by Committee members, confirmed that the Committee is effective at meeting its objectives, under Provision 21 of the Code and the needs of the Group.

Operating practices

During the year, the Audit & Risk Committee meetings were scheduled to take place prior to Board meetings to maximise the efficiency of interactions. Reports are made to each Board meeting on the activities of the Committee, focusing on matters of particular relevance to the Board in the conduct of its work.

The Committee has been supported in its activities during the year by the Group CFO, Company Secretary, Group Assurance Director, Group Chief Technology Officer, Group Financial Controller and the Director of Group Finance, as well as the External Auditor. These individuals generally sponsor Committee papers, which are typically distributed one week prior to meetings. The Committee works with all contributors to discuss judgemental issues at an early and relevant opportunity.

The Group CFO, Company Secretary, Group Assurance Director, Group Chief Technology Officer, Group Financial Controller, Director of Group Finance and the External Auditor are invited to each meeting but are recused when appropriate. The CEO is invited to the half-year and full-year meetings. The Chief Technology Officer, Legal Director and UK and US Data Privacy Counsels are also invited to attend when appropriate. This approach results in informed decisions based on quality papers and discussion which provides for a thorough understanding of facts and circumstances.

The Committee met regularly and separately with the External Auditor, Interim Group Assurance Director (who is responsible for Internal Audit and Risk Assurance), the Group CFO and Company Secretary, without other executive management being present.

Review of the year

Key activities

Key activities undertaken by the Audit & Risk Committee during the year included:

Audit
- Agreeing the scope of Internal and External Audit work.
- Challenging management's accounting judgements.
- Reviewing and discussing Internal Audit reports to maintain their contribution to improving the control environment.
- Reviewing the basis of alternative performance measures.
- Reviewing the effectiveness of the External Audit.
- Reviewing accounting for disposals during the year.
- Reviewing financial disclosures in relation to the Offer.

Risk
- Reviewing the Group's risk management processes and the Group risk register.
- Robust challenge to the assumptions supporting the Group's Viability Statement (see page 33).
- A rolling programme of focused risk topics, including information security and cyber resilience.
- Review of compliance with data protection requirements and data privacy more widely.
- Reviewing payment practices.
- Compliance with legislation relating to anti-bribery and corruption, trade sanctions, health and safety, and modern slavery.
- Business continuity and incident management.
- Reviewing the Group's whistleblowing arrangements with findings reported to the Board.

Financial reporting and auditing matters

The Audit & Risk Committee considered and discussed the significant matters relating to financial reporting and auditing, as set out in the table below.

The matter and its significance	Focus of work	Comments and conclusion
Financial reporting The content of the Annual and Half-year Reports and trading updates should be appropriate, complying with laws and regulation.	We specifically reviewed: • all accounting policies for continued appropriateness, consistency of application and the impact of new accounting standards; • all sections of the Annual Report having particular regard for the Audit & Risk Committee's responsibilities for the financial statements; • reports from Financial Management, Legal, Risk and Internal Audit which confirmed compliance with regulations; and • the financial risks and papers to support the going concern basis of accounting.	A materiality threshold of £5 million has been set for exceptional items unless there was continuation of an activity previously disclosed as exceptional. The Group's 17% investment in Cazoo is classified as a financial asset. The Group cannot veto any Cazoo Board decisions – and has no other means that give it the ability to participate in the financial and operating policy decisions of Cazoo. The Group provides no essential technical information to develop the Cazoo business and there is no interchange of managerial personnel between DMGT and Cazoo. Therefore, the Directors have concluded that the Group does not possess the ability to exert significant influence over Cazoo and accordingly the Group has not equity accounted for its interest. In line with FRC guidance the Group has charged all stranded, sunk and excess costs incurred solely as a reduction in or elimination of related revenue streams due to the Covid-19 pandemic, against operating profits. The Group has also included agreed insurance claims relating to these costs within operating profits. Based on our enquiries with management and the External Auditor, we have concluded that all our accounting policies have been properly applied. Due to the continuing impact of the Covid-19 pandemic on the Group's revenues, we have ensured that it remains appropriate to prepare the financial statements of the Group on a going concern basis. In determining the appropriateness of the going concern basis of preparation, we have considered and challenged the latest projections of financial performance for the Group for a period extending to 31 December 2022. Two different going concern scenarios were used, one which assumes the Offer for DMGT from RCL becomes or is declared unconditional.

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The matter and its significance	Focus of work	Comments and conclusion
Accounting judgements Goodwill and intangible assets represent 6.8% (2020 22.2%) and 3.0% (2020 8.3%) respectively of net assets. The Group has capitalised software development costs, other intangible assets and goodwill associated with acquisitions. In addition, the Company holds shares in Group undertakings with a carrying value of £2,914 million. These carrying values need to be justified by reference to future economic benefits to the Group (see Notes 21 and 22). We considered Covid-19 to be a trigger event for considering impairments.	Capitalised computer software costs amounted to £5 million in the year compared to £4 million in 2020. We have ensured that capitalised costs were separately identifiable and met the requirements of the relevant accounting standards. As part of our review of the carrying values of our intangible assets, we have considered whether there has been any event which triggered an impairment and have reviewed reports prepared by executive management to determine whether an impairment event has taken place. We reviewed the carrying value of investments in the Company. We took account of: • the Company's capital structure; • the voting control premium and an economic control premium on top of the quoted price of DMGT A Ordinary Non-Voting (A shares); • recent volatility in market prices; and • illiquidity arising from thin trading. We reached the conclusion that the aggregate carrying value of the investments was justified. We specifically compared with the carrying value of the investments in the context of the Offer, which is in excess of the book value. In addition, notwithstanding the fact that the market capitalisation is less than the aggregate carrying value. In addition, to justify the carrying values of shares in Group undertakings, goodwill and intangible assets, we have reviewed value in use calculations, based on the Board-approved five-year forecasts, focusing on long-term growth rates and discount rates. We have received input from both operational and financial management.	We were satisfied that costs that had been capitalised were appropriately held on the balance sheet. Our reviews included sensitivities to changes in assumptions which allowed us to understand the materiality of conclusions in the context of our financial reporting. We focused our review on the remaining four business segments, these being UK Property, Events and Exhibitions, Media and Trepp. We concluded that except for the CWC segment within Events and Exhibitions, no other impairment was necessary. We noted that dmg events had continued to face challenges holding some significant physical exhibitions as a result of the Covid-19 pandemic, with the CWC segment being mostly affected. As a result of this, both forecast revenues and profits have been lowered and therefore an impairment charge of £13 million has been taken in FY 2021. No further impairment has been booked in FY 2021, but given the continuing uncertainty around physical events, we will continue to monitor the situation closely for further indications of impairment. In relation to the Company's shares in Group undertakings, a charge of £715 million has been made in the period against the Company's interests in business-to-business facing assets, offset by a release of £350 million in the Company's interests in Consumer Media and Events and Exhibitions businesses. In addition, we are satisfied that judgemental matters have been explained and appropriate disclosures made.
The Group carries deferred tax assets in respect of brought forward losses and deferred interest that represent 1% (2020 4%) of net assets (see Note 37].	At the year end, the Group held deferred tax assets of £32 million (2020 £44 million) in respect of brought forward losses and deferred interest.	During the year the Group recognised a deferred tax asset in respect of a further £76 million of tax losses in the UK and a further £189 million of deferred interest in the US that are now expected to be offset against future profits; this resulted in a deferred tax credit of £57 million. The recognition of the asset was subject to review and approval by the Tax Sub Committee and also presented to the Audit & Risk Committee for both challenge and judgement.

The matter and its significance	Focus of work	Comments and conclusion
The Group actively manages its portfolio of investments and consequently is active in making acquisitions and disposals. Transactions that contain unusual terms and/or innovative structures would require the accounting treatment to be carefully considered. During the year, £153 million was incurred on acquisitions and investments £311 million was received on disposals (see Notes 8, 17 and 18).	We carefully consider judgemental accounting and the carrying value of intangible assets and goodwill. We reviewed the valuation of the fair value of the Company's equity investments. Group Assurance reviews all significant acquisitions within 12 months of the relevant acquisition.	The Investment & Finance Committee oversees all acquisition and disposal activity. There are three common Audit & Risk Committee members. We were satisfied with the judgements made in the year. We performed a robust review of the treatment of acquisitions and disposals during the year and were satisfied with the treatments and calculations. We considered the appropriateness of the accounting treatment of Cazoo, the disposals of Hobsons, RMS, and the acquisitions of the New Scientist and JPI Print Assets.
Accounting estimates The Group records provisions for lawsuits and claims when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. The amounts accrued for legal contingencies often result from complex judgements about future events and uncertainties that rely heavily on estimates and assumptions.	We continue to negotiate a settlement of the claim brought by the US Environmental Protection Agency (EPA) (Note 19).	The Group made a provision in FY 2021 in line with the potential maximum amount payable. We are satisfied that an outflow remains probable and further to ongoing negotiations with the EPA. The basis for the calculation of the provision using a combination of historical pricing and third party forecast data for Renewable Identification Numbers (RINS) was reviewed at the time the provision was made and is considered reasonable taking account of the liquidity and volatility in the market price of RINS.

Other financial matters

In addition to the significant matters addressed above, the Audit & Risk Committee maintains a rolling agenda of items for its review, including: capital strategy; financial and treasury management; feedback from analysts and investors; reconciliations of reported financial results with management accounts; tax management; and litigation. Nothing of significance arose in respect of those reviews during the year. There was no interaction with the FRC Corporate Reporting team during the year and no disagreement over accounting or reporting outcomes with management or the External Auditor during the reporting period.

Oversight

The Audit & Risk Committee has oversight responsibility for risks and controls and direct responsibility for the operation of the Group Assurance function; this is described in detail in the Risk section.

Read more about our approach to Group Assurance pages 40 and 41.

External Auditor

PricewaterhouseCoopers (PwC) is DMGT's External Auditor. The lead audit partner is Phil Stokes.

PwC's first audit of DMGT was in respect of the year ended 30 September 2015, following a competitive tender process.

The Audit & Risk Committee has responsibility for making recommendations to the Board on the reappointment of the External Auditor, for determining its fee and for ensuring its independence of the Group and management. The External Auditor stands for reappointment at the AGM. There are no concerns over the quality of the service or opinion. Therefore, the Audit & Risk Committee recommended to the Board that it recommends to the shareholders that PwC be re-elected.

Auditor independence

The Audit & Risk Committee considered the safeguards in place to protect the External Auditor's independence. In particular, the Committee has ensured that the Company's policy on the External Auditor's independence is consistent with the 2019 Ethical Standard set out by the FRC in the UK.

PwC reviewed its own independence in line with this criterion and its own ethical guideline standards. PwC confirmed to the Committee that following this review it was satisfied that it had acted in accordance with relevant regulatory and professional requirements and that its objectivity is not compromised.

To ensure no conflicts of independence arose from auditors being responsible for non-audit work, the Audit & Risk Committee reviewed and approved the policy on non-audit services. The review included consideration of the process to manage the engagement of PwC, regulatory changes and good practice.

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The audit fee payable to PwC amounts to £3 million (2020 £2.3 million), this includes non-recurring fees for RMS and Hobsons. The Audit & Risk Committee is satisfied that the fee is commensurate with the quality of audit provided by PwC. In addition to the Group's policy, PwC has confirmed that any non-audit work commissioned by the Group is reviewed for compliance with its internal policy on the provision of non-audit services.

The cap on non-audit service fees is set at 70% of the average audit fees for the preceding three years. The total non-audit fees paid to PwC amounted to £0.6 million (2020 £0.4 million) which translates to a non-audit fee to audit fee percentage of 20% (2020 17%). The Committee is satisfied that PwC was selected based on individuals' particular expertise, knowledge and experience and that the work did not impair PwC's independence as External Auditor (see Note 5). All non-audit work undertaken by PwC was approved by the Audit & Risk Committee.

The Audit & Risk Committee, having taken account of PwC's confirmations, is satisfied that PwC is independent of DMGT and its subsidiaries and has no connection with any member of the Audit & Risk Committee.

Audit quality and materiality

The Audit & Risk Committee places great importance on ensuring that there are high standards of quality and effectiveness in the external audit process.

In addition, the Audit & Risk Committee reviewed PwC's scope, materiality and risk assessment and approved the external audit plan to ensure that it is consistent with External Audit requirements.

The Audit & Risk Committee discussed significant and elevated risk areas that are most likely to give rise to a material financial reporting error or those that are perceived to be of a higher risk and requiring audit emphasis (including those set out in PwC's report on pages 96 to 105). The Audit & Risk Committee considered the audit scope and materiality threshold.

PwC has outlined to the Audit & Risk Committee the professional development programme applicable to the partners and employees engaged on our audit, has reviewed key judgements taken during the course of the audit, and confirmed the audit complies with its internal independent review procedures. We have reviewed the professional skills, knowledge and scepticism of key members of the audit team including the Group team and partners responsible for the divisional audits.

We have reviewed PwC's latest available transparency report.

During the year, the Audit & Risk Committee reviewed the quality of the FY 2020 audit, taking account of PwC's internal assessment, management's assessment and the Audit & Risk Committee's assessment. The Audit & Risk Committee was satisfied with the robustness of the opinion and with the audit service. In particular, the Audit & Risk Committee was pleased with an overall improvement in service scores. Based on the information currently available, which draws on the enquiries outlined above and informal soundings of management, the Audit & Risk Committee anticipates it will conclude there has been a robust, high-quality audit for the year ended 30 September 2021, both in respect of PwC's opinion and service.

The Audit & Risk Committee has consequently recommended that PricewaterhouseCoopers LLP be reappointed as External Auditor at the 2022 AGM.

The Audit & Risk Committee Report was approved by the Board on 17 November 2021 and signed on its behalf by the Audit & Risk Committee chairman.

Kevin Parry
Audit & Risk Committee chairman

Remuneration & Nominations Committee

The Remuneration & Nominations Committee meetings are held together. Remuneration items are taken separately to the Nominations items.

The Remuneration element of the Committee is described within the Remuneration Report on pages 68 to 90.

The Nominations element of the Committee is described below. It keeps under regular review the structure and composition of the Board and its Committees, particularly the skills, knowledge and experience of the Directors, to ensure that these remain aligned with the Group's developing requirements and strategic agenda.

Membership

The Chairman of the Remuneration & Nominations Committee is Lord Rothermere and the majority of its members are not considered to be independent under the Code. Heidi Roizen and JP Rangaswami are both independent Non-Executives on the Remuneration & Nominations Committee. David Nelson and Dominique Trempont are Non-Executives who, like Heidi Roizen and JP Rangaswami, are not involved in management.

Although Lord Rothermere as Chairman does not meet Provision 32 of the Code, as the holder of all the Ordinary Shares and the largest holder of A Shares of the Company through the Trust, the Board considers that Lord Rothermere's interests are fully aligned with those of other shareholders. Furthermore, the Board believes that although not independent under the Code, David Nelson and Dominique Trempont are independent of the Executive Directors, have invaluable experience of the Company, its businesses and its employees, and clearly represent the interests of shareholders. The Committee is confident that its membership ensures that it carries out all aspects of its role with proper and appropriate regard to long-term shareholder interests.

The Remuneration & Nominations Committee has been supported in its activities during the year by the CEO, the Group Chief Financial Officer and the Head of Reward and Benefits. Membership and meetings are shown below.

Member	Member for full period	Meetings held	Meetings attended
The Viscount Rothermere (Chairman)	Yes	4	4
D H Nelson	Yes	4	4
JP Rangaswami*	Yes	4	4
J H Roizen*	Yes	4	4
D Trempont	Yes	4	4

* Independent.

Governance

- The combined Remuneration & Nominations Committee reviewed its Terms of Reference during the year.
- The Committee confirmed that it had complied with its Terms of Reference throughout the year.
- The Committee paid particular attention to extending the term of any Non-Executive Director who has served a term in excess of six years.
- The Committee reviewed the independence of Non-Executive Directors and agreed to recommend that Kevin Parry, JP Rangaswami, Heidi Roizen and Filippa Wallestam continued to be considered independent in accordance with Code Provision 10.
- Andrew Lane, David Nelson and François Morin were not considered independent due to their connection to Rothermere Continuation Limited.
- The process for appointing Directors depends on which role is being filled. External recruiters and other methods have been used to identify potential candidates.
- In line with Code Provision 12, the Non-Executive Directors met with the Chairman without the Executive Directors present.

Key activities of the Nominations element of the Remuneration & Nominations Committee

- Reviewing remuneration arrangements in relation to the Offer.
- Reviewing the Letter of Engagement with each Non-Executive Director to ensure the provisions remain in line with best practice, following shareholder approval at the AGM.
- Re-engaging the service of Non-Executive Directors for a further period of a minimum of one year.
- Reviewing time commitments required by Non-Executive Directors and confirming that it was satisfied that the Directors had met or exceeded the time commitment required.
- In line with Provision 18 of the Code, recommending that all Directors stand for re-election at the AGM.
- Discussing Board and Committee composition and longevity of service, and Board independence.
- Considering a diverse pipeline of candidates for Non-Executive appointments and recommending the appointment of Filippa Wallestam to the Board.
- Reviewing the Committee's effectiveness and governance activities against best practice.
- Reviewing the Board Evaluation process as described on page 58.
- Reviewing Gender Pay disclosure and gender balance of senior executives as described on page 35.
- Discussing and reviewing Board and Committee Composition, diversity and longevity of service, and Board independence.

This Governance Report was approved by the Board on 17 November 2021 and signed on its behalf by the Chairman.

The Viscount Rothermere
Chairman

Governance

Remuneration Report

The Viscount Rothermere
Chairman

Chairman's statement on remuneration

As Chairman of the Remuneration & Nominations Committee (Committee), I am pleased to present the Directors' Remuneration Report (DRR) for FY 2021.

Pay review for FY 2021

The Committee regularly reviews all aspects of the competitive position of remuneration for the Executive Directors by undertaking periodic market benchmarking. This year, the Committee (without me present) decided to award base salary increases of 2% to each of the Executive Directors from the start of FY 2022.

This is in line with the typical base salary increase awarded to employees across DMGT this year.

Executive Directors' bonus payments for FY 2021

In FY 2021, as disclosed in last year's DRR, we used two metrics in the annual bonus plan: revenue and cash operating income, weighted evenly. Cash operating income, which is operating profit plus depreciation and amortisation less capital expenditure, is a metric that captures both profit and the underlying cash generation of the Group. The same two metrics will continue to be used in the annual bonus plan for FY 2022.

The FY 2021 plan included an adjustment, to ensure that participants did not benefit from, and were not penalised by, short-term currency fluctuations beyond management's control. This will also continue in FY 2022.

The purpose of the annual bonus plan is to focus the participants on delivering short-term financial expectations. Whilst Covid-19 continued to impact on DMGT's businesses, in particular dmg events and Metro, our strong portfolio performance particularly in Consumer Media and Property Information, resulted in revenue being above target and cash operating income being above maximum. As a result, the annual bonus payments to the Chairman, CEO and Group CFO are at 83% of maximum for the year.

The bonus paid to Kevin Beatty, Chief Executive of dmg media, at 90% of maximum, reflects the strong performance of the Consumer Media business in a challenging environment.

For the CEO, Group CFO and Chief Executive of dmg media, the part of annual bonus payable above the target level will be deferred into DMGT shares for a period of two years, in line with the stated Policy.

Details of the Executive Directors' bonuses for FY 2021 are shown in tables 2.1 and 2.2 on page 73.

Long-term incentive awards vesting in FY 2021

2018 LTIP

The third LTIP and final award under the Executive Incentive Plan (EIP) over the period FY 2019 to FY 2021 is based on the Executive Directors receiving a percentage of the growth in profit above a defined threshold (eligible profit) over the three-year performance period converted into shares.

The performance targets were exceeded and therefore all the Executive Directors were entitled to receive five times their full Target Awards. The calculated result reflects exceptional performance during the period.

As previously disclosed, the CEO had a 2018 Target LTIP Award of 100% of salary, whilst the Chairman and Group CFO had a 2018 Target LTIP Award of 90% of salary. Given the exceptional performance of the Executive Directors in bringing to a successful conclusion the listing of Cazoo on the NYSE and the sale of RMS, delivering significant returns to shareholders, the Committee has used its powers under the 2017 LTIP rules to adjust the Target Awards of the Chairman and the Group CFO upwards to 100% in line with the Target Award of the CEO.

"The maximum long-term incentive payment reflects truly exceptional business performance and the Executive Directors' significant contributions over the last three years."

Key Strategic Priorities

Improving operational execution	Increasing portfolio focus	Maintaining financial flexibility

The EIP was intended to provide a direct link between pay and performance of the Group, with the opportunity for exceptional levels of reward linked to truly exceptional business performance. The Committee therefore felt that it was appropriate and fair to adjust the Chairman and the Group CFO Awards to reflect their unique contributions to the extraordinary success of the listing of Cazoo on the NYSE and sale of RMS (which were beyond expectations) by aligning their Target Awards in line with the CEO's (as permitted under the 2017 LTIP and the Policy). These adjustments were discussed and approved without me present. Further details are shown in table 4.3 on page 75.

Transaction Bonus

In March 2021, the Committee agreed an additional bonus of $195,000 for the Group CFO in respect of the considerable contributions he made to the sale of Hobsons, which resulted in significant additional value (over and above expectations) being created for DMGT and shareholders. This payment has been made in trust and is subject to formal shareholder approval.

At the February 2022 Annual General Meeting (AGM), formal shareholder approval of a revised Directors Remuneration Policy (Policy) to include this payment will also be requested.

2021 Executive Director LTIP

The Executive Director LTIP was formally approved by shareholders at the February 2021 AGM. The planned awards for the current Executive Directors will span 12 years – three awards pursuant to which shares will accrue and be delivered at the end of a different ten-year period. The Executive Directors will therefore be strongly incentivised to deliver value creation through share price appreciation and dividend payments over that period.

The first two Awards to the Executive Directors under the Executive Director LTIP were made on 31 March 2021 covering the following periods: 1 October 2019 to 30 September 2029 and 1 October 2020 to 30 September 2030. Further details are shown in table 4.4 on page 76.

The third Executive Director LTIP Award covering the period 1 October 2021 to 30 September 2031 will be made on 23 November 2021. This award will be calculated by reference to the Volume Weighted Average of DMGT's share price (VWAP) in the twelve months up to and including 22 November 2021, three days after DMGT's financial results for FY 2021 are announced. No further Awards are intended to be made to the current Executive Directors until after 30 September 2029.

Operating company incentive plans

Incentive plans across our operating companies are designed to reward sustainable revenue and profitable growth and act as a retention tool to motivate and incentivise senior employees.

We focus on ensuring that performance measures and targets are consistent with business objectives and circumstances, the Group's long-term strategy and the creation of shareholder value.

For each operating company, we also consider its sector, geography and portfolio role within the Group.

Directors' Remuneration Policy

The Policy was formally approved by shareholders at the February 2021 AGM and continues to be appropriate for current business circumstances. As noted above, a revised Policy including a transaction bonus for the Group CFO will be resubmitted at the February 2022 AGM. The Policy will continue to apply for FY 2022 and FY 2023.

The Viscount Rothermere
Chairman

Governance

Remuneration Report

FY 2021 Remuneration outcomes for the Executive Directors

The table below summarises the remuneration for the Executive Directors in FY 2021:

	The Viscount Rothermere £000	P A Zwillenberg £000	T G Collier £000	K J Beatty £000	Total £000
Salary 2021	875	784	523	778	**2,960**
Bonus	1,452	1,301	867	418	**4,038**
As a % of salary	166%	166%	166%	54%	
Taxable benefits	51	43	36	22	**152**
Pension benefits	324	235	131	288	**978**
LTIP awards vesting in year including dividend equivalents	8,208	7,357	4,903	4,377	**24,845**
Other awards in year	–	–	142	–	**142**
Total remuneration FY 2021	**10,910**	**9,720**	**6,602**	**5,883**	**33,115**
Total remuneration FY 2020	7,594	7,341	5,776	5,596	26,307

Key elements of remuneration for the Executive Directors in FY 2022

The key elements of remuneration applicable for the Executive Directors in FY 2022 are shown below:

	Salary	Annual bonus opportunity	Annual bonus deferral	Executive Director LTIP	Pension	Benefits
The Viscount Rothermere	£892,700	100% of salary on target. 200% of salary maximum.	None applies.	Annual amount of 200% of salary translating to a total Executive Director LTIP award of 2,000% base salary, split evenly into three conditional share awards, with full vesting over a 12-year period.	Allowance of 37% of salary	Car allowance and driver. Family medical insurance, Life assurance.
P A Zwillenberg	£800,100	100% of salary on target. 200% of salary maximum.	Any amount above target deferred into nil cost options for two years.	Annual amount of 200% of salary translating to a total Executive Director LTIP award of 2,000% base salary, split evenly into three conditional share awards, with full vesting over a 12-year period.	Allowance of 30% of salary	Car allowance and driver. Family medical insurance, Life Assurance, Tax reporting.
T G Collier	£533,200	100% of salary on target. 200% of salary maximum.	Any amount above target deferred into nil cost options for two years.	Annual amount of 200% of salary translating to a total Executive Director LTIP award of 2,000% base salary, split evenly into three conditional share awards, with full vesting over a 12-year period.	Allowance of 25% of salary	Car allowance. Family medical insurance, Life Assurance, Tax reporting.
K J Beatty	£793,300	30% of salary on target. 60% of salary maximum.	Any amount above target deferred into nil cost options for two years.	Annual amount of 160% of salary translating to a total Executive Director LTIP award of 1,600% base salary, split evenly into three conditional share awards, with full vesting over a 12-year period.	Allowance of 37% of salary	Car allowance and driver. Family medical insurance, Life assurance.

Annual Report on Remuneration

The report has been audited in accordance with 2008 Regulations (as amended).

Remuneration & Nominations Committee role and activities

The Committee's responsibilities with respect to remuneration include:

- Group remuneration policy; and
- setting the remuneration and terms and conditions of employment of the Company's Executive Directors and other senior executives in line with the Committee's Terms of Reference. The Committee's Terms of Reference are available on the Company's website. The Committee is chaired by Lord Rothermere with Committee members David Nelson, JP Rangaswami, Heidi Roizen and Dominique Trempont.

The Code recommends that a remuneration committee should be composed entirely of independent non-executive directors. The Board, however, considers that, as the beneficiary of the Company's largest shareholder, Lord Rothermere's interests are fully aligned with those of other shareholders. The Committee is confident that its composition ensures that it carries out all aspects of its role with proper and appropriate regard to shareholders' long-term interests and that this alignment is, in fact, stronger as a direct consequence of its membership. The Non-Executive Directors meet regularly and independently outside of the formal meetings. To avoid conflicts of interest, the Group remuneration policy mandates that no Director or manager shall be involved in any decisions as to their own remuneration.

The Committee spends a large portion of its time reviewing the remuneration and incentive plans of the different businesses which are diverse both in geography and sector. There are a variety of incentive plans requiring significant consideration and oversight, which are designed to reflect the business type and stage of development, the market and locations it operates in and aims to incentivise the delivery of the business's strategic plan. The Committee's objective is to combine the necessary attention to short-term financial performance, through annual bonus plans, with a stronger focus on the fundamentals that drive long-term growth, through long-term incentive plans.

Committee performance and effectiveness

In September 2021, the Committee conducted a formal review of its effectiveness and concluded that it had fulfilled its remit and had been effective during the year.

Risk and reward

During the year, the Committee reviewed and confirmed that the plans in operation throughout the Group did not incentivise taking excessive risk and, in particular, that the annual bonus and long-term incentive plans in the Company are aligned with DMGT's risk policies and systems.

Remuneration & Nominations Committee agenda items (selected)

Date	Agenda items
October 2020	• Approval of new Executive Director LTIP design. • Approval of share awards vesting at the end of FY 2020. • New LTIP for dmg ventures. • Final approval of FY 2020 annual bonus payments. • Appointment of new NED.
February 2021	• Use of VWAP for DMGT Share Plans. • Vesting of Salary Substitution Plan.
May 2021	• Projected FY 2021 annual bonus and long-term incentive plan outcomes as at half year. • Review of Gender pay.
September 2021	• 2022 salary review. • Projected FY 2021 annual bonus and long-term incentive plan outcomes. • Board evaluation. • Review of Committee effectiveness and Terms of Reference.

Governance

Remuneration Report

Advice to the Remuneration & Nominations Committee

The Committee referred, where relevant, to independent benchmarking on executive remuneration provided through Group Reward by Willis Towers Watson. In addition the Committee received advice and commentary, where appropriate, from members of the senior management team during the year.

Table 1: Single figure of remuneration paid to Executive Directors for FY 2021 (Audited)

The table below sets out the single total figure of remuneration and breakdown for each Executive Director in FY 2021 and FY 2020. Details of the calculation of the annual bonus figure for FY 2021 can be found in the section variable pay awards vesting in FY 2021, on page 73. Details of the calculation of LTIP Awards that are vesting this year can be found in tables 4.2 and 4.3 on pages 74 and 75 respectively.

	Financial year	Salary and fees £000	Taxable benefits £000	Pension benefits £000	Other payments[2] £000	Total fixed £000	Annual bonus[3] £000	Total annual remuneration £000	LTIP and dividend equivalents £000	Other Awards and payments £000	Total variable £000	Total remuneration £000
The Viscount Rothermere	**2021**	**875**	**51[1]**	**324**	–	**1,250**	**1,452**	**2,702**	**8,208[4]**	**–**	**9,660**	**10,910**
	2020	822	56	304	72	1,254	634	1,888	5,706[5]	–	6,340	7,594
P A Zwillenberg	**2021**	**784**	**43[1]**	**235**	–	**1,062**	**1,301**	**2,363**	**7,357[6]**	**–**	**8,658**	**9,720**
	2020	737	48	221	61	1,067	568	1,635	5,706[7]	–	6,274	7,341
T G Collier	**2021**	**523**	**36[1]**	**131**	–	**690**	**867**	**1,557**	**4,903[8]**	**142[12]**	**5,912**	**6,602**
	2020	492	43	123	39	697	378	1,075	3,423[9]	1,278[13]	5,079	5,776
K J Beatty	**2021**	**778**	**22[1]**	**288**	–	**1,088**	**418**	**1,506**	**4,377[10]**	**–**	**4,795**	**5,883**
	2020	**723**	23	**267**	**75**	1,088	132	1,220	4,372[11]	4[14]	4,508	5,596
Total	**2021**	**2,960**	**152[1]**	**978**	–	**4,090**	**4,038**	**8,128**	**24,845**	**142**	**29,025**	**33,115**
	2020	2,774	169	915	247	4,106	1,712	5,818	19,207	1,282	22,201	26,307

Notes

1. Taxable benefits for 2021 comprise car allowances which are £34,000 p.a. for Lord Rothermere; £18,000 p.a. for Paul Zwillenberg; £16,000 p.a. for Tim Collier and Kevin Beatty. Lord Rothermere, Paul Zwillenberg and Kevin Beatty also received benefits in respect of home-to-work travel. Amounts, including tax paid by the Company, are £11,454; £4,971 and £1,297 respectively. Lord Rothermere and Paul Zwillenberg received UK medical benefits with a cost to the Company of £5,375 p.a, £4,480 p.a. for Tim Collier and £4,300 p.a for Kevin Beatty.; Paul Zwillenberg and Tim Collier received US medical benefits with a cost to the Company of £14,351 p.a. and £14,314 p.a. respectively (converted at a rate of £1:US$1.37).
2. Amounts shown reflect the Executive Directors' participation in the Salary Substitution Plan as disclosed in the 2020 DRR.
3. Details of the calculation of the bonus are shown in tables 2.1 and 2.2 on page 73.
4. The figure shown is the vesting value of the 2018 award for Lord Rothermere under the EIP which will be realised in December 2021, details of which can be found in table 4.3 on page 75.
5. The figure shown has been adjusted from the estimated payment stated in the 2020 DRR to reflect the actual amount realised by Lord Rothermere in respect of the 2017 award in December 2020. Details can be found in table 4.3 on page 75.
6. The figure shown is the vesting value of the 2018 award for Paul Zwillenberg under the EIP which will be realised in December 2021, details of which can be found in table 4.3 on page 75.
7. The figure shown has been adjusted from the estimated payment stated in the 2019 DRR to reflect the actual amount realised by Paul Zwillenberg in respect of the 2017 award in December 2020. Details can be found in table 4.3 on page 75.
8. The figure shown is the vesting value of the 2018 award for Tim Collier under the EIP which will be realised in December 2021, details of which can be found in table 4.3 on page 75.
9. The figure shown has been adjusted from the estimated payment stated in the 2020 DRR to reflect the actual amount realised by Tim Collier in respect of the 2017 award in December 2020. Details can be found in table 4.3 on page 75.
10. The figure shown is the vesting value of the 2018 award for Kevin Beatty under the EIP which will be realised in December 2021, details of which can be found in table 4.3 on page 75.
11. The figure shown has been adjusted from the estimated payment stated in the 2020 DRR to reflect the actual amount realised by Kevin Beatty in respect of the 2017 award and the 2015 award in December 2020. Details can be found in table 4.2 on page 74 and 4.3 on page 75.
12. The Committee decided to exercise its discretion to award a one-off bonus to Tim Collier. The Committee felt that Tim Collier's efforts in relation to the sale of Hobsons was not fully recognised in the metrics set for the annual bonus. Given the exceptional results for DMGT and its shareholders from the sale, the Committee determined that a separate bonus was merited. The amount was determined at the full discretion of the Committee and they took into account the final financial outcome of the sale of Hobsons for DMGT and its shareholders but the payment was not directly linked to DMGT's share price following the sale.
13. The figure shown is the value of the second tranche of Tim Collier's recruitment award of 143,217 shares (after adjustment to reflect the April 2019 Distributions) which vested and was realised in December 2019 at a share price of £8.41 and a cash dividend equivalent payment of £72,851.
14. The figure shown is the value of the cash dividend equivalent received in respect of Kevin Beatty's 2017 nil cost option award which was exercised in February 2020.

Variable pay awards vesting in FY 2021

Table 2.1: Annual bonus weightings, opportunity and outcomes (Audited)

The details of the weightings and opportunity relating to the annual bonus paid to Executive Directors for the year ended 30 September 2021 and included in the single figure in table 1 on page 72 are shown below. The performance measures for FY 2021 are a combination of revenue and cash operating income, both equally weighted. The resulting bonus amounts are shown in the table below:

	Weightings		Opportunity as a % of salary					
	Revenue	Cash operating income	Threshold	Target	Maximum	Actual outcome as a % of salary	Actual outcome as a % of maximum[1]	Actual outcome £000
The Viscount Rothermere	50%	50%	0%	100%	200%	166%	83%	1,452
P A Zwillenberg	50%	50%	0%	100%	200%	166%	83%	1,301
T G Collier	50%	50%	0%	100%	200%	166%	83%	867
K J Beatty	50%	50%	0%	30%	60%	54%	90%	418

Table 2.2: DMGT annual bonus targets (Audited)

The financial measures are split into two categories and weighted evenly (shown in table 2.1 above). Kevin Beatty's bonus is weighted 70% against targets specific to dmg media and 30% against DMGT targets.

The Board considers the performance targets for the measures to be commercially sensitive, as it would disclose information of value to competitors, and they will not be disclosed. The final targets were adjusted to reflect the final US$/£ average exchange rate over the year.

The following tables illustrate performance against DMGT and dmg media bonus targets and the corresponding outcome:

DMGT bonus targets (All)	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target	Outcome as a % of maximum
Revenue					132%	66%
Cash operating income					200%	100%

dmg media bonus targets (K J Beatty only)	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target	Outcome as a % of maximum
Revenue					169%	85%
Cash operating income					200%	100%

Table 2.3: Deferred annual bonus (Audited)

The following deferral requirements apply to the above target amount of the FY 2021 annual bonus with no further performance conditions except continued employment over the two-year period:

	Deferral requirement	Type of deferral	Amount deferred FY 2021 £000	Amount deferred as a % of FY 2021 bonus
P A Zwillenberg	Amounts above target bonus for two years	Nil cost options	517	40%
T G Collier	Amounts above target bonus for two years	Nil cost options	344	40%
K J Beatty	Amounts above target bonus for two years	Nil cost options	184	44%

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Awards made under share schemes

The Company funds the purchase of shares by an Employee Benefits Trust in order to ensure that its obligations under its share schemes are adequately funded and this also ensures that there is no impact on share dilution. Share awards made to Lord Rothermere are typically settled using Treasury Shares.

Table 3: Nil cost options (Audited)

The table below sets out the details of all outstanding awards of nil cost options as part of the deferred bonus plan. Following the exercise of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares or cash settlement is made. No further performance conditions are imposed except for the employee's continued employment.

Outstanding awards that were made prior to the April 2019 Distributions will be adjusted by 4.7825% at exercise.

Award date	**Dec 2018**	**Dec 2019**	
Award type	Nil cost options	Nil cost options	
Relating to	2018 Bonus	2019 Bonus	
Exercisable from	Dec 2020	Dec 2021	
Expiry date	Dec 2025	Dec 2026	
Status of awards	Exercisable	Outstanding	
Award price	£6.29	£8.40	
Exercise price	N/A	N/A	
Outstanding awards			**Total**
P A Zwillenberg	52,685	37,897	90,582
T G Collier	35,124	25,257	60,381
K J Beatty	12,729	22,745	35,474
Total outstanding	**100,538**	**85,899**	**186,437**

Shaded columns show options that have vested.

Table 4.2: Awards made under the 2012 Long-Term Executive Incentive Plan (LTIP) (Audited)

Outstanding share-based awards subject to performance conditions under the LTIP are summarised in the table below. The Board considers the performance targets for the measures to be commercially sensitive, as it would disclose information of value to competitors, and they will not be disclosed.

Following the realisation of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares is made. Outstanding awards that were made prior to the April 2019 Distributions were adjusted at vesting by 4.7825%.

The 2015 LTIP award made to Kevin Beatty vested in full in December 2020 based on an evaluation by the Committee of the performance against the performance measures. No further awards are being made under the LTIP.

Award name	**2015 LTIP award**
Award date	Dec 2015
Performance period ends	Sep 2020
Standard award as a % of salary	100%
Award price	£7.06
Price at vesting	£7.50
Performance measures	• Grow B2B business. • Continue to invest in strong brands of digital consumer media, particularly MailOnline. • Grow sustainable earnings and dividends. • Increase the Company's exposure to growth economies and to international opportunities.
Status of award	Vested
Maximum percentage of face value that could vest	100%
Vesting level as a percentage of maximum	100%
Realised during year	
K J Beatty	110,421
Value (including cash dividend equivalent)	£948,610[1,2]

Shaded columns show options that have vested.

Notes
1. The value of the 2015 LTIP award for Kevin Beatty on realisation at a share price of £7.50 in December 2020 was £828,158. A cash dividend equivalent payment of £120,452 was also paid with a total value of £948,610.
2. The value change on realisation attributable to share price appreciation since the award was made was an increase of £48,585 (including the April 2019 Distributions adjustment).

Table 4.3: Awards made under the 2017 Executive Incentive Plan (EIP) (Audited)

Outstanding share-based awards subject to performance conditions under the EIP are summarised in the table below. The Board considers the performance targets for the measures to be commercially sensitive as it would disclose information of value to competitors, and they will not be disclosed.

Following the realisation of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the beginning of the performance period and the date of delivery of the shares is made. Outstanding awards that were made prior to the April 2019 Distributions will be adjusted at vesting by 4.7825%.

	2017 EIP	2018 EIP
Award date	Jun 2018	Jun 2019
Performance period starts	Oct 2017	Oct 2018
Performance period ends	Sep 2020	Sep 2021
Award price	£5.63	£6.29
Status of award	Vested	Vested
Vesting level as a percentage of maximum	100%	100%
Percentage receivable if maximum performance achieved	If the performance level is on target or above, Lord Rothermere and Paul Zwillenberg would receive 2.5% and Tim Collier and Kevin Beatty 1.25% of eligible profits. No amounts are payable if there are no eligible profits.	If the performance level is on target or above, Lord Rothermere and Paul Zwillenberg would receive 2.6% and Tim Collier and Kevin Beatty 1.5% of eligible profits. No amounts are payable if there are no eligible profits.
Basis on which award is made	Percentage share of growth in eligible profit over the performance period, converted at the end of the performance period to shares based on the average share price for the first three days following the release of the financial results of the preceding financial year in which the awards were made.	
Maximum payable	There is a cap on the maximum amounts payable which is five times target at the time the award was made with the number of shares being calculated by reference to the award price above.	
Performance measures	Outcomes are linked to stretching profit targets over a minimum threshold, subject to fair adjustment for any change in capital usage.	

	2017 EIP		2018 EIP	
	Vesting shares	Value at realisation including cash dividend equivalents[1,2]	Vesting shares	Value at vesting including cash dividend equivalents[3,4]
The Viscount Rothermere	698,130	£5,705,695	714,653	£8,207,953
P A Zwillenberg	698,130	£5,705,695	640,523	£7,356,553
T G Collier	418,880	£3,423,434	426,876	£4,902,769
K J Beatty	418,880	£3,423,434	381,060	£4,376,564

Notes

1. The value of the 2017 EIP at realisation in December 2020 (adjusted for the April 2019 Distributions) calculated at a share price of £7.50 was £5,235,975 for Lord Rothermere and Paul Zwillenberg and £3,141,600 for Tim Collier and Kevin Beatty. A cash dividend equivalent payment was paid at realisation of £469,720 for Lord Rothermere and Paul Zwillenberg, and £281,834 for Tim Collier and Kevin Beatty.
2. The value change at realisation attributable to share price appreciation since the award was made was an increase of £1,305,503 for Lord Rothermere and Paul Zwillenberg and £783,306 for Tim Collier and Kevin Beatty (including the April 2019 Distributions adjustment).
3. The value of the 2018 EIP at vesting in December 2021 (adjusted for the April 2019 Distributions) calculated using the average share price for the fourth quarter of FY 2021 which was £10.80 was £7,718,252 for Lord Rothermere; £6,917,648 for Paul Zwillenberg; £4,610,261 for Tim Collier and £4,115,448 for Kevin Beatty. A cash dividend equivalent payment was paid at vesting of £489,701 for Lord Rothermere; £438,905 for Paul Zwillenberg, £292,508 for Tim Collier and £261,116 for Kevin Beatty.
4. The value change at vesting attributable to share price appreciation since the award was made was an increase of £3,223,085 for Lord Rothermere, £2,888,723 for Paul Zwillenberg, £1,925,211 for Tim Collier and £1,718,581 for Kevin Beatty (including the April 2019 Distributions adjustment).

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Table 4.4: Awards made under the Executive Director LTIP (Audited)
Outstanding share-based awards subject to performance conditions under the Executive Director LTIP are summarised in the table below.

Awards are entitled to dividend equivalents that are paid when the shares are delivered. For those Executive Directors who remain employed for the entire accrual period, they receive an amount equivalent in value to the sum of all dividends declared during the accrual period as if the dividends had been reinvested in Company shares at the time when the dividends were paid. Dividend equivalents can be paid in cash or shares at the Committee's discretion.

	2019 Executive Director LTIP	2020 Executive Director LTIP
Award date	Mar 2021	Mar 2021
Performance period starts	Oct 2019	Oct 2020
Performance period ends	Sep 2029	Sep 2030
Award price	£6.82	£7.39
Status of award	Outstanding	Outstanding
Vesting level as a percentage of maximum	N/A	N/A
Percentage receivable if maximum performance achieved	100%	100%
Basis on which award is made	Conditional share awards calculated by dividing the value of the Award by the Volume Weighted Average of DMGT's share price (VWAP) in the 12-month period up to and including the third day after the announcement of the financial results for the financial year prior to the beginning of the accrual schedule are announced.	
Performance measures	Satisfactory Company financial performance over the ten-year period.	

	2019 Executive Director LTIP		2020 Executive Director LTIP	
	Maximum shares that could vest	Value of Maximum Award at Issue	Maximum shares that could vest	Value of Maximum Award at Issue
The Viscount Rothermere	855,273	£5,834,672	789,750	£5,834,673
P A Zwillenberg	766,540	£5,229,336	707,815	£5,229,337
T G Collier	510,848	£3,485,005	471,711	£3,485,001
K J Beatty	608,033	£4,148,001	561,452	£4,148,007

Payments to past Directors (Audited)

Martin Morgan vested share awards
Martin Morgan received a total amount of £1,282,672 in December 2020 in relation to the realisation of the 2015 award made under the DMGT 2012 Long-Term Incentive Plan. The award of 149,307 shares (after adjustment for the April 2019 Distributions) was realised at a share price of £7.50 with a value of £1,119,803 and a dividend equivalent payment of £162,869.

Paul Dacre vested share awards
The Committee was satisfied that the performance conditions had been met for the 2019 award made to Paul Dacre in December 2018 under the DMGT 2017 Long-Term Incentive Plan. The award of 168,851 shares (after adjustment for the April 2019 Distributions) will vest and be realised in December 2021.

Paul Dacre received a total amount of £1,541,770 in December 2020 in relation to the realisation of the 2018 award made under the DMGT 2017 Long-Term Incentive Plan. The award of 188,646 shares was realised at a share price of £7.50 with a value of £1,414,845 and a dividend equivalent payment of £126,925.

Payments for loss of office (Audited)

There were no payments for loss of office to any Directors during the year.

Table 5: Executive Directors' accrued entitlements under DMGT Senior Executives' Pension Fund (Audited)
The defined benefit scheme is closed for future accrual. It is the Company's policy that annual bonuses and benefits in kind are not pensionable.

Executive Directors are not accruing further pension in the DMGT Senior Executives' Pension Fund. The normal retirement age under the Fund for the Executive Directors is 60.

	Defined benefit: accrued annual benefit as at 30 September 2021 based on normal retirement age £000	Defined benefit: normal retirement age	Defined benefit: additional value of benefits if early retirement taken	Weighting of pension benefit value as shown in single figure table
The Viscount Rothermere	84	3 December 2027	–	Cash allowance: 100%

Notes
The key elements of remuneration table on page 70 shows the cash allowances paid to each Executive Director as a percentage of salary in lieu of pension.

Table 6: Single figure of remuneration paid to Non-Executive Directors (Audited)
The table below sets out the single total figure of remuneration for each Non-Executive Director in FY 2021 and FY 2020.

An increase to base fees of 2% was agreed in September 2021 effective July 2021. This will be backdated and reflected in the FY 2022 DRR.

Travel allowances of £4,000 are paid for each Board meeting that requires a single (one way) flight of between five and 10 hours and £10,000 for each Board meeting that requires a single (one way) flight of more than 10 hours. Additional fees are paid for membership and chairmanship of sub-committees and subsidiary boards.

	2021			2020			
	Fees[1] £000	Travel allowance £000	Total £000	Fees £000	Other £000	Travel allowance £000	Total £000
Lady Keswick	–	–	–	49	1	–	50
A H Lane	**90**	–	**90**	85	4	–	89
F L Morin	**50**	–	**50**	49	1	8	58
D H Nelson	**214**[2]	–	**214**	142	7	4	153
K A H Parry	**252**[3]	–	**252**	100	5	14	119
JP Rangaswami	**164**[4]	–	**164**	85	4	14	103
J H Roizen	**223**	–	**223**	212	11	–	223
D Trempont	**223**	–	**223**	212	11	20	243
F Wallestam	**43**	–	**43**	–	–	–	–
Total	**1,259**	–	**1,259**	934	44	60	1,038

Notes
1. Amounts shown include the increase in value plus cash dividend equivalents attributable to the Fee Substitution Plan which were £164 for Lady Keswick and François Morin; £667 for Andrew Lane; £1,253 for David Nelson; £842 for Kevin Parry; £632 for JP Rangaswami and £2,123 for Heidi Roizen and Dominique Trempont.
2. David Nelson was paid £64,250 for special projects and his work on the Pension Sub-committee in FY 2021.
3. Kevin Parry was paid £146,429 for special projects and his work on the RMS Special Committee in FY 2021.
4. JP Rangaswami was paid £77,500 for special projects and his work on the RMS Special Committee and New Scientist Board in FY 2021.

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Table 7: Chief Executive remuneration outcomes FY 2011 to FY 2021

Financial year ending	FY 2011 £000	FY 2012 £000	FY 2013 £000	FY 2014 £000	FY 2015 £000	FY 2016[2] £000	FY 2017 £000	FY 2018 £000	FY 2019 £000	FY 2020 £000	FY 2021 £000
CEO	Martin Morgan						Paul Zwillenberg				
Total remuneration (single figure)	1,722	2,809	2,949	2,021	1,944	3,342	1,450	1,867	3,736	**6,726**	**9,720**
Annual variable pay[1] (% maximum)	40%	63%	88%	54%	58%	63%	42.5%	81%	80%	**36%**	**83%**
LTIP achieved (% maximum)	25%/100%	52.5%	37.5%	40%	–	100%	–	–	20%	**100%**	**100%**
Share price at vesting	£5.72/£3.68	£4.82	£7.62	£8.31	–	£6.95	–	–	£7.95	**£6.62**	**£10.80**

Notes
1. Maximum bonus opportunity was 100% of salary from FY 2010 to FY 2017 when it increased to 140% and then to 200% in FY 2020.
2. The single figure shown for FY 2016 combines the period of Martin Morgan's service to 31 May 2016 and his successor Paul Zwillenberg from 1 June 2016.

Chart 2: Comparison of overall performance of DMGT vs comparators

The chart compares the Company's TSR with the Media Sector Total Return Index and the FTSE 100, FTSE 250 and FTSE 350 Indices over the past 10 financial years, assuming an initial investment of £100.

The Company is a constituent of the Media Sector Total Return Index and, accordingly, this is considered to be the most appropriate comparison to demonstrate the Company's relative performance.

Source: Thomson Reuters Datastream

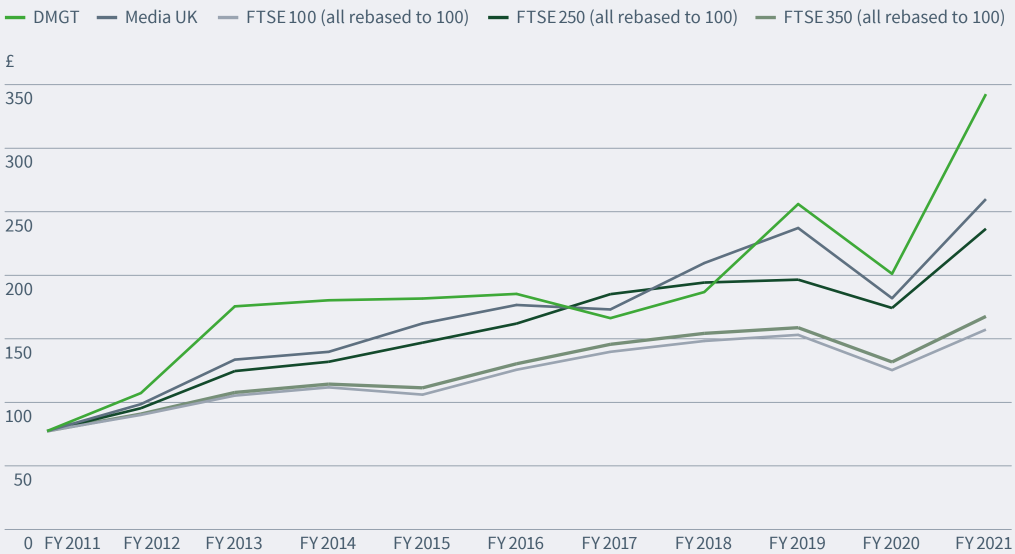

Table 8: Relative importance of spend on pay in the financial year

The table below sets out the relative importance of spend on pay in FY 2020 and FY 2021 across the Group compared with cash operating income and dividends paid to shareholders. Cash OI is considered by the Board to be a good indicator of the underlying cash generation of the businesses and it is included as a core element of the incentive plans for all senior management teams.

Financial year ending	FY 2020	FY 2021	Percentage Change
Cash operating income (£m)	110	121	10%
Dividends paid in the year (£m)	55	55	0.2%
Total employment pay (£m)[1]	542	502	(7.5%)
Total employees[1]	6,069	5,899	(2.9%)

Notes
1. Figures taken from Note 6 in the Consolidated Financial Statement.

Table 9: CEO pay ratios

Legislation requires listed companies with more than 250 employees to publish the ratio of their CEO's pay to that of the 25th percentile, median and 75th percentile total remuneration of full time equivalent employees. The regulations provide for three calculation approaches to determine the pay ratio (Options A, B and C). The data in the table below has been calculated using Option A which is considered to be the most accurate methodology and uses the same calculation basis as required for the CEO's total remuneration as shown in the single figure table 1 on page 72.

- All UK employees of the Company who received base salary during the year ended 30 September 2021 and who were still employed on that date were included.
- The calculations were carried out using their total pay and benefits received in respect of the year ended 30 September 2021, although it should be noted that as bonuses for the financial year are not paid until December 2021, bonuses used for the calculation were paid in December 2020 in relation to the previous financial year (FY 2019).
- For employees who were employed on a part-time basis, or who were not employed for the full year, their remuneration has been annualised to reflect the full-time equivalent.
- No other estimates or adjustments have been used in the calculations and no other remuneration items have been omitted.

The increase in the CEO pay ratio is due to the Maximum EIP award vesting. We consider that the pay ratio for all UK employees reflects DMGT's pay and benefits practice with no major changes made in the year.

Total remuneration

		Total Compensation			All UK Employees		
Financial year	**Method**	**75th percentile**	**Median**	**25th percentile**	**75th percentile**	**Median**	**25th percentile**
FY 2021	Option A	126:1	188:1	278:1	£77,350	£51,800	£35,000
FY 2020	Option A	89:1	134:1	199:1	£75,400	£50,245	£33,800

Base Salary

		Base Salary			All UK Employees		
Financial year	**Method**	**75th percentile**	**Median**	**25th percentile**	**75th percentile**	**Median**	**25th percentile**
FY 2021	Option A	12:1	17:1	24:1	£67,875	£47,000	£32,050
FY 2020	Option A	12:1	17:1	25:1	£65,000	£45,000	£31,200

Table 10: Director v employee pay increases

	Year-on-year change in pay for Directors compared to the global average employee													
		Executive Directors				Non-Executive Directors								
2021	**Average employee[1]**	**The Viscount Rothermere**	**P A Zwillenberg**	**T G Collier**	**K J Beatty**	**Lady Keswick**	**A H Lane**	**F L Morin**	**D H Nelson**	**K A H Parry**	**JP Rangaswami**	**J H Roizen**	**D Trempont**	**F Wallestam**
Salary and fees[2]	0%	0%	0%	0%	0%	N/A	1%	0%	44%	140%	84%	(5%)	(5%)	N/A
Benefits[3]	0%	0%	0%	0%	0%	0%	0%	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	N/A
Bonus[4]	72%	129%	129%	129%	217%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	**Average employee**	**The Viscount Rothermere**	**P A Zwillenberg**	**T G Collier**	**K J Beatty**	**Lady Keswick**	**A H Lane**	**F L Morin**	**D H Nelson**	**K A H Parry**	**JP Rangaswami**	**J H Roizen**	**D Trempont**	**F Wallestam**
Salary and fees	2%	2%	2%	2%	2%	0%	(22%)	0%	(14%)	(49%)	48%	0%	0%	N/A
Benefits	2%	2%	8%	9%	2%	0%	0%	(50%)	0%	250%	250%	0%	0%	N/A
Bonus	(21%)	(48%)	(34%)	(34%)	(69%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes
1. The listed parent company holds no employees so DMGT Centre employees are used for comparison purposes in this table.
2. There was no increase in salary for DMGT employees in October 2020 in line with most of the other operating companies and the Executive Directors.
3. There were no changes to benefits for most DMGT employees in FY 2021.
4. The financial part of bonus outcomes for DMGT Centre employees increased in FY 2021 in line with the outcomes for the Executive Directors, the difference in percentage increase is largely due to the difference in maximum opportunity for average employees compared with the Executive Directors.

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Table 11: Statement of Directors' shareholding and share interests (Audited)
The number of shares of the Company in which the Executive Directors and Non-Executive Directors or their families had a beneficial or non-beneficial interest during FY 2021 and details of Long-Term Incentive (LTI) interests as at 30 September 2021 are set out in the table below. The shareholding guideline for Executive Directors is 500% of salary for Lord Rothermere and Paul Zwillenberg and 150% of salary for Tim Collier and Kevin Beatty. The value as a percentage of salary has been calculated using the 30 September 2021 share price of £10.72.

Beneficial									
As at 30 September 2021	Ordinary	A Ordinary Non-Voting	Awards not subject to performance conditions[1] Vested	Awards not subject to performance conditions[1] Unvested	Value (as a percentage of salary)	Guideline met	Vested but unexercised options[2]	LTI interests subject to performance conditions not vested[2]	Total outstanding interests[3]
The Viscount Rothermere	19,890,364[5]	59,021,612		–	96,656%	Yes	714,653	1,645,023	2,359,676
P A Zwillenberg	–	506,437	52,685	37,897	816%	Yes	640,523	1,474,355	2,205,460
T G Collier	–	452,259	35,124	25,257	1,051%	Yes	426,876	982,559	1,469,816
K J Beatty	–	607,086	12,729	22,745	886%	Yes	381,064	1,169,485	1,586,019
K A H Parry	–	12,565	–	–	N/A	N/A	N/A	N/A	N/A
	19,890,364	**60,599,959**	100,538	85,899	–		**2,163,116**	**5,271,422**	**7,620,971**
Non-beneficial									
The Viscount Rothermere	–	4,687,424							
D H Nelson	–	204,221							
		4,891,645							
Total Directors' interests	**19,890,364**	**65,491,604**							
Less duplications	–	(204,221)							
	19,890,364	**65,287,383**							

Notes
1. The Awards not subject to performance conditions (vested and unvested) are the nil cost options awarded as the bonus deferral; full details can be found in table 3 on page 74.
2. The LTI interests subject to performance conditions are detailed in tables 4.1 to 4.4 on pages 74 to 76 and include those shares which have vested but are not yet realised (including April 2019 Distributions adjustments that will be made at realisation) as well as those that are outstanding.
3. Total outstanding interests are the sum of the LTI interests subject to performance conditions and unvested LTI interests not subject to performance conditions.
4. The Company has been notified that under Sections 793 and 824 of the Companies Act 2006, Lord Rothermere was deemed to have been interested as a shareholder in 19,890,364 Ordinary Shares at 30 September 2021.

None of the other Directors held any shares in the Company, either beneficial or non-beneficial.

At 30 September 2021, Lord Rothermere was beneficially interested in 110,597,377 Ordinary Shares of Rothermere Continuation Limited, the Company's holding company.

For Paul Zwillenberg and Kevin Beatty, purchases of shares were made between 30 September 2021 and 30 November 2021 through the DMGT SharePurchase+ plan. These purchases increased the beneficial holdings of these Executive Directors by 27 shares for Paul Zwillenberg and 28 shares for Kevin Beatty. There were no other changes in Directors share interests between these dates.

Voting at General Meeting

At the February 2021 AGM, the advisory vote on the Remuneration Report and the Remuneration Policy received 19,890,364 (100%) votes for, with no votes against and no abstentions. The Committee consults with major shareholders prior to any other major changes to remuneration policy and practice.

Non-Executive Directors' appointment

The Non-Executive Directors are appointed for specified terms under the Company's Articles of Association and are subject to annual re-election at the AGM. Each appointment can be terminated before the end of the one-year period with no notice or fees due. Directors' service contracts/letters of engagement are available for inspection at DMGT's registered office. The dates of each Non-Executive Director's original appointment and latest re-appointment are set out below:

Non-Executive Director	Appointment commencement date	Latest reappointment date
A H Lane	6 February 2013	3 February 2021
F L Morin	8 February 2017	3 February 2021
D H Nelson	1 July 2009	3 February 2021
K A H Parry	22 May 2014	3 February 2021
JP Rangaswami	7 February 2018	3 February 2021
J H Roizen	26 September 2012	3 February 2021
D Trempont	9 February 2011	3 February 2021
F Wallestam	19 November 2020	3 February 2021

Implementation of Policy in FY 2022

Executive Directors' base salary	The Executive Directors received a 2% increase in salary in October 2021, in line with the majority of employees in businesses across the Group. Annual salaries from 1 October 2021 are £892,700 for Lord Rothermere, £800,100 for Paul Zwillenberg, £533,200 for Tim Collier and £793,300 for Kevin Beatty.
Executive Directors' pension	No change to prior year. Pension allowances are reported in the key elements of remuneration on page 70.
Executive Directors' benefits in kind	No change to nature of benefits since prior year.
Executive Directors' annual bonus	Awards in FY 2022 will be measured against two financial metrics: Group level revenue and cash operating income. In addition to Group level performance, Kevin Beatty will be measured on the performance of dmg media against the same financial metrics (weighting 30% Group, 70% divisional). The Board considers the specific targets and relative weightings for each measure to be commercially sensitive and they will not be disclosed.
Executive Directors' Bonus deferral	Amounts above Target bonus for Paul Zwillenberg, Tim Collier and Kevin Beatty will be deferred into nil cost options for two years. No deferral will apply for Lord Rothermere.
Executive Directors' long-term incentive	The third (of the three) Awards under the new Executive Director LTIP will be made covering the period 1 October 2021 to 30 September 2031.
Executive Directors' service contracts	A review of Executive Directors' service contracts is planned for FY 2022.
External appointments	The Company allows Executive Directors to take a very limited number of outside directorships. Individuals retain the payments from such services since these appointments are not expected to impinge on their principal employment.
Executive Directors' shareholding guidelines	The guideline is 500% of base salary for Lord Rothermere and Paul Zwillenberg and 150% of base salary for all other Executive Directors. Directors' interests are reported in detail in table 11 on page 80.
Recruitment award	None.
Exit payments	None.

Implementation of Policy for Non-Executive Directors FY 2022

Non-Executive Directors' fees	An increase of 2% in base fees was agreed in September 2021, effective July 2021. This will be backdated and reflected in the FY 2022 DRR.

Governance

Remuneration Report

Directors' Remuneration Policy

This part of the report sets out the Company's policy for the remuneration of Directors (Policy) for FY 2021 to FY 2023 which was formally approved by shareholders at the AGM on 3 February 2021. The Policy received 19,890,364 (100%) votes for, with no votes against and no abstentions. The the approved and amended Policy can be found in the investor section on the Company website.

Policy overview

The Committee aims to structure remuneration packages which attract, motivate and retain Executive Directors, drive the right behaviours and pay at competitive market rates. The Committee considers that a successful Policy needs to be sufficiently flexible to take account of commercial demands, changing market practice and shareholder expectations. Our approach is to align base salary with reference to market levels of pay and to ensure that a significant part of Executive Director pay is variable and linked to the success of DMGT.

The Committee regularly reviews remuneration structures to ensure they are aligned to business strategy. The Policy incorporates a degree of flexibility to allow the Committee to manage remuneration over its three-year life.

The change from the policy approved by shareholders at the AGM on 3 February 2021 is the inclusion of a specific one-off bonus to the Group CFO. Details of this bonus are set out in table 1 and in note 12 on page 72.

Policy applied to Executive Directors

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Base salary To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.	The base salary for each Executive Director is reviewed annually for the following year taking into account contractual agreements, general economic and market conditions and the level of salary increases made across the Group as a whole. Given the location of the Company's principal operations, a particular focus is put on US and UK market conditions. Benchmarking based on media, B2B, technology and other relevant companies is performed periodically and the Committee's intention is to apply judgement in evaluating such market data.	Annual base salary increases, where made, are normally in line with average UK and US-based employees, subject to particular circumstances, such as changes in roles, responsibilities or organisation, or as the Committee determines otherwise based on factors listed under 'Operation'. The base salary for each Executive Director is set at a level the Committee considers appropriate taking account of the individual's skills, experience and performance, and the external environment. Base salaries for FY 2022 are set out on page 81.	Not performance related.
Pension To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.	Executive Directors may participate in a defined contribution pension scheme or may receive a cash allowance in lieu of employer pension contributions. Any contributions paid to the Company pension scheme will be offset from the cash allowance.	For Executive Directors who previously participated in the defined benefit scheme, the pension allowance was agreed at 37% of base salary. 30% of base salary or less for other Executive Directors and new recruits.	Not performance related.

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Purpose and link to strategy	Operation	Opportunity	Performance metrics
Benefits To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.	Benefits typically include cash allowances such as car allowance and non-cash benefits such as medical insurance and life assurance. Where appropriate, the Committee may also offer allowances for relocation or other benefits where it concludes that it is in the interest of the Company to do so, having regard to the particular circumstances of the Executive Director and to market practice. Allowances do not form part of pensionable earnings. Executive Directors are also eligible to participate in the DMGT SharePurchase+ plan, an all-employee HMRC-approved share incentive plan, on the same basis as other employees.	Benefits may vary by role and individual circumstances. The cost of benefits changes periodically and may be determined by outside providers.	Benefits are not performance related.
Annual bonus To focus Executive Directors on the delivery of financial performance and strategic objectives which create value for the Company and shareholders.	The annual bonus is based on in-year performance against financial objectives. The performance targets and measures are determined annually by the Committee and may change from year to year: • up to 100% of total bonus opportunity is based on financial performance at corporate and business unit level; and • a proportion of total bonus opportunity, however, may be based on performance against strategic non-financial objectives if the Committee so chooses. The bonus weightings applied for each of the Executive Directors may vary from time to time and may include financial measures and targets relating to the Group as well as their specific business. The weightings that apply to the bonus may vary if the Committee determines that it is appropriate in order to achieve the strategic aims of the business. Performance is measured separately for each item as shown in table 2.2 on page 73. Annual bonus payments do not form part of pensionable earnings. Annual bonus plans are discretionary and the Committee reserves the right to make adjustments to payments up or down if it believes that exceptional circumstances warrant doing so. Annual bonuses are subject to malus prior to payment, and to clawback for two years after payment, in circumstances including a material misstatement in results, an error in calculating or assessing satisfaction of any performance condition, the participant causing material reputational damage to any member of the Group or serious misconduct by the participant causing loss to any member of the Group.	Target and Maximum annual bonus opportunity are as follows: • for the Chairman, CEO and Group CFO, 100%/200% of salary; and • for the Chief Executive of dmg media, 30%/60% of salary. The Maximum for new recruits will not exceed 200% of salary. The achievement of stretch targets results in Maximum payout. Target bonus is set at 50% of Maximum. There is normally no payout for performance at or below Threshold. Payout between Threshold, Target and Maximum is calculated on a straight-line basis. The performance range sets a balance between upside opportunity and downside risk and is normally based on targets in accordance with the annual budget.	Bonuses are subject to the achievement of financial measures set by the Committee. These measures may be varied from year to year. The measures for determining the annual bonus in FY 2021 were revenue and cash operating income and this will continue to be the case for FY 2022. The performance required for a Maximum payout is set at a stretch performance level that is above the level of the Company's forecasts. If performance is in line with forecast, then typically the Target level of the annual bonus will be paid. The weightings that were applied to the FY 2021 bonus targets are as reported in table 2.2 on page 73.

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Remuneration Report

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Bonus deferral To provide an element of retention and align Executive Directors' interests with those of shareholders.	Amounts above Target of some Executive Directors' annual bonus are deferred for a period of two years into nil cost options. Following the exercise of an option, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares will be made. Clawback of vested and unvested awards is possible in the event of material misstatement of information or misconduct.	All Executive Directors (with the exception of Lord Rothermere) are required to defer any above-Target annual bonus into nil cost options for two years.	No further performance conditions are imposed except for continued employment during the two-year period.
Transaction Bonus To reward an Executive Director for considerable contributions that led to exceptional returns to DMGT and its shareholders.	The Group CFO will receive a one-off cash bonus of $195,000. This was determined by the Remuneration & Nominations Committee as appropriate reward for the Group CFO's efforts to realise value for DMGT and its shareholders through the sale of Hobsons.	The amount will be $195,000 as a one-off payment to the Group CFO.	The award was determined based on services leading to the successful sale of Hobsons. It is not subject to further performance conditions.
Long-term incentives To focus Executive Directors on the delivery of financial and strategic priorities creating sustainable long-term value for the Company and shareholders, thereby aligning Executive Directors' interests with the interests of the Company and shareholders.	The new Executive Director LTIP was approved at the 3 February 2021 AGM. The Committee will grant three Awards to the Executive Directors under the Executive Director LTIP covering the following periods: 1 October 2019 to 30 September 2029; 1 October 2020 to 30 September 2030; and 1 October 2021 to 30 September 2031. Once these three Awards have been made, no further Awards are intended to be made to the existing Executive Directors until after 30 September 2029, but Awards could be made to new Executive Directors. Awards will be made in the form of conditional share awards, but the Executive Director LTIP also allows for the grant of nil-cost options. The number of shares subject to each Award will be calculated by dividing the value of the Award by the Volume Weighted Average of DMGT's share price in the 12-month period up to and including the third day after the announcement of the financial results for the financial year prior to the beginning of the accrual schedule are announced. The three planned Awards to the Executive Directors will be granted on the terms that shares will normally only be delivered at the end of a 10-year period (aligning with the Company's financial year), subject to leaver provisions and Company event provisions. The three planned Awards to existing Executive Directors will each accrue over an accrual period of 10 years. The accrual period for the three planned Awards to existing Executive Directors will work in such a way that the Awards will accrue annually. For Awards to new Executive Directors, the Committee will set the accrual schedule.	The annual amount has been set at two-fifths of the previous Maximum LTIP award for the Chairman, CEO and Group CFO, and 38% of the previous Maximum LTIP award for the Chief Executive of dmg media, resulting in a combined award value of 2,000% of base salary for the Executive Chairman, CEO and Group CFO and 1,600% of base salary for the Chief Executive of dmg media. The Maximum value will be calculated using the FY 2021 base salary for existing Executive Directors and converted into shares as set out left. Dividend equivalents will also be payable on awards under the Executive Director LTIP and these are in addition to the Maximums set out above.	Awards will vest subject to satisfactory Company financial performance over the 10-year period or earlier if the Executive Director leaves during the 10-year period or there is a Company event.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Long-term incentives continued	Awards will normally be delivered in shares following the announcement of the results for the final financial year of the accrual schedule, usually in December. The Committee has the discretion to alternatively settle Awards in cash. Awards are entitled to dividend equivalents that are paid when the shares are delivered. For those Executive Directors who remain employed for the entire accrual period, they receive an amount equivalent in value to the sum of all dividends declared during the accrual period as if the dividends had been reinvested in Company shares at the time when the dividends were paid. Dividend equivalents can be paid in cash or shares at the Committee's discretion. The Committee has discretion, within the rules of the Executive Director LTIP, to make adjustments to avoid any unjustified, unfair or undeserved benefit. Awards are subject to malus prior to the delivery of shares, and to clawback for three years after entitlement, in circumstances including a material misstatement in results, an error in calculating/assessing satisfaction of any condition, an act or omission of the participant causing material reputational damage to any member of the Group, serious misconduct by the participant, corporate failure or significant loss in respect of the business unit that employs the participant. Awards are subject to the rules of the Executive Director LTIP (as may be amended from time to time in accordance with the rules) and any other terms and conditions applicable to the Awards as the Committee may determine.		
Shareholding requirement To align the interests of Executive Directors and shareholders.	Executive Directors are encouraged to build up a substantial shareholding in the Company. Shares which have been awarded subject to satisfaction of performance measures are not included in the calculation of the value of the Executive Directors shareholding. Hedging by Executive Directors of any shares held in the Company is prohibited.	The Committee recommends a minimum shareholding of 500% of base salary for the Chairman and the CEO, and 150% for all other Executive Directors. There is no time frame over which the guidelines should be met.	Not performance related.

Governance

Remuneration Report

Differences in Executive Directors remuneration policy and remuneration policy for all employees

Base salary	Base salary increases elsewhere in the Group are set at a business level, taking into account economic factors, business sector, location and circumstances, competitive market rates, roles, skills, experience and individual performance.
Pension	Employees in the UK are auto-enrolled into a Company defined contribution pension scheme. There are a number of defined contribution schemes in operation across the rest of the Group, all of which offer levels of employer matching contributions to employee contributions. Employees in the US participate in 401(k) defined contribution retirement plans.
Benefits	Cash and non-cash benefits for employees reflect the local labour market in which they are based.
Annual bonus	The majority of employees participate in some form of cash-based annual bonus or commission plan. The annual bonus plan for the Executive Directors forms the basis of the annual bonus plan for other DMGT Centre executives. Plans across the Group are designed and tailored for each business, with the purpose of incentivising the achievement of their annual targets. Most annual bonus plans around the Group do not include a requirement for bonus deferral.
Long-term incentives	An LTIP for senior DMGT Centre executives (excluding Executive Directors based on the achievement of annual financial and personal performance objectives with resulting conditional share awards then restricted for a period of three years. LTIPs for executives in other businesses across the Group are considered and approved by the Committee. Plans are designed to be appropriate to the stage of development of the operating company and to incentivise the achievement of the mid- to long-term strategic aims of the business.
Shareholding requirement	There is no shareholding requirement for employees below Executive Director level.

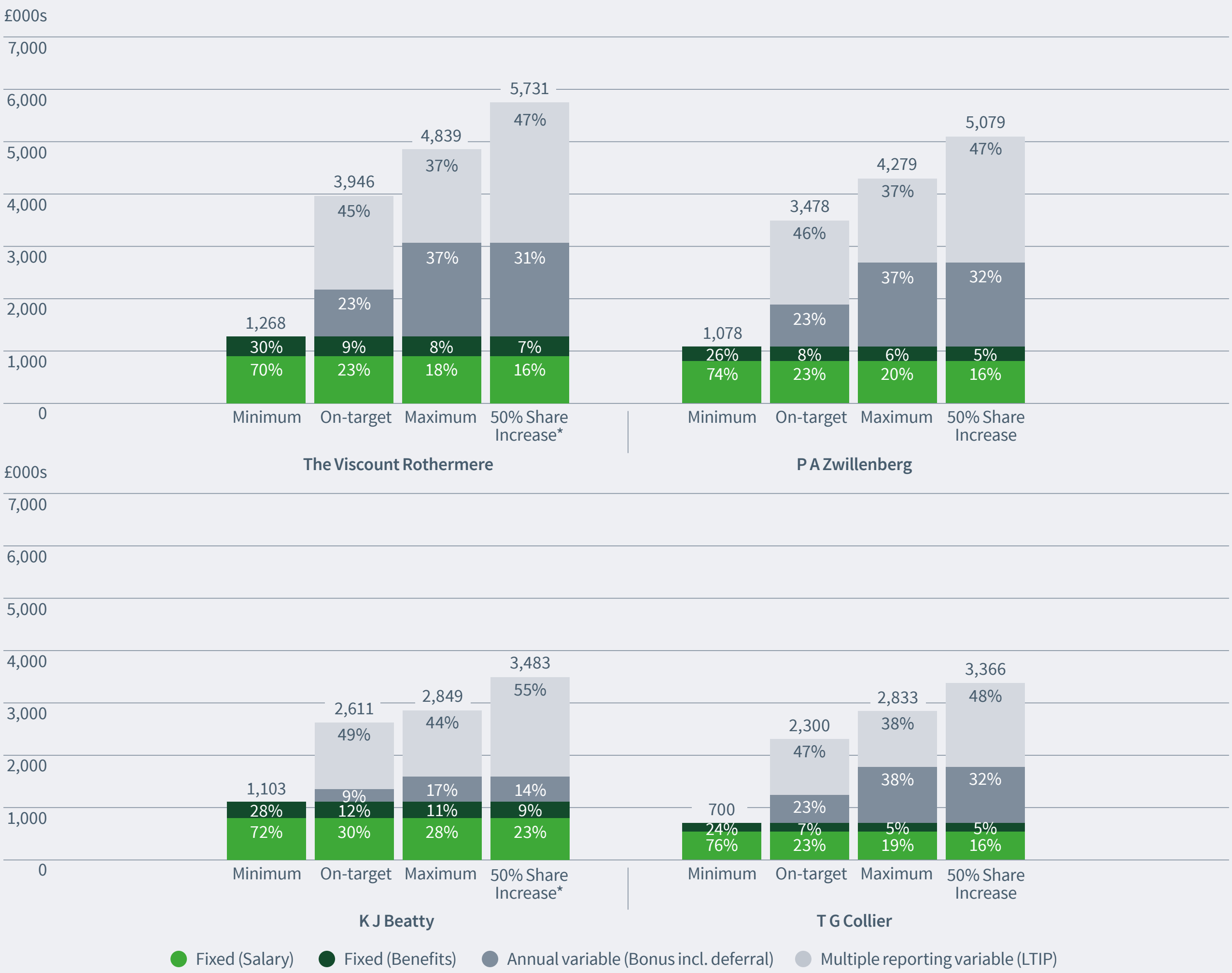
Policy applied to Non-Executive Directors

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Non-Executive Director fees and benefits. To pay Non-Executive Directors' fees and allowances which are reflective of responsibilities and to be competitive with peer companies.	Non-Executive Directors' fees and allowances are payable in cash and reviewed regularly. An annual base fee is paid to the Non-Executive Directors with additional fees paid for other responsibilities such as chairing a Board Committee, membership of various sub-committees or leading a project. The Executive Directors consider and approve the fees of the Non-Executive Directors.	A travel allowance of £4,000 is payable for travel involving between five and 10 hours and £10,000 for travel involving more than 10 hours.	Not performance related.

Pay scenario charts

Chart 2: Illustrations of application of Executive Directors' remuneration policy

The elements of remuneration have been categorised into three components: (i) Fixed; (ii) Annual variable; and (iii) Multiple reporting period variable, which are set out in the future policy chart below:



*May not add up due to roundings.

Notes

Potential reward opportunities illustrated above are based on this Policy, applied to the latest-known base salaries and incentive opportunities.

Minimum in the graphs above is fixed remuneration only (salary, pension and benefits).

On-target assumes that the target bonus and the standard long-term incentive award have been awarded as stated in the Policy table.

Maximum assumes that the maximum bonus and the standard long-term incentive award have been awarded as stated in the Policy table.

50% share increase assumes that the maximum bonus and the standard long-term incentive award have been awarded as stated in the Policy table and that the share price has increased by 50%.

Governance

Remuneration Report

Executive Directors' service contracts

The Executive Directors are employed under service contracts, the principal terms of which are summarised below.

Executive Director	Position	Effective date of contract	Employer	Notice period (by either party)	Compensation on termination by employer without notice or cause
The Viscount Rothermere	Chairman	17 October 1994	Daily Mail and General Holdings Limited	3 months	Base salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.
P A Zwillenberg	CEO	1 June 2016	Daily Mail and General Holdings Limited	12 months	Base salary, pension allowance, car allowance and cash equivalent value of other benefits for the notice period. Compensation is subject to mitigation if the Director obtains an alternative remunerated position.
T G Collier	Group CFO	2 May 2017	Daily Mail and General Trust plc	12 months	Base salary, pension allowance, car allowance and cash equivalent value of other benefits for the notice period. Compensation is subject to mitigation if the Director obtains an alternative remunerated position.
K J Beatty	Chief Executive of dmg media	19 May 2002	Associated Newspapers Limited	12 months	Base salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.

External appointments

The Company allows its Executive Directors to take a very limited number of outside directorships. Individuals retain the payments received from such services since these appointments are not expected to impinge on their principal employment. Lord Rothermere was appointed a Director of Cazoo Ltd in December 2018 for which he receives no fees. None of the other Executive Directors currently have external appointments.

Legacy arrangements

For the avoidance of doubt, in approving this Policy, authority is given to the Company to honour any commitments entered into with current or former Directors prior to the approval and implementation of this Policy (such as payment of pensions or the vesting/exercise of past share awards), provided that such commitments complied with any Policy in effect at the time they were given.

Approach to recruitment remuneration

When appointing or recruiting a new Executive Director from outside the Company, the Committee will aim to set remuneration at a level which is consistent with the Policy in place for other Executive Directors and in particular the Executive Director who previously filled the relevant role, although it is recognised that, in order to secure the best candidate for a role, the Company may need to pay a new Executive Director more than it pays its existing Executive Directors. Pre-existing contractual agreements for internal candidates may be maintained on promotion to an Executive Director role.

The Committee may make use of any of the below components in the (recruitment) remuneration package.

Component	Approach	Maximum annual grant level
Base salary	Base salary will be determined by reference to the individual's role and responsibilities, location of employment, and the salary paid to the previous incumbent.	Not applicable.
Pension	The appointed Executive Director will be eligible to participate in the Group's defined contribution pension plan and/or receive a cash pension allowance.	30% of base salary.
Benefits	New appointments will be eligible to receive benefits in line with the Policy for current Executive Directors and potentially benefits relating to relocation such as (but not limited to) cost of living, housing and tax equalisation support.	Not applicable.
Annual bonus	The appointed Executive Directors will be eligible to participate in the Company's annual bonus plan in accordance with the Policy for current Executive Directors and may be required to defer some or all of any bonus granted in accordance with the Policy.	200% of base salary.
Long-term incentives	The appointed Executive Director will be eligible to participate in the LTIP in accordance with the Policy for current Executive Directors.	2,000% of base salary at the time the award is made.
Replacement awards	If in joining DMGT a new Executive Director would forfeit any existing award under variable remuneration arrangements with a previous employer, the Committee will consider on a case-by-case basis what replacement awards (if any) are reasonably necessary to facilitate that individual's recruitment, taking into account all relevant factors such as performance achieved or likely to be achieved, the proportion of the performance period remaining and the form of the award due to be forfeited.	Not applicable.

Exit payment policy

The Company normally sets the notice period of Executive Directors as 12 months, but may decide to vary this in circumstances it deems appropriate.

On termination, the Company will normally make a payment in lieu of notice (PILON) which is equal to the aggregate of: the base salary at the date of termination for the applicable notice period; the pension allowance over the relevant period; the cost to the Company of providing all other benefits (excluding pension allowance) or a sum equal to the amount of benefits as specified in the Company's most recent Annual Report; and may include an annual bonus payment calculated in accordance with the service contract of the Executive Director. The treatment of awards under the Company's long-term incentive plans on termination will be in accordance with the rules of the plan and, where appropriate, at the discretion of the Committee. Under the rules of the long-term incentive plans, participants will be considered 'good leavers' if their participation ceases due to death, retirement, long-term sickness, disability and any other reason, at the discretion of the Committee (such discretion being applied fairly and reasonably).

The Company may pay the PILON either as a lump sum or in equal monthly instalments from the date on which the employment terminates until the end of the relevant period. If alternative employment (paid above a pre-agreed rate) is commenced, for each month that instalments of the PILON remain payable, the amounts, in aggregate (excluding the pension payment), may be reduced by half of one month's base salary in excess of the pre-agreed rate.

Governance
Remuneration Report

In the event that a participant's employment is terminated, treatment of outstanding awards under the Group's incentive plans will be determined based on the relevant plan rules, which are summarised below:

Incentive plan	Treatment of awards
DMGT SharePurchase+	Under HMRC regulations, all leavers have to exit DMGT SharePurchase+ and either sell or transfer their shares. If identified as a 'good leaver', under the rules of DMGT SharePurchase+, no tax or National Insurance contributions are paid.
Annual bonus	If identified as a 'good leaver' for the purposes of the bonus, the Committee may determine that the leaver's contribution was significant against performance targets for the year, in which case, it may decide to make a payment which is equivalent of up to a full year's bonus.
Deferred bonus plan	If identified as a 'good leaver' under the deferred bonus plan rules (including those identified at the discretion of the Committee), outstanding awards shall vest in full on the normal vesting date or on such earlier date as the Committee may determine.
Long-term incentive plans	If identified as a 'good leaver' under the rules (including those identified at the discretion of the Committee), outstanding Awards will vest pro rata between the start of the accrual schedule and the leaving date. Dividend equivalents will be made based on the initial number of shares subject to the Award (not the pro rated amount), but only based on dividends paid between start of the accrual schedule and leaving.

The Committee may make payments it considers reasonable in settlement of potential legal claims, e.g. unfair dismissal or where agreed under a settlement agreement. This may include an entitlement to compensation in respect of their statutory rights under employment protection legislation and such reasonable reimbursement of fees for legal and/or tax advice in connection with such agreements and/or costs of outplacement services.

Where an Executive Director is a 'good leaver', the Committee reserves the discretion to approve any or all of the following additional benefits:

- continuation of private medical insurance or life assurance for a period of time following termination;
- use of business premises for a period after termination;
- retention of IT equipment by the Executive Director; and/or
- use of a company car and/or driver for a period after termination.

Consideration of pay and employment conditions elsewhere across the Group

The Committee considers pay and employment conditions elsewhere in the Group when making decisions on remuneration matters affecting the Executive Directors. The Committee receives a report annually on the salary increase budget for each business. The Committee makes reference, where appropriate, to pay and employment conditions elsewhere in the Group (whilst remaining aware of the variety of geographies and sectors in which it operates) when determining annual base salary increases and to external benchmarks of remuneration levels in other companies.

The Committee makes reference to data provided by and advice sought from internal and external advisers when making decisions on remuneration matters affecting the Executive Directors. It does not specifically consult with employees over the effectiveness and appropriateness of the Remuneration Policy and framework.

Consideration of shareholder views

The Committee receives annual updates on the views and best practices of shareholders and their representative bodies and, notwithstanding the Company shareholder structure, takes these into account. The Committee seeks the views of shareholders on matters of remuneration where appropriate.

The DRR covers the reporting period to 30 September 2021 and has been prepared in accordance with the relevant requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and of the Listing Rules of the Financial Conduct Authority.

Governance

Statutory Information

Directors' Report

Other statutory information

Required information can be found in the Strategic Report on pages 2 to 47, which is incorporated into this report by reference. Information on employees, community and social issues is given in the Our Stakeholders section on pages 34 to 39.

In accordance with the Financial Conduct Authority's Listing Rules (LR 9.8.4C), the information to be included in the Annual Report, where applicable, under LR 9.8.4, is set out in the Governance section, with the exception of details of transactions with controlling shareholders (if any) which are set out in Note 44.

Forward-looking statements

This Annual Report contains certain forward-looking statements with respect to principal risks and uncertainties facing the Group. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by those forward-looking statements. No assurances can be given that the forward-looking statements are reasonable as they can be affected by a wide range of variables.

The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

Tangible fixed assets and investments

The Company's subsidiaries are set out in Note 47. Changes to the Group's tangible fixed assets and investments during the year are set out in Notes 23 to 26. There was no material difference in value between the book value and the market value of the Group's land and buildings.

Directors

The names of the Directors, plus brief biographical details are given on page 49. All Directors held office throughout the year, with the exception of Filippa Wallestam who was appointed in November 2020. In accordance with the UK Corporate Governance Code, all existing Directors will stand for election or re-election at the Annual General Meeting (AGM) on 2 February 2022.

Principal activities

A description of the principal activities of the Group and likely future developments and important events occurring since the end of the year are given in the Strategic Report on pages 2 to 47.

Results and dividends

The profit for the year of the Group and the profit for the year attributable to owners of the Company amounted to £1,542 million. The Board recommends a final dividend of 17.3 pence per share. If approved at the AGM on 2 February 2022, the final dividend will be paid on 4 February 2022 to shareholders who are on the register at the close of business on 26 November 2021. Together with the interim dividend of 7.6 pence per share paid on 2 July 2021, this makes a total dividend for the year of 24.9 pence per share (2020 24.1 pence).

Directors' interests

The number of shares of the Company and of securities of other Group companies in which the Directors, or their families, had an interest at the year end, are stated in the Remuneration Report on page 80.

Employee Benefit Trust

The Executive Directors of the Company, together with other employees of the Group, are potential beneficiaries of the Employee Benefit Trust (EBT) and, as such, are deemed to be interested in any A Shares held by the EBT. At 30 September 2021, the EBT's shareholding totalled 875,450 A Shares. The EBT has waived its right to dividends on the shares held.

Significant shareholdings

Rothermere Continuation Limited (RCL) is a holding company incorporated in Jersey, in the Channel Islands. The main asset of RCL is its 100% holding of DMGT's issued Ordinary Shares and the largest single holding of DMGT A Ordinary Non-Voting Shares. It also holds DMGT A Ordinary Shares. RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Lord Rothermere and his immediate family. The Trust is the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey. RCL, its directors and the Trust are related parties of the Company as explained in Note 44.

The Board regards holdings in the Company's securities of greater than 15% to be significant. There are no significant holdings in the Company's securities other than those shown in the Remuneration Report on page 68.

Share capital

The Company has two classes of shares. Its total share capital, including Treasury Shares, is comprised of 8% Ordinary Shares and 92% A Shares. Full details of the Company's share capital are given in Note 38.

Holders of Ordinary and A Shares are entitled to receive the Company's Annual Report. Holders of Ordinary Shares are entitled to attend and speak at general meetings and to appoint proxies and exercise voting rights.

During the year, the Company transferred 3.3 million shares out of Treasury and the EBT, representing 1.6% of called-up A Shares, in order to satisfy incentive schemes. The Company held 4,990,471 shares in Treasury and the DMGT EBT with a nominal value of £0.6 million at 30 September 2021. The maximum number of shares held in Treasury and by the DMGT EBT during the year was 8,160,697 which had a nominal value of £1.0 million. The Company also purchased 0.1 million shares for holding in Treasury having a nominal value of £17,335, in order to match obligations under various incentive plans. The consideration paid for these shares was £1.0 million. Shares purchased during the year represented 0.1% of the called-up A Share capital as at 30 September 2021.

On 17 November 2021 the Company held 4,115,021 Treasury Shares.

Details of allotments of share capital which arose solely from the exercise of options are given at Note 39.

Recommended Offer for DMGT

On 3 November 2021, DMGT announced that its controlling shareholder, Rothermere Continuation Limited, had notified it of an offer for the entire share capital of DMGT not already owned by RCL.

Further information can be found at www.dmgt.com/investors

Governance

Statutory Information

Authority to purchase shares

At the Company's AGM on 3 February 2021, the Company was authorised to make market purchases of 21,491,333 A Shares representing approximately 10% of the total number of A Shares in issue at the time. During the period from 20 November 2020 to 30 September 2021, the Company purchased 0.1 million shares into Treasury, at a total cost of £1.0 million (see Note 39).

External Auditor and disclosure of information to the External Auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's External Auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's External Auditor is aware of that information. The Company's External Auditor, PricewaterhouseCoopers (PwC), has indicated its willingness to serve and, in accordance with Section 489 of the Companies Act 2006, a resolution proposing the reappointment of PwC will be put to the AGM on 2 February 2022.

Directors' indemnity

A qualifying third-party indemnity (QTPI), as permitted by the Company's Articles of Association and Sections 232 and 234 of the Companies Act 2006, has been granted by the Company to each of the Directors of the Company. Under the provisions of the QTPI, the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' defence costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgement is given against the Director.

Going concern

A full description of the Group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, is set out in the Strategic Report, particularly the Financial Review on pages 23 to 32 and in Note 1.

The consolidated financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources for a period of at least 12 months from the date of approval to 31 December 2022.

The Directors have reassessed the principal risks facing the Group and determined that there are no material uncertainties to disclose. In making their assessment of the Group's ability to continue as a going concern, the Directors have considered the projected performance of the Group and its financial resources both in the circumstances that the Offer is accepted and if the Offer does not proceed (as defined in Note 45).

The Directors' assessment of the Group and Company's ability to continue as going concerns includes consideration of cash flow forecasts for the Group and the committed borrowing and debt facilities of the Group which were in place at 30 September 2021.

These forecasts include consideration of future trading performance, working capital requirements and the wider economy and include the modelling of a number of downside scenarios. The base case scenario reflects assumptions of minimal growth in 2022, as set out in the Strategic Report.

This going concern assessment embraced the period of 12 months from the date of this report through to 31 December 2022. Taking account of the downside scenarios, the cash position and existing committed facilities the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the Annual Report.

Viability Statement

A Viability Statement in respect of the Company can be found on page 33.

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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the 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). Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the Directors to prepare the Group Financial Statements in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed for the Group Financial Statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the 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 Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 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

Each of the Directors, whose names and functions are listed in the Board of Directors and Company Secretary section on pages 48 to 49, confirm that, to the best of their knowledge:

- the Group Financial Statements, which have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the 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 Company; and
- the Strategic Report contained on pages 34 to 39 includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

Political donations

No political donations were made during the year.

Principal risks

The principal risks and how they are being managed or mitigated are shown on pages 40 to 47. The Directors have reviewed the Group's principal risks including those that would threaten the Group's business model, future performance, solvency or liquidity.

Events after the balance sheet date

Details are provided in Note 45.

Material contracts

Group companies undertake business with a range of customers and suppliers. There is no dependence on any particular contractual arrangement other than those disclosed in Note 41 as regards to ink and printing, where arrangements are in place until FY 2022 and FY 2024 respectively in order to obtain competitive prices and to secure supplies.

Six-month contracts with different start dates are agreed with a range of newsprint suppliers, to ensure the security of supply at the best available prices, having regard to the need for the necessary quality. Distribution arrangements are in place to ensure the delivery of newspapers to retail outlets.

Since the Group is a diversified international portfolio of businesses, DMGT is not dependent on any supplier of other commodities for its revenue or any particular customer.

Employees

Details in respect of employees are in the Our Stakeholders section on pages 34 to 39.

Articles of Association

The appointment and replacement of Directors is governed by the Company's Articles of Association. Any changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force at the time.

The Directors have authority to issue and allot A Shares pursuant to Article 9 of the Articles of Association and shareholder authority is requested at each AGM. The Directors have authority to make market purchases of A Shares. This authority is also renewed annually at the AGM.

Conflicts of interest

The Articles of Association permit the Board to authorise a conflict of interest in respect of any matter which would otherwise involve a Director breaching their duty, under the Companies Act 2006, to avoid conflicts of interest.

When authorising a conflict of interest the Board must do so without the conflicting Director counting as part of the quorum. In the event that the Board considers it appropriate, the conflicted Director may be permitted to participate in the debate, but will neither be permitted to vote nor count in the quorum when the decision is being agreed. The Directors are aware that it is their responsibility to inform the Board of any potential conflicts as soon as possible. Procedures are in place to facilitate disclosure. The Board reviews its position on conflicts of interest annually and at such other times as are appropriate.

Change of control

The Company is not party to any significant agreements that would take effect, alter or terminate upon a change of control of the Company following a takeover bid. However, certain of the Group's third-party funding arrangements would terminate upon a change of control of the Company.

The Company does not have agreements with any Director or employee providing compensation for loss of office or employment that occurs because of a takeover bid, except for provisions in the rules of the Company's share schemes which may result in options or awards granted to employees vesting on a takeover.

Transactions with Directors

No transaction, arrangement or agreement required to be disclosed in terms of the Companies Act 2006 and IAS 24, Related Parties, was outstanding at 30 September 2021, nor was entered into during the year for any Director and/or connected person except as detailed in Note 44 (2020 none).

Annual General Meeting

The AGM is expected to be held at 2.00 pm on Wednesday 2 February 2022 at Northcliffe House, 2 Derry Street, London W8 5TT. The resolutions that are expected to be put to the meeting are set out on pages 94 to 95. A notice of meeting will be issued to the holders of Ordinary Shares and their nominees only. Only Ordinary Shareholders will be entitled to attend.

A resolution to reappoint the Group's External Auditor, PricewaterhouseCoopers LLP, will be proposed at the 2022 AGM.

By order of the Board

F Sallas
Company Secretary

Governance

Annual General Meeting 2022: Resolutions

The Company's Annual General Meeting (AGM) is expected to be held at 2.00 pm on Wednesday 2 February 2022. Only the holders of Ordinary Shares are entitled to attend and vote. For information, below are the resolutions that are expected to be put to the Ordinary shareholders at the AGM. The results will be posted on the Company's website following the meeting in the usual way.

Report and Accounts

1. To receive the Directors' Report, the Accounts, the Strategic Report and the Auditor's Report for the financial year ended 30 September 2021.

Remuneration Report

2. To receive and approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) as set out on pages 68 to 81 of the Annual Report and Accounts for the financial year ended 30 September 2021, in accordance with section 439 of the Companies Act 2006 (the Act).

Remuneration Policy

3. To approve an amendment to the Directors' Remuneration Policy (revised version contained in the Directors' Remuneration Report) to authorise the Company to make an additional payment as set out on pages 82 to 89 of the Annual Report and Accounts for the financial year ended 30 September 2021 in accordance with section 226B(1)(b) and section 226D of the Act.

Dividend

4. To declare the final dividend recommended by the Directors of 17.3 pence per Ordinary Share or A Ordinary Non-Voting Share (A Share) for the year ended 30 September 2021 to all holders of Ordinary Shares and/or A Shares on the register at the close of business on 26 November 2021.

Directors

5. To re-elect Viscount Rothermere as a Director.
6. To re-elect Mr Beatty as a Director.
7. To re-elect Mr Collier as a Director.
8. To re-elect Mr Lane as a Director.
9. To re-elect Mr Morin as a Director.
10. To re-elect Mr Nelson as a Director.
11. To re-elect Mr Parry as a Director.
12. To re-elect Mr Rangaswami as a Director.
13. To re-elect Ms Roizen as a Director.
14. To re-elect Mr Trempont as a Director.
15. To re-elect Ms Wallestam as a Director.
16. To re-elect Mr Zwillenberg as a Director.

Auditor

17. To re-appoint PricewaterhouseCoopers LLP as the Company's External Auditor until the end of the next general meeting at which accounts are laid before the Company.
18. To authorise the Directors to determine the Company's External Auditor's remuneration.
19. That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of A Shares on the London Stock Exchange provided that:
    a. the maximum aggregate number of A Shares which may be purchased is 21,491,333;
    b. the minimum price (excluding expenses) which may be paid for each A Share of 12.5 pence each in its share capital is not less than 12.5 pence per share;
    c. the maximum price (excluding expenses) which may be paid for each A Share of 12.5 pence each in its share capital does not exceed the higher of:
        i. 5% above the average of the middle market quotation taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase; and
        ii. the higher of the price of the last independent trade and the highest current independent bid as stipulated by Regulatory Technical Standards adopted by the European Commission under Article 5(6) of the Market Abuse Regulation (EU) No 596/2014; and
    d. the authority conferred by this Resolution shall expire on the date of the Annual General Meeting next held after the passing of this Resolution or on 2 May 2023 whichever is the earlier (except in relation to the purchase of shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date).
20. That the Directors be generally and unconditionally authorised pursuant to section 551 of the Act to:
    a. allot A Shares in the Company, and to grant rights to subscribe for or to convert any security into A Shares in the Company up to an aggregate nominal amount of £1,343,208 for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) at the next Annual General Meeting of the Company after the date on which this Resolution is passed or on 2 May 2023, whichever is the earlier; and
    b. make an offer or agreement which would or might require A Shares to be allotted, or rights to subscribe for or to convert any security into A Shares to be granted, after expiry of this authority and the Directors may allot A Shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

    This authority revokes and replaces all unexercised authorities previously granted to the Directors to allot A Shares but without prejudice to any allotment of A Shares or grant of rights already made, offered or agreed to be made pursuant to such authority.
21. If Resolution 20 is passed, that the Directors be generally empowered pursuant to section 570 and section 573 of the Act to allot A Shares or grant rights to subscribe for or to convert any security into A Shares, for cash, or sell A Shares held by the Company as treasury shares for cash, pursuant to the authority conferred by Resolution 21, as if section 561(1) of the Act did not apply to the allotment. This power:

a. expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the next AGM of the Company after the date on which this Resolution is passed or on 2 May 2023, whichever is the earlier, but the Company may make an offer or agreement which would or might require such securities to be allotted after expiry of this power and the Directors may allot such securities in pursuance of that offer or agreement as if this power had not expired; and

b. shall be limited to the allotment of such A Shares, the grant of rights to subscribe for or to convert any security into A Shares or the sale of A Shares held by the Company as treasury shares for cash, up to an aggregate nominal amount of £1,343,208.

22. If Resolution 20 is passed, that the Directors be generally and unconditionally empowered, in addition to any authority granted under Resolution 21 pursuant to section 570 and section 573 of the Act to allot equity securities for cash pursuant to the authority conferred by Resolution 20, and/or to sell A Shares held by the Company as treasury shares for cash, as if section 561(1) of the Act did not apply to the allotment or sale. This power:

a. expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the next AGM of the Company after the date on which this Resolution is passed or on 2 May 2023, whichever is the earlier, but the Company may make an offer or agreement which would or might require such securities to be allotted after expiry of this power and the Directors may allot such securities in pursuance of that offer or agreement as if this power had not expired;

b. shall be limited to the allotment of equity securities and/or the sale of A Shares held by the Company as treasury shares for cash, up to an aggregate nominal amount of £1,343,208; and

c. shall be used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

Notice

23. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

F Sallas
Company Secretary

Daily Mail and General Trust plc
Northcliffe House, 2 Derry Street,
London W8 5TT

17 November 2021

Registered in England and Wales
No. 184594

Financial Statements

Independent auditors' report to the members of Daily Mail and General Trust plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Daily Mail and General Trust plc's Group financial statements and Company financial statements (the financial statements) give a true and fair view of the state of the Group's and of the Company's affairs as at 30 September 2021 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Company financial statements 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
- 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 Company Statements of Financial Position as at 30 September 2021; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, and the Consolidated Cash Flow Statement for the year 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.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in Note 1 to the financial statements, the Group, in addition to applying International Accounting Standards in conformity with the requirements of the Companies Act 2006, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 5 to the financial statements, 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

- Of the Group's continuing and discontinued operating divisions, we obtained full scope audits for the Consumer Media and Insurance Risk divisions. For EdTech, Events and Exhibitions and Property Information divisions, we scoped our audit at a business level, and identified six businesses over which we performed full scope audits.
- Our full scope audits accounted for 84% of the Group's external revenue generated by continuing operations and 86% of the Group's external revenue generated by discontinued operations. Our full scope audits accounted for 75% of the Group's absolute adjusted profit before tax and non-controlling interests generated by continuing operations and 68% of the amount generated by the Group's discontinued operations.
- Taken together, the components where we performed audit work accounted for 85% of Group revenue and 74% of absolute adjusted profit before taxation and non-controlling interests.

Key audit matters

- Impairment of intangible assets and goodwill (Group)
- Accounting for deferred and uncertain tax positions (Group)
- Accounting for acquisitions and disposals (Group)
- Presentation for adjusted profit (Group)
- Carrying value of shares in Group undertakings (Company)
- Impact of Covid-19 (Group and Company)

Materiality

- Overall Group materiality: £4,000,000 (2020: £4,300,000) based on approximately 5% of a rolling three-year average of adjusted profit tax and non-controlling interests using FY 2021, FY 2020 and FY 2019 actuals.
- Overall Company materiality: £43,000,000 (2020: £33,000,000) based on approximately 1% of total assets.
- Performance materiality: £3,000,000 (Group) and £32,250,000 (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
Impairment of intangible assets and goodwill (Group) Refer to the Audit & Risk Committee report on pages 61 to 66 and to Notes 21 and 22 in the Group financial statements. The Group had £208.1 million of goodwill and a further £93.0 million of intangible assets on the Consolidated Statement of Financial Position at 30 September 2021. There has been an impairment charge recorded of £8.0 million against goodwill and £5.0 million against other intangible assets for businesses which remain in the Consolidated Statement of Financial Position at 30 September 2021. For the Groups of CGUs to which goodwill relates (which require an annual impairment test), the determination of the recoverable amount, being the higher of value in use (VIU) and fair value less costs of disposal (FVLCD), requires judgement and estimation by management. This is because the determination of a recoverable amount includes management's consideration of key internal inputs and external market conditions such as future cash flows, long-term growth rates, and the determination of the most appropriate discount rate. There is a risk that if these cash flows do not meet the Directors' expectations, some of these assets may be impaired. Therefore, we considered it to be a key audit matter. Our work focused principally on the carrying value of the Group of CGUs most at risk of impairment, impairment within the Events and Exhibitions division.	As part of our audit of the Directors' impairment assessments (for both goodwill and intangible assets) we evaluated future cash flow forecasts and the process by which they were drawn up. This included comparing them to the latest Board approved budget and four-year plan, and testing the mathematical accuracy of the assessments. For the impairment assessment of goodwill and intangible assets allocated to the material individual lowest level CGUs within the Events and Exhibitions division, we tested all key assumptions, including: • revenue and profit assumptions included within the future forecasts, by considering independent third-party support available and the recovery time from the impact of Covid-19, along with the impact of climate change built into the future cash flow forecasts; • the long-term growth rates in the forecasts by comparing them to historical results, market data, and economic and industry forecasts using our valuation expertise; • the discount rate by comparing the cost of capital for the Group with comparable organisations, and assessing the specific risk premium applied to the business using our valuation expertise; and • the Directors' potential bias by performing our own sensitivity analysis on key assumptions, particularly those driving underlying cash flows. We assessed the appropriateness of the related disclosures in Note 21 and Note 22, including the sensitivities provided and considered them to be reasonable. For those assets where the Directors determined that no impairment was required and that no additional sensitivity disclosures were necessary, we found that these judgements were supported by reasonable assumptions that would require significant downside changes before any material impairment was necessary.

Financial Statements

Independent auditors' report to the members of Daily Mail and General Trust plc

Key audit matter	How our audit addressed the key audit matter
Accounting for deferred and uncertain tax positions (Group) Refer to the Audit & Risk Committee report on pages 61 to 66 and to Notes 11 and 37 in the Group financial statements. The Group's recognition of deferred tax assets in respect of tax losses and deferred interest expense in the Group is an area of focus due to the quantum of the tax attributes and the requirement to make estimates of future taxable profits in determining the valuation of deferred tax assets. The recognition and measurement of these items in the financial statements involves estimation, and we focused on the Directors' forecasts of future profits against which to utilise accumulated losses and deferred interest expenses, and the technical interpretation of taxation law in respect to transactions giving rise to deferred tax assets and uncertain tax positions.	We involved our tax specialists in our testing of the appropriateness of the estimates taken in relation to deferred taxation and in respect of uncertain tax positions recognised in the Group financial statements. In assessing the likelihood of the Group being able to generate sufficient future taxable profits against which to offset accumulated losses and deferred interest expenses, we considered: • key inputs to the calculation including revenue and profit assumptions, in line with our work over the carrying value of goodwill and intangible assets; • the impact of changes to intra-Group financing between the UK and the US during the year; and • the Directors' ability to accurately forecast future profits. In understanding and evaluating the Directors' technical interpretation of tax law in respect of specific transactions that gave rise to deferred tax assets and uncertain tax positions we considered: • third party tax advice received by the Group; • the status of recent and current tax authority audits and enquiries; • the outturn of previous claims; • judgemental positions taken in tax returns and current year estimates; and • developments in the tax environment, including the continuing impact of US tax reform. We consider the valuation of the deferred tax assets and amounts recorded for uncertain tax positions to be supportable based on our evaluation of the technical interpretations outlined above. We assessed the appropriateness of the related disclosures in the notes to the Group financial statements and considered them to be reasonable.
Accounting for acquisitions and disposals (Group) Refer to the Audit & Risk Committee report on pages 61 to 66 and to Notes 17, 18, 19 and 20 in the Group financial statements. The Group has made a number of acquisitions and disposals during the year. The following acquisitions and disposals where the judgements are more significant were identified: • acquisition of the entire shareholding of the New Scientist within the Consumer Media segment; • acquisition of the entire shareholding of JPI Media's print operations at Dinnington, Portsmouth and Carn, subsequently renamed Associated Printing; • disposal of the Group's EdTech segment; and • disposal of the Group's Insurance Risk segment.	Accounting for acquisitions For all acquisitions, we obtained and reviewed the sale and purchase agreements and any supporting due diligence reports to gain an understanding of the key terms of the agreement to validate that it is appropriately recorded as a business combination under IFRS 3 in the correct period. With regards to the accounting for acquisitions undertaken during the year, we: • obtained and recalculated the Directors' calculation of the goodwill upon acquisition as a function of the cash paid and the net assets or liabilities acquired; • validated the cash paid to underlying support; • validated transaction costs to underlying support; • performed certain procedures on the opening balance sheet of the acquired businesses; and • engaged our valuations experts to assess the valuation methodology in determining the fair value of assets acquired.

Key audit matter	How our audit addressed the key audit matter
	Specifically, with regards to testing the valuation of the intangible assets acquired in relation to the New Scientist, we: • considered whether the identified intangible assets were appropriate by reference to the sale and purchase agreement, due diligence reports and other supporting documentation; • deployed our valuations experts and engaged with management and with management's third party expert to assess the methodology employed for calculating the fair values of the assets and liabilities and the appropriateness of the key assumptions used, including discount rates; and • checked that the material fair value adjustments to the acquired net assets were consistent with the accounting standard requirements. Based on the evidence obtained, we did not identify any indication that the fair value adjustments identified by management were inappropriate or that material fair value adjustments were omitted from management's assessment. We read the disclosures in the Group's financial statements to satisfy ourselves that they are in line with the requirements of the relevant accounting standards. **Accounting for disposals** With regards to the calculation of the profit on disposals of the EdTech and Insurance Risk segments, we: • obtained and recalculated the Directors' calculation of the profit on disposal; • verified the fair value of consideration received to underlying support including cash transactions and sale agreements; • validated disposal costs to underlying support; and • recalculated foreign exchange differences that were appropriately recycled on disposal. In addition to the above, we: • validated that the disposal meets the disclosure criteria of discontinued operations under IFRS 5 as a separate major line of business; and • reviewed and tested the Directors' calculation of capital gain arising for tax purposes. We assessed the appropriateness of the related disclosures in the notes to the Group financial statements and considered them to be reasonable. Based on the procedures performed, we concluded that the accounting for acquisitions and disposals was accurate.

Financial Statements

Independent auditors' report to the members of Daily Mail and General Trust plc

Key audit matter	How our audit addressed the key audit matter
Presentation for adjusted profit (Group) Refer to the Audit & Risk Committee report on pages 61 to 66 and to Notes 2, 3, 13, 19, 36 and 41 in the Group financial statements. The Group presents adjusted profit before tax and non-controlling interests to enable users of the financial statements to gain a better understanding of the underlying results. In arriving at adjusted profit a number of items are considered to have a distortive effect on current year earnings by management and as a result are excluded from underlying earnings. The classification of items as an adjustment to profit is an area of judgement and the appropriateness and consistency of the presentation of adjusted measures of performance continues to attract scrutiny from the financial reporting regulators. The Group is subject to an offer by Rothermere Continuation Limited ('RCL') to acquire the entire remaining share capital of the Company that is not already owned by RCL. The Group has therefore recorded an adjustment to profit before tax and non-controlling interests pertaining to legal and professional costs incurred for advice received in relation to the offer. The Group continues to record a provision for Renewable Identification Numbers (RINs), in relation to the Environmental Protection Agency ('EPA') litigation, the movement in which has been classified as an adjustment to profit before tax and non-controlling interests. This provision requires estimation of the future outcome and valuation of the RINs.	Our testing was directed at the significant amounts classified as adjustments to profit before tax and non-controlling interests identified during the year. We have understood the rationale for classifying items as adjustments to profit before tax and non-controlling interests and considered whether this was reasonable and consistent, in that it includes items that both increase and decrease the adjusted profit measure, the adjustments were consistent year on year, and were in accordance with the Group's accounting policy. We have also audited the reconciliation of adjusted profit to statutory profit in Note 13, and agreed all material adjustments to underlying accounting records and our audit work performed over other balances. In relation to the legal and professional fees incurred as part of the offer, we performed audit procedures to validate that the costs recorded were clearly linked to the advice received and determined that the categorisation of costs is appropriate and consistent with the Group's stated policy and past practice for recognition of such items. Specifically, with regards to the Environmental Protection Agency ('EPA') litigation provision expense, we: • enquired with internal counsel and obtained a legal correspondence between the Group's external legal counsel and the EPA and the Directors' draft legal settlement offer; • recalculated the increase to the provision using pricing data independently obtained from external data sources; • considered the tax implications of the provision against applicable tax regulations; and • concluded that the after tax provision recorded is appropriate and that the Group financial statements appropriately disclosed the range of possible outcomes given the estimation uncertainty. Based on the procedures performed, we concluded that the accounting for the EPA provision was reasonable. Given the magnitude and nature of the EPA litigation, we considered the exclusion of this item from adjusted profit before tax and non-controlling interests to be in line with the Group's accounting policy. We consider the Group's disclosures setting out the reasons for its use of alternative performance measures and the reconciliations of these measures to the statutory amounts to be in line with regulatory guidance in this area.

Key audit matter	How our audit addressed the key audit matter
Carrying value of shares in Group undertakings (Company) Refer to the Audit & Risk Committee report on pages 61 to 66 and to Notes 2 and 8 to the Company financial statements. Shares in Group undertakings of £2,914.4 million are accounted for at cost less any provision for impairment in the Company balance sheet at 30 September 2021. Shares in Group undertakings are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the shares in Group undertakings are estimated in order to determine the extent of the impairment loss, if any. The key assumptions included in those estimates include cash flow projections, nominal long-term (decline)/growth rates and discount rates of the CGUs. Management identified an impairment indicator as the carrying value of investments in subsidiaries exceeds the market capitalisation of the Group. During the year, impairments of £714.8 million were recognised to the Company's investment in DMGB Ltd and a £327.7 million reversal of previous impairments was recognised within the Company's investment in Daily Mail and General Holdings Ltd.	For each discounted cash flow prepared for the relevant undertakings, we tested all key assumptions, including: • cash flow projections by considering the historical accuracy of forecasts against actual performance; • the nominal long-term (decline)/growth rates by comparing them to historical results and industry forecasts; and • the discount rates applied in the models by comparing the cost of capital for the Group with comparable organisations and assessing the specific risk premium applied to each business using our valuation expertise. Where applicable, we have performed an independent sensitivity analysis to understand the impact of reasonable changes in management's assumptions on the available headroom. We also considered the implied multiples of the individual CGUs and the business as a whole in comparison to available external market data. As a result of our work, we considered the impairment charge and the reversal of impairment to be appropriate and that the remaining carrying values of the shares in undertakings held by the Company are supportable in the context of the Company financial statements taken as a whole.
Impact of Covid-19 (Group and Company) The Covid-19 pandemic continues to have a varied impact on the recent trading performance of the Group, particularly within the Consumer Media, Events and Exhibitions and Property Information businesses. The extent of the negative impact of the pandemic on future trading performance is difficult to predict. Therefore, there is inherent uncertainty in determining the impact of the pandemic on certain aspects of the financial statements. The key impacts of Covid-19 on the Group and Company financial statements are: • The budgets and models supporting the goodwill and intangible asset impairment assessments were prepared to reflect management's best estimate of the impacts of Covid-19. The assumptions applied in this analysis have been determined internally, however they incorporate views of external commentators and other third-party data sources, where relevant. Consideration of the impact on the carrying value of goodwill and intangible assets is described in the related key audit matter above. • Similarly, management's reassessment of the carrying value of the Company's shares in Group undertakings reflects management's estimate of the valuations of the business in the context of future cash flow forecasts which assume management's best estimate of recovery from the pandemic, as described in the related key audit matter. • These models and related assumptions also underpin management's going concern and viability assessments. The directors have modelled severe but plausible downside scenarios to its base case trading forecast. Having considered these models, together with a robust assessment of planned and possible mitigating actions, management have concluded that the Group remains a going concern, and that there is no material uncertainty in respect of this conclusion. • Due to Covid-19, the Events and Exhibitions business cancelled or deferred events, and successfully claimed $20 million insurance cover for lost revenues associated with communicable diseases. At the date of this report, the full amount of $20 million has been received.	We validated that the cash flow forecast models used across the goodwill impairment, going concern and viability assessments were consistent. Our procedures in respect of the goodwill and intangible asset impairment assessments, as well as the Company's investments in subsidiary undertakings are covered in the related key audit matter above. With respect to management's going concern assessment, we: • evaluated management's base and severe but plausible cases in both scenarios: assuming the offer from Rothermere Continuation Limited does not become unconditional, and assuming the offer becomes unconditional, challenging the key assumptions; • considered the Group's available financing and maturity profile to assess liquidity through the assessment period; • tested the mathematical integrity of the forecasts and the models and reconciled these to Board approved budgets; • performed our own independent sensitivity analysis to assess further appropriate downside scenarios; and • we assessed the reasonableness of management's planned or potential mitigating actions. Our conclusions in respect of going concern are set out separately within this report. In order to satisfy our oversight over component audit teams and to satisfy ourselves as to the appropriateness of audit work performed at significant and material components, we utilised video conferencing and remote working paper reviews. In relation to the Events and Exhibitions $20 million insurance claim, we have agreed upon the accounting treatment in accordance with IAS 37 'Provisions, contingent liabilities and contingent assets', validating the claims to supporting insurance documentation and vouching received payments bank statements. Based on the evidence obtained, we validated that the claims were fully received in cash at 30 September 2021 and are therefore appropriately recognised. Based on the procedures performed, we noted no material issues from our work.

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Independent auditors' report to the members of Daily Mail and General Trust plc

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's business activities are split into three continuing operating divisions: Consumer Media, Events and Exhibitions and Property Information. In addition to these, the Group disposed of two divisions during the year, namely EdTech and Insurance Risk businesses, which are classified as discontinued operations at 30 September 2021. The scope of our audit work included both continuing and discontinued operations. We scoped our audit of Consumer Media and Insurance Risk at the divisional level. For EdTech, Events and Exhibitions and Property Information, we scoped our audit at the business level, with divisional consolidation adjustments audited at the Group level.

We identified Consumer Media as requiring an audit of their complete financial information due to its significance to the Group. In order to obtain sufficient and appropriate audit evidence over the Group as a whole, we also instructed our Insurance Risk component team to complete an audit of the division's complete financial information.

Within EdTech, Events and Exhibitions and Property Information, we identified six businesses, for which we instructed our component teams to complete an audit of their complete financial information, either due to their relative size or risk. These businesses are located in the United States, the United Arab Emirates and the United Kingdom, respectively.

Our full scope audits accounted for 75% of the Group's absolute adjusted profit before tax and non-controlling interests generated by continuing operations and 68% of the amount generated by the Group's discontinued operations. Taken together, the components where we performed audit work accounted for 85% of Group revenue and 74% of absolute adjusted profit before taxation and non-controlling interests.

At the Group level, we also carried out analytical and other procedures on the reporting components not covered by the procedures described above.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those locations to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. We issued formal, written instructions to component auditors setting out the work to be performed by each of them and maintained regular communication throughout the audit cycle.

These interactions included attending component clearance meetings and holding regular conference calls, as well as reviewing and assessing matters reported. The Group engagement team also reviewed selected audit working papers for financially significant and material components.

This, together with audit procedures performed at the Group level (including procedures over impairment of goodwill and intangibles, material head office entities, tax, pensions and consolidation adjustments), gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£4,000,000 (2020: £4,300,000).	£43,000,000 (2020: £33,000,000).
How we determined it	Based on approximately 5% of a rolling three-year average of adjusted profit tax and non-controlling interests using FY 2021, FY 2020 and FY 2019 actuals.	Based on 1% of total assets.
Rationale for benchmark applied	The Group is profit-oriented. Adjusted profit before tax and non-controlling interests is the adjusted performance measure that is reported to investors and shareholders and is the measure which the Directors consider best represents the performance of the Group. A change was made in the current year to calculate materiality based on the adjusted profit before tax and non-controlling interests in comparison to underlying adjusted profit before tax and non-controlling interests used in FY20 in light of the significance of results from discontinued operations in the current year. We used a three-year average given the continued impact of Covid-19 on the Group's performance and volatility in the measure year-on-year. We have applied a 5% rule of thumb, which is the rule of thumb suggested by ISAs (UK) for the audit of profit-oriented entities.	The Company is not profit-oriented. Total assets is used as the benchmark as the Company's principal activity is to hold investments, creditors', and debtors' balances. We have applied a 1% rule of thumb suggested by ISAs (UK) as the Company is a public interest entity.

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For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £0.6 million and £3.8 million.

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% of overall materiality, amounting to £3,000,000 for the Group financial statements and £32,250,000 for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit & Risk Committee that we would report to them misstatements identified during our audit above £0.2 million (Group audit) (2020: £0.2 million) and £2.1 million (Company audit) (2020: £1.6 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern
Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- We assessed the Group's ability to continue as a going concern under both scenarios prepared: assuming the offer from Rothermere Continuation Limited does not become unconditional, and assuming the offer becomes unconditional.
- We assessed directors' going concern cash flow projections, agreeing them to the latest Board approved forecasts which have factored in the estimated future impact of Covid-19 over the going concern assessment period to 31 December 2022;
- We evaluated the future cash flows with reference to historical trading performance and market expectations from industry or economic reports;
- We tested the available committed debt facilities, including checking that the key terms were applied appropriately in the going concern assessment related to the maturity dates of available committed debt facilities and covenant requirements;
- We considered the base case and severe but plausible scenarios applied and considered their likelihood and whether more severe scenarios could arise and the associated impact on available liquidity and compliance with covenant requirements;
- We considered the likelihood of events arising that could erode liquidity or impact compliance with covenant requirements within the forecast period;
- We assessed the performance of the Group since year end and compared it with the Board approved cash flow forecast; and
- We read the basis of preparation note (Note 1) to the financial statements and validated that it accurately described management's going concern considerations.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

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

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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.

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Independent auditors' report to the members of Daily Mail and General Trust plc

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 year ended 30 September 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

ISAs (UK) require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by auditors of premium listed companies. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Based on the work undertaken as part of our audit, we have concluded that each of the above 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 these matters.

Our review of the directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit & Risk Committee.

We have nothing to report in respect of the requirement for the auditors of premium listed companies to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection, including the General Data Protection Regulation (GDPR) and the proposed ePrivacy Regulation, libel legislation, tax compliance, and EU Market Abuse Regulation, 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 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 posting inappropriate journal entries to increase revenue and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with management, internal audit and the Group's internal legal counsel, including consideration of potential instances of non-compliance with laws and regulation and fraud;
- Review and assessment of matters reported through the Directors' Litigation Report, bribery, fraud, whistleblowing and internal controls review reports;
- Review of internal audit reports insofar as they related to the financial statements;
- Challenging assumptions and judgements made by directors, in particular in relation to, but not limited to, areas identified in the key audit matters below; and
- Identifying and testing the validity of journal entries based on specific risk criteria, in particular any journal entries posted with unusual financial statement line item combinations.

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit & Risk Committee, we were appointed by the members on 4 February 2015 to audit the financial statements for the year ended 30 September 2015 and subsequent financial periods. The period of total uninterrupted engagement is seven years, covering the years ended 30 September 2015 to 30 September 2021.

Philip Stokes (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
London

17 November 2021

Financial Statements

Consolidated Income Statement

For the year ended 30 September 2021

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
CONTINUING OPERATIONS			
Revenue	3	**885.3**	870.2
Adjusted operating profit	3, (i)	**65.5**	48.7
Exceptional operating costs, impairment of internally generated and acquired computer software	3	**(33.4)**	(16.2)
Amortisation and impairment of acquired intangible assets arising on business combinations and impairment of goodwill	3	**(28.2)**	(24.7)
Operating profit before share of results of joint ventures and associates	4	**3.9**	7.8
Share of results of joint ventures and associates	7	**(9.8)**	(10.7)
Total operating loss		**(5.9)**	(2.9)
Other gains and losses	8	**14.3**	42.1
Profit before investment revenue, net finance costs and tax		**8.4**	39.2
Investment revenue	9	**2.3**	7.0
Finance expense	10	**(15.6)**	(16.9)
Finance income	10	**2.5**	4.4
Net finance costs		**(13.1)**	(12.5)
(Loss)/profit before tax		**(2.4)**	33.7
Tax	11	**62.2**	2.0
Profit after tax from continuing operations		**59.8**	35.7
DISCONTINUED OPERATIONS	19		
Profit from discontinued operations		**1,480.1**	153.3
PROFIT FOR THE YEAR		**1,539.9**	189.0
Attributable to:			
Owners of the Company	39	**1,542.3**	189.3
Non-controlling interests*	40	**(2.4)**	(0.3)
Profit for the year		**1,539.9**	189.0
Earnings per share	14		
From continuing operations			
Basic		**27.3p**	15.8p
Diluted		**26.2p**	15.4p
From discontinued operations			
Basic		**648.9p**	67.3p
Diluted		**623.7p**	65.8p
From continuing and discontinued operations			
Basic		**676.2p**	83.1p
Diluted		**649.9p**	81.2p
Adjusted earnings per share from continuing and discontinued operations			
Basic		**31.3p**	26.1p
Diluted		**30.0p**	25.5p

* All attributable to continuing operations.

(i) Adjusted operating profit is defined as total operating profit from continuing operations before share of results of joint ventures and associates, exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2021

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Profit for the year		**1,539.9**	189.0
Items that will not be reclassified to Consolidated Income Statement			
Actuarial gain/(loss) on defined benefit pension schemes	39	**155.8**	(112.1)
Foreign exchange differences on translation of foreign operations of non-controlling interests	40	**(0.1)**	–
Tax relating to items that will not be reclassified to Consolidated Income Statement	39	**(49.4)**	17.5
Fair value movement of financial assets through Other Comprehensive Income	26, 39	**370.8**	295.0
Total items that will not be reclassified to Consolidated Income Statement		**477.1**	200.4
Items that may be reclassified subsequently to Consolidated Income Statement			
Gain on hedges of net investments in foreign operations	39	**6.1**	0.8
Costs of hedging	39	**(0.2)**	0.5
Translation reserves recycled to Consolidated Income Statement on disposals	8, 18, 19, 39	**(52.2)**	10.6
Foreign exchange differences on translation of foreign operations	39	**(13.3)**	2.1
Total items that may be reclassified subsequently to Consolidated Income Statement		**(59.6)**	14.0
Other comprehensive income for the year		**417.5**	214.4
Total comprehensive income for the year		**1,957.4**	403.4
Attributable to:			
Owners of the Company		**1,959.9**	403.7
Non-controlling interests		**(2.5)**	(0.3)
		1,957.4	403.4
Continuing operations		**544.4**	239.6
Discontinued operations		**1,413.0**	163.8
		1,957.4	403.4
Total comprehensive income/(expense) for the year from continuing operations attributable to:			
Owners of the Company		**546.9**	239.9
Non-controlling interests		**(2.5)**	(0.3)
		544.4	239.6

Financial Statements

Consolidated Statement of Changes in Equity

For the year ended 30 September 2021

	Note	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Translation reserve £m	Retained earnings £m	Equity attributable to owners of the Company £m	Non-controlling interests £m	Total equity £m
At 1 October 2019		**29.3**	**17.8**	**21.0**	**(49.1)**	**52.5**	**703.9**	**775.4**	**–**	**775.4**
Profit/(loss) for the year	39, 40	–	–	–	–	–	189.3	189.3	(0.3)	189.0
Other comprehensive income for the year	39	–	–	–	–	14.0	200.4	214.4	–	214.4
Total comprehensive income/(expense) for the year		–	–	–	–	14.0	389.7	403.7	(0.3)	403.4
Dividends	12, 39	–	–	–	–	–	(54.9)	(54.9)	–	(54.9)
Own shares acquired in the year	39	–	–	–	(19.7)	–	–	(19.7)	–	(19.7)
Own shares released on exercise of share options	39	–	–	–	9.5	–	–	9.5	–	9.5
Credit to equity for share-based payments	39	–	–	–	–	–	42.2	42.2	–	42.2
Settlement of exercised share options of subsidiaries	39	–	–	–	–	–	(10.4)	(10.4)	–	(10.4)
Non-controlling interest recognised on acquisition	40	–	–	–	–	–	–	–	1.3	1.3
Deferred tax on other items recognised in equity	37, 39	–	–	–	–	–	(0.6)	(0.6)	–	(0.6)
At 30 September 2020		29.3	17.8	21.0	(59.3)	66.5	1,069.9	1,145.2	1.0	1,146.2
Profit/(loss) for the year	39, 40	–	–	–	–	–	1,542.3	1,542.3	(2.4)	1,539.9
Other comprehensive income/(expense) for the year	39, 40	–	–	–	–	(59.6)	477.2	417.6	(0.1)	417.5
Total comprehensive income/(expense) for the year		–	–	–	–	(59.6)	2,019.5	1,959.9	(2.5)	1,957.4
Dividends	12, 39	–	–	–	–	–	(55.0)	(55.0)	–	(55.0)
Own shares acquired in the year	39	–	–	–	(1.0)	–	–	(1.0)	–	(1.0)
Own shares released on exercise of share options	39	–	–	–	24.8	–	–	24.8	–	24.8
Credit to equity for share-based payments	39	–	–	–	–	–	40.1	40.1	–	40.1
Settlement of exercised share options of subsidiaries	39	–	–	–	–	–	(34.0)	(34.0)	–	(34.0)
Deferred tax on other items recognised in equity	37, 39	–	–	–	–	–	3.6	3.6	–	3.6
At 30 September 2021		**29.3**	**17.8**	**21.0**	**(35.5)**	**6.9**	**3,044.1**	**3,083.6**	**(1.5)**	**3,082.1**

Consolidated Statement of Financial Position

At 30 September 2021

	Note	At 30 September 2021 £m	At 30 September 2020 £m (i)
ASSETS			
Non-current assets			
Goodwill	21	**208.1**	255.4
Other intangible assets	22	**93.0**	94.9
Property, plant and equipment	23	**55.4**	63.0
Right of use assets	24	**34.7**	89.8
Investments in joint ventures	25	**1.7**	8.6
Investments in associates	25	**69.2**	48.4
Financial assets at fair value through Other Comprehensive Income	26	**806.0**	410.7
Trade and other receivables	28	**3.3**	10.5
Other financial assets	29	**140.5**	14.2
Derivative financial assets	34	**0.4**	3.2
Retirement benefit assets	35	**303.1**	136.7
Deferred tax assets	37	**4.7**	74.4
		1,720.1	1,209.8
Current assets			
Inventories	27	**16.4**	12.4
Trade and other receivables	28	**186.9**	247.3
Current tax receivable	32	**0.4**	0.4
Other financial assets	29	**9.2**	21.7
Derivative financial assets	34	**0.4**	0.6
Cash and cash equivalents	30	**1,746.9**	500.3
Total assets of businesses held for sale	20	**6.9**	–
		1,967.1	782.7
Total assets		**3,687.2**	1,992.5
LIABILITIES			
Current liabilities			
Trade and other payables	31	**(264.4)**	(406.7)
Current tax payable	32	**(1.7)**	(5.3)
Borrowings	33	**(1.7)**	(21.2)
Lease liabilities	33	**(16.6)**	(22.7)
Provisions	36	**(61.4)**	(66.3)
Total liabilities of businesses held for sale	20	**(5.9)**	–
		(351.7)	(522.2)
Non-current liabilities			
Trade and other payables	31	**–**	(1.5)
Borrowings	33	**(199.5)**	(202.7)
Lease liabilities	33	**(20.5)**	(77.1)
Derivative financial liabilities	34	**(17.2)**	(23.1)
Retirement benefit deficit	35	**(8.0)**	(13.5)
Provisions	36	**(2.3)**	(5.9)
Deferred tax liabilities	37	**(5.9)**	(0.3)
		(253.4)	(324.1)
Total liabilities		**(605.1)**	(846.3)
Net assets		**3,082.1**	1,146.2

(i) Re-presented – See Note 20

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Consolidated Statement of Financial Position

At 30 September 2021

	Note	At 30 September 2021 £m	At 30 September 2020 £m
SHAREHOLDERS' EQUITY			
Called-up share capital	38	**29.3**	29.3
Share premium account	39	**17.8**	17.8
Share capital		**47.1**	47.1
Capital redemption reserve	39	**21.0**	21.0
Own shares	39	**(35.5)**	(59.3)
Translation reserve	39	**6.9**	66.5
Retained earnings	39	**3,044.1**	1,069.9
Equity attributable to owners of the Company		**3,083.6**	1,145.2
Non-controlling interests	40	**(1.5)**	1.0
		3,082.1	1,146.2

The financial statements of DMGT plc (Company number 184594) on pages 106 to 201 were approved by the Directors and authorised for issue on 17 November 2021. They were signed on their behalf by

The Viscount Rothermere
P A Zwillenberg
Directors

Consolidated Cash Flow Statement

For the year ended 30 September 2021

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Cash generated by operations	15	**128.5**	150.3
Taxation paid		**(26.1)**	(12.5)
Taxation received		**3.8**	4.7
Net cash generated from operating activities		**106.2**	142.5
Investing activities			
Interest received		**1.1**	8.7
Dividends received from joint ventures and associates	25	**1.0**	0.7
Purchase of property, plant and equipment	23	**(8.3)**	(12.2)
Expenditure on internally generated intangible fixed assets	22	**(5.2)**	(4.2)
Expenditure on other intangible assets	22	**(2.1)**	(1.5)
Purchase of financial assets held at fair value through Other Comprehensive Income	26	**(53.4)**	(48.0)
Proceeds on disposal of property and plant and equipment		**0.3**	–
Proceeds on disposal of financial assets held at fair value through Other Comprehensive Income		**22.1**	–
Purchase of businesses and subsidiary undertakings, net of cash acquired	17	**(77.9)**	(69.8)
Settlements and collateral receipts/(payments) on treasury derivatives		**12.5**	(8.7)
Investment in joint ventures and associates	25	**(21.7)**	(2.5)
Loans advanced to joint ventures and associates		**(4.2)**	–
Loans to joint ventures and associates repaid		**–**	0.1
Proceeds on disposal of businesses and subsidiary undertakings	18	**1,519.6**	301.1
Proceeds on disposal of joint ventures and associates	8, 25	**10.9**	9.5
Payment into escrow	29	**(120.7)**	–
Net cash generated from investing activities		**1,274.0**	173.2
Financing activities			
Equity dividends paid	12, 39	**(55.0)**	(54.9)
Purchase of own shares	39	**(1.0)**	(19.7)
Net payment on settlement of subsidiary share options		**(9.3)**	(0.8)
Interest paid		**(14.1)**	(14.9)
Bonds repaid	16, 33	**(0.8)**	–
Loan notes repaid		**–**	(1.6)
Amounts received on sublease receivable		**3.8**	3.8
Interest paid on lease liabilities	16	**(3.4)**	(2.5)
Repayments of lease liabilities	16	**(22.3)**	(23.5)
Net cash used in financing activities		**(102.1)**	(114.1)
Net increase in cash and cash equivalents	16	**1,278.1**	201.6
Cash and cash equivalents at beginning of year	30	**479.9**	289.2
Exchange loss on cash and cash equivalents	16	**(12.8)**	(10.9)
Net cash and cash equivalents at end of year	16, 30	**1,745.2**	479.9

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1 Basis of preparation

DMGT plc is a company incorporated and domiciled in the United Kingdom. The address of the registered office is Northcliffe House, 2 Derry Street, London, W8 5TT.

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards (IFRS) and related IFRS Interpretations Committee (IFRS IC) interpretations adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

These financial statements have been prepared for the year ended 30 September 2021.

Other than the Daily Mail, The Mail on Sunday, Metro and the 'i' businesses whose accounts have been prepared to 26 September, the Group prepares accounts for a year ending on 30 September. The Daily Mail, The Mail on Sunday, Metro and the 'i' businesses prepare financial statements for a 52 or 53 week period or for the period since acquisition if shorter, ending on a Sunday near to the end of September and do not prepare additional financial statements corresponding to the Group's financial year for consolidation purposes as it would be impracticable to do so. The Group considers whether there have been any significant transactions or events between the end of the financial year of these businesses and the end of the Group's financial year and makes any material adjustments as appropriate.

The significant accounting policies used in preparing this information are set out in Note 2.

The Group's financial statements incorporate the financial statements of the Company and all of its subsidiaries together with the Group's share of all of its interests in joint ventures and associates. The financial statements have been prepared on the historical cost basis, except for derivative financial instruments, hedged items, equity investments, contingent consideration, put options and the pension scheme surplus/(deficit) all of which are measured at fair value.

The Group presents the results from discontinued operations separately from those of continuing operations. An operation is classed as discontinued if it has been, or is in the process of being disposed and represents either a separate major line of business or a geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or exit a major geographical area of operations.

Prior period amounts have been re-presented to conform to the current period's presentation, as prescribed by IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

All amounts presented have been rounded to the nearest £0.1 million.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review and the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the consolidated financial statements and notes.

The consolidated financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources for a period of at least 12 months from the date of approval to 31 December 2022. The Directors have reassessed the principal risks facing the Group and determined that there are no material uncertainties to disclose. In making their assessment of the Group's ability to continue as a going concern, the Directors have considered the projected performance of the Group and its financial resources both in the circumstances that the Offer is accepted and if the Offer does not proceed (as defined in Note 45).

The Directors' assessment of the Group and Company's ability to continue as going concerns includes consideration of cash flow forecasts for the Group and the committed borrowing and debt facilities of the Group which were in place at 30 September 2021.

These forecasts include consideration of future trading performance, working capital requirements and the wider economy and include the modelling of a number of downside scenarios. The base case scenario reflects assumptions of minimal growth in 2022 as described in the Strategic Report. Further, the scenarios considered take account of a number of severe but plausible downsides the Group might experience including:

- the impact of further cancellations in the Events and Exhibitions segment;
- the UK residential housing market operating at volumes at the floor of a functioning market in the Property Information segment as experienced during the early months of the pandemic; and
- a reduction in print advertising revenues and increases in newsprint prices offset by cost saving initiatives and price increases in the Consumer Media segment.

The forecasts were used to consider the ability of the Group to continue as a going concern, both in the instance that the Offer is accepted or if the Offer does not proceed.

Set out in Note 30, the Group has a net cash position of £1,745.2 million following the disposals of the EdTech and Insurance Risk segments, providing the Group with sufficient access to liquidity.

As discussed in Note 45, on 3 November 2021, it was announced (the Offer Announcement) that Rothermere Continuation Limited (RCL) and the Non-conflicted DMGT Directors had reached agreement on the definitive terms of a cash offer (the Offer) by RCL of £2.55 per share to acquire all the issued and to be issued DMGT A Shares not already owned by RCL (the Offer Shares).

Conditional upon the Offer becoming or being declared unconditional (Offer Acceptance), DMGT intends to declare a special dividend payable to all DMGT shareholders, including RCL. The special dividend would comprise cash of £5.68 per DMGT Share and shares in Cazoo Group Ltd (Cazoo).

The intentions of RCL and their plans for the Group, should the offer be accepted, have been shared with the Directors. These intentions published in the Offer and stated in accordance with the Takeover Code, confirm an alignment to the existing strategy and support of the management team.

If, under the Offer, a sufficient level of acceptance was reached, the Group's cash balances would be distributed leaving the Group in a net debt position with increased borrowings.

In that event, the Group intends to meet its day-to-day working capital requirements subsequent to the special distribution through its cash generative businesses and committed bank facilities totaling £315.7 million which expire in March 2023. Although the maturity of these facilities is outside of the going concern period, the Directors intend to commence a programme to renegotiate these committed bank facilities early in the new year. The Directors have also considered the maturity profile of the Group's long-term financing in the form of £200.0 million bonds falling due 21 June 2027. The Offer does not result in any change in control clauses being triggered.

The Group's financial covenants in relation to its committed bank facilities include a net debt to EBITDA ratio of no greater than 3.5 times and interest cover of least 3.0 times, measured for the 12 month periods to 31 March and 30 September. The base case and severe but plausible scenarios modelled demonstrate sufficient liquidity and financial covenant headroom being available. Whilst not a key factor in the Directors' going concern conclusion, the Group also has other potential mitigations at its disposal to improve its short-term liquidity position should the need arise, including cost saving initiatives.

The Directors having considered the available information on RCL's intentions for the Group and the Company together with the cash flow forecasts are satisfied that the going concern basis remains appropriate for the preparation of these consolidated financial statements regardless of whether a sufficient level of acceptances are received under the Offer.

2 Significant accounting policies

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.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are not yet effective. These new pronouncements are listed below:

- Amendments to IAS 1 and IFRS Practice Statement 2 – effective 1 October 2023.
- Definition of Accounting Estimates (Amendments to IAS 8) – effective 1 October 2023.
- Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) – effective 1 October 2021.

The above amendments will not have a significant impact on the Group's Consolidated Financial Statements.

In addition the Group has revised its accounting policies following the IFRIC IS agenda decision item during the year which clarified the accounting treatment of configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS). The IFRIC IS concluded that:

- Amounts paid to a cloud vendor for configuration and customisation that are not distinct from access to the cloud software should be expensed over the SaaS contract term
- In limited circumstances, other configuration and customisation costs incurred in implementing SaaS arrangements may give rise to an identifiable intangible asset, for example, where code is created that is controlled by an entity
- In all other instances, configuration and customisation costs should be expensed as the customisation and configuration services are received

The above amendment has not had a significant impact on the Group's Consolidated Financial Statements.

There have been no new IFRSs adopted during the year.

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Early adoption of amendments to existing standards
With effect from 1 October 2020, the Group early adopted amendments to IFRS 9, IAS 39 and IFRS 7, Interest rate benchmark reform – Phase 2. The Phase 2 amendments address issues arising during interest rate benchmark reform, including specifying when the Phase 1 amendments adopted on 1 October 2019 will cease to apply, when hedge designations and documentation should be updated, and when hedges of the alternative benchmark rate as the hedged risk are permitted. There is no impact on the consolidated financial statements from the early adoption of these amendments.

The Group has adopted the following hedge accounting reliefs provided by Phase 2 of the amendments:

(i) Hedge designation – When the Phase 1 amendments cease to apply, the Group will amend its fair value hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of these changes:

- Designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk (i.e. SONIA, which will replace GBP LIBOR);
- Amending the description of the hedged item, including the designated portion of fair value being hedged; or
- Amending the description of the hedging instrument.

The Group will update its hedge documentation to reflect these changes by the end of the reporting period in which the changes are made. The amendments to hedge documentation do not require the Group to discontinue the fair value hedge relationship. The Group has not made any amendments to its hedge documentation relating to IBOR reform in the period to 30 September 2021.

(ii) Risk components – The Group is permitted to designate an alternative benchmark rate as a non-contractually specified risk component, even if it is not separately identifiable at the date when it is designated, provided that the Group reasonably expects that it will meet the requirements within 24 months of the first designation and the risk component is reliably measurable. The Group has not designated any alternative benchmark rates as risk components in any hedge relationships during the period.

Effect of IBOR reform
During the year the Directors considered the Group's exposures to IBOR, including an assessment of the impact on the following:

- The Group's revolving credit facilities maturing March 2023;
- Outstanding derivative financial instruments including interest rate swaps designated in fair value hedge relationships and interest rate caps;
- A review of contracts including insurance and leases;
- A review of intercompany loan agreements; and
- Treasury systems and processes.

The assessment highlighted the need to amend language in the revolving credit facilities and derivative contracts which all reference IBOR, in order that they reference alternative risk-free rates (ARFR) once the relevant IBOR is discontinued. The need to update systems and processes to be able to use the ARFR, including day-count and compounding conventions was also identified. Accordingly, the Group engaged with its banking partners and external advisors during the year to agree the amendment of IBOR language within its revolving credit facilities. The implementation of a system upgrade was also completed. The Group intends to complete the amendment of IBOR language within derivative contracts before the end of the calendar year. The assessment identified no impact relating to intercompany loan agreements or other contracts.

The following tables contain details of all the financial instruments that the Group holds at 30 September 2021 which reference an IBOR and have not yet transitioned to an alternative interest rate benchmark:

Derivative assets exposed to GBP LIBOR

		Carrying value at 30 September 2021 £m	Notional £m
Derivative instruments in designated hedge accounting relationships	(i)	**0.4**	53.1
Derivative instruments not in designated hedge accounting relationships	(ii)	**0.3**	85.0
Total derivative assets exposed to GBP LIBOR		**0.7**	138.1

Derivative assets exposed to USD LIBOR

		Carrying value at 30 September 2021 £m	Notional US$m
Derivative instruments not in designated hedge accounting relationships	(ii)	**0.1**	20.0
Total derivative assets exposed to USD LIBOR		**0.1**	20.0

(i) £53.1 million fixed to floating interest rate swap, maturing June 2027 which references 3 month GBP LIBOR and which is designated in a fair value hedging relationship.

(ii) Relates to £85.0 million notional and US$20.0 million notional interest rate caps. The Group also has US$75.0 million notional interest rate caps with a carrying value of £nil which are excluded from the table as they mature prior to transitioning to an alternative benchmark rate.

In addition to the financial instruments included in the tables above the Group has undrawn committed bank facilities (see Note 33) which reference the IBOR of the drawn currency. These are excluded from the tables as the Group has no drawn bank debt at 30 September 2021. The facilities were amended in September 2021 such that they will reference ARFR from the first drawdown following cessation of the relevant IBOR.

Business combinations

The acquisition of subsidiaries and businesses is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values 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 Consolidated Income Statement as incurred.

Where the consideration for an acquisition includes any asset or liability resulting from a contingent arrangement, this is measured at its discounted fair value on the date of acquisition. Subsequent changes in fair values are adjusted through the Consolidated Income Statement in Net finance costs. Changes in the fair value of contingent consideration classified as equity is not recognised.

Put options granted to non-controlling interests are recorded at present value as a reduction in equity on initial recognition, since the arrangement represents a transaction with equity holders. Changes in present value after initial recognition are recorded in the Consolidated Income Statement in Net finance costs.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the date of the acquisition that, if known, would have affected the amounts recognised as at that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as at the acquisition date and is a maximum of one year.

Business combinations achieved in stages

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the date the Group attains control and the resulting gain or loss is recognised in the Consolidated Income Statement. Amounts arising from interests in the acquiree prior to the acquisition date that were recognised in Other Comprehensive Income are reclassified to the Consolidated Income Statement where such treatment would be appropriate if the interest were disposed of.

Purchases and sales of shares in a controlled entity

Where the Group's interest in a controlled entity increases, the non-controlling interests' share of net assets, excluding any allocation of goodwill, is transferred to retained earnings. Any difference between the cost of the additional interest and the existing carrying value of the non-controlling interests' share of net assets is recorded in retained earnings.

Where the Group's interest in a controlled entity decreases, but the Group retains control, the share of net assets disposed, excluding any allocation of goodwill, is transferred to the non-controlling interests. Any difference between the proceeds of the disposal and the existing carrying value of the net assets or liabilities transferred to the non-controlling interests is recorded in retained earnings.

Disposal of controlling interests where non-controlling interest retained

Where the Group disposes of a controlling interest but retains a non-controlling interest in the business, the Group accounts for the disposal of a subsidiary and the subsequent acquisition of a joint venture, associate or financial assets at fair value through Other Comprehensive Income at fair value on initial recognition. On disposal of a subsidiary all amounts in cumulative translation reserves are recycled to the Consolidated Income Statement.

Contingent consideration receivable

Where the consideration for a disposal includes consideration resulting from a contingent arrangement, the contingent consideration receivable is discounted to its fair value, with any subsequent movement in fair value being recorded in the Consolidated Income Statement in Net finance costs.

Discontinued operations

The Group presents the results from discontinued operations separately from those of continuing operations. An operation is classed as discontinued if it has been, or is in the process of being disposed and represents either a separate major line of business or a geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or exit a major geographical area of operations.

Assets and liabilities of businesses held for sale

An asset or disposal group is classified as held for sale if its carrying amount is intended to be recovered principally through sale rather than continuing use, is available for immediate sale and it is highly probable that the sale will be completed within 12 months of classification as held for sale. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment is recognised in the Consolidated Income Statement and is first allocated to the goodwill associated with the disposal group and then to the remaining assets and liabilities on a pro rata basis. No further depreciation or amortisation is charged on non-current assets classified as held for sale from the date of classification.

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Accounting for subsidiaries
A subsidiary is an entity controlled by the Group. Control is achieved where the Group has power over an investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the returns.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Income Statement from the effective date control is obtained or up to the date control is relinquished, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests
Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein, either at fair value or at the non-controlling interest's share of the net assets of the subsidiary, on a case-by-case basis. The total comprehensive income of a subsidiary is apportioned between the Group and the non-controlling interest, even if it results in a deficit balance for the non-controlling interest.

Interests in joint ventures and associates
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The post-tax results of joint ventures and associates are incorporated in the Group's results using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the Consolidated Statement of Financial Position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture and associate, less any impairment in the value of investment. Losses of joint ventures and associates in excess of the of the Group's interest in that joint venture or associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

Foreign currencies
For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than sterling are translated into sterling using exchange rates prevailing on the period end date.

Income and expense items and cash flows are translated at the average exchange rates for the period and exchange differences arising are recognised directly in equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the Consolidated Income Statement as part of the gain or loss on sale.

The Group records foreign exchange differences arising on retranslation of foreign operations within the translation reserve in equity.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the exchange rate prevailing on the date of the transaction. At each period end date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the period end date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Consolidated Income Statement for the period.

Goodwill, intangible assets and fair value adjustments arising on the acquisition of foreign operations after transition to IFRS are treated as part of the assets and liabilities of the foreign operation and are translated at the closing rate. Goodwill which arose pre-transition to IFRS is not translated.

In respect of all foreign operations, any cumulative exchange differences that have arisen before 4 October 2004, the date of transition to IFRS, were reset to £nil and will be excluded from the determination of any subsequent profit or loss on disposal.

Goodwill and intangible assets
Goodwill and intangible assets acquired arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent 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.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rates on the period end date. On disposal of a subsidiary, associate or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the Consolidated Income Statement on disposal.

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Impairment of goodwill
The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

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 (CGUs). If the recoverable amount of the CGU 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, prorated on the basis of the carrying amount of each asset in the unit, but subject to not reducing any asset below its recoverable amount.

When testing for impairment, the recoverable amounts for all of the Group's CGUs are measured at the higher of value in use or fair value less costs to sell. Value in use is calculated by discounting future expected cash flows. These calculations use cash flow projections based on Board-approved budgets and forecasts which reflect the Directors' current experience and future expectations of the markets in which the CGU operates. Risk adjusted pre-tax discount rates used by the Group in its impairment tests range from 10.9% to 30.0% (2020 10.5% to 15.3%) the choice of rates depending on the risks specific to that CGU. The Directors' estimate of DMGT's post tax weighted average cost of capital is 7.5% (2020 6.7%). The cash flow projections consist of Board-approved budgets for the following year, together with forecasts for up to four additional years and nominal long-term growth rates beyond these periods. The nominal long-term (decline)/growth rates used range from -3.0% to 4.0% (2020 -3.0% to 5.0%) and varies with the Directors view of the CGU's market position, maturity of the relevant market and does not exceed the long-term average growth rate for the industry in which the CGU operates.

An impairment loss recognised for goodwill is charged immediately in the Consolidated Income Statement and is not subsequently reversed.

Research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's development activity, including software for internal use, is recognised only if the asset can be separately identified, it is probable the asset will generate future economic benefits, the development cost can be measured reliably, the project is technically feasible and the project will be completed with a view to sell or use the asset. Additionally, guidance in Standing Interpretations Committee (SIC) 32 has been applied in accounting for internally developed website development costs.

Internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives, when the asset is available for use, and are reported net of impairment losses. Where no internally generated intangible asset can be recognised, such development expenditure is charged to the Consolidated Income Statement in the period in which it is incurred.

Licences
Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives, being three to five years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs and directly attributable overheads, are capitalised as intangible assets.

Computer software which is integral to a related item of hardware equipment is accounted for as property, plant and equipment. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Other intangible assets
Other intangible assets with finite lives are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to Operating Profit in the Consolidated Income Statement on a reducing balance or straight-line basis over the estimated useful lives of the intangible assets from the date they become available for use. The estimated useful lives are as follows:

Publishing rights, mastheads and titles	5 – 30 years
Brands	3 – 20 years
Market- and customer-related databases and customer relationships	3 – 20 years
Computer software	2 – 5 years

Amortisation of intangible assets not arising on business combinations are included within Adjusted Operating Profit in the Consolidated Income Statement.

The Group has no intangible assets with indefinite lives.

Software-as-a-Service (SaaS) arrangements represent service contracts which provide the Group with the right to access a cloud provider's application software over a contract period. Costs incurred to configure or customise, and any on-going fees to obtain access to the cloud provider's application software are recognised as an operating expense when the services are received.

These costs are capitalised as intangible assets and amortised over the useful life of the software if they represent the development of software code which enhances or modifies, or creates additional capability to existing on-premise systems and which meets the definition of and recognition criteria for an intangible asset under IAS 38, Intangible Assets.

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Impairment of intangible assets

At each period end date, reviews are carried out of the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of value in use and fair value less costs to sell, of the asset is estimated in order to determine the extent, if any, of the impairment loss. 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 CGU to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its net carrying amount, the net carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised immediately in the Consolidated Income Statement.

At the end of each reporting period the Group assesses whether there is any indication that an impairment loss recognised in prior periods, for an asset other than goodwill, may no longer exist or may have decreased. If any such indication exists, the Group estimates the recoverable amount of that asset. In assessing whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased, the Group considers, as a minimum, the following indications:

- whether the asset's market value has increased significantly during the period;
- whether any significant changes with a favourable effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated; and
- whether market interest rates or other market rates of return on investments have decreased during the period, and those decreases are likely to affect the discount rate used in calculating the asset's value in use and increase the asset's recoverable amount materially.

Property, plant and equipment

Land and buildings held for use are stated in the Consolidated Statement of Financial Position at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use. Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement.

Depreciation is charged so as to write off the cost of assets, other than property, plant and equipment under construction using the straight-line method, over their estimated useful lives as follows:

Freehold properties	50 years
Short leasehold properties	the term of the lease
Plant and equipment	3 – 25 years
Depreciation is not provided on freehold land	

Right of use assets

Right of use assets are depreciated over the shorter of the asset's useful economic life and the lease term on a straight-line basis.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Group uses the Average Cost method in the Consumer Media segment for newsprint and the First In First Out method for all other inventories.

Exhibition, training and event costs

Directly attributable costs relating to future exhibition, training and events are deferred within work in progress and measured at the lower of cost and net realisable value. These costs are charged to the Consolidated Income Statement when the exhibition, training or event takes place.

Marketing costs
All marketing and promotional costs are charged to the Consolidated Income Statement in the period in which they are incurred. Direct event costs are charged to the Consolidated Income Statement within Direct Event Costs.

Cash and cash equivalents
Cash and cash equivalents shown in the Consolidated Statement of Financial Position includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less and which are subject to insignificant changes in value. For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents are as defined above, net of bank overdrafts.

Revenue
Revenue is stated at the fair value of consideration, net of value added tax, trade discounts and commission where applicable and is recognised using methods appropriate for the Group's businesses.

Where revenue contracts have multiple elements (such as software licences, data subscriptions and support), all aspects of the transaction are considered to determine whether these elements can be separately identified. Where transaction elements can be separately identified and revenue can be allocated between them on a fair and reliable basis, revenue for each element is accounted for according to the relevant policy below. Where transaction elements cannot be separately identified, revenue is recognised when the control of performance obligations have been transferred.

The Consumer Media segment enters into agreements with advertising agencies and certain clients, which are subject to a minimum spend and typically include a commitment to deliver rebates to the agency or client based on the level of agency spend over the contract period.

The principal revenue performance obligations are:

- subscriptions revenue, including revenue from information services, is recognised over the period of the subscription or contract;
- publishing and circulation revenue is recognised on issue of the publication or report;
- advertising revenue is recognised on issue of the publication or over the period of the online campaign;
- contract print revenue is recognised on completion of the print contract;
- exhibitions, training and events revenues are recognised over the period of the event;
- software revenue is recognised on delivery of the software or the technology or over a period of time where the transaction is a licence (the licence term). If support is unable to be separately identified from hosting and revenue is unable to be allocated on a fair and reliable basis, support revenue is recognised over the licence term. Commissions paid to acquire software and services contracts are capitalised in prepayments and recognised over the term of the contract;
- support revenue associated with software licences and subscriptions is recognised over the term of the support contract.

Adjusted measures
The Group presents adjusted operating profit and adjusted profit before tax adjusting for costs and profits which the Directors believe to be significant by virtue of their size, nature or incidence or which have a distortive effect on current year earnings.

In the Directors' judgement such items would include, but are not limited to, costs associated with business combinations, gains and losses on the disposal of businesses and subsidiary undertakings, finance costs relating to premium on bond buy backs, fair value movements, exceptional operating costs, impairment of goodwill, intangible assets and property, plant and equipment and amortisation of intangible assets arising on business combinations.

The board and management team believe these adjusted results, used in conjunction with statutory IFRS results, give a greater insight into the financial performance of the Group and the way it is managed. Similarly, adjusted results are used in setting management remuneration.

See Note 13 for a reconciliation of profit before tax to adjusted profit before and after tax.

The Group also presents a measure of net cash in Note 16. In the judgement of the Directors this measure should include the currency gain or loss on derivatives entered into with the intention of economically converting the currency borrowings into an alternative currency.

Other gains and losses
Other gains and losses comprise profit or loss on sale of property, plant and equipment, profit or loss on sale of businesses and subsidiary undertakings, gain from bargain purchase and profit or loss on sale of joint ventures and associates.

EBITDA
The Group discloses EBITDA, being adjusted operating profit before depreciation of property, plant and equipment and right of use assets and amortisation of assets not arising on business combinations. EBITDA is broadly used by analysts, rating agencies, investors and the Group's banks as part of their assessment of the Group's performance. A reconciliation of EBITDA from operating profit is shown in Note 15.

Leases
The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

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The Group as a lessee

Where the Group acts as a lessee it recognises 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.

The lease liability is measured at the present value of the future lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the Group's incremental borrowing rate specific to the term, country, currency and start date of the lease.

The Group's lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; and payments in an optional renewal period if the Group is reasonably certain to exercise an extension option or not exercise a break option less any lease incentives receivable.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Group's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost based on the value of the associated lease liability, adjusted for any payments made before inception, initial indirect costs and any dilapidation or restoration costs.

The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The right of use asset is tested for impairment if there are any indicators of impairment.

Leases of low value assets and short-term leases of 12 months or less are expensed to the Consolidated Income Statement, as are non-lease service components.

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to the lessee and classified as an operating lease if it does not.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. 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. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Dividends

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividends are recognised as a distribution in the period in which they are approved by the shareholders. Interim dividends are recorded in the period in which they are paid.

Borrowing costs

Unless capitalised under IAS 23, Borrowing Costs, all borrowing costs are recognised in the Consolidated Income Statement in the period in which they are incurred. Finance charges, including premiums paid on settlement or redemption and direct issue costs and discounts related to borrowings, are accounted for on an accruals basis and charged to the Consolidated Income Statement using the effective interest method.

Retirement benefits

Pension scheme assets are measured at market value at the period end date. Scheme liabilities are measured using the projected unit credit method and discounted at a rate reflecting current yields on high-quality corporate bonds having regard to the duration of the liability profiles of the schemes.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability on the Consolidated Statement of Financial Position. Actuarial gains and losses arising in the year are taken to the Consolidated Statement of Comprehensive Income. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred. For defined benefit schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out triennially. In accordance with the advice of independent qualified actuaries in assessing whether to recognise a surplus, the Group has regard to the principles set out in IFRIC 14.

Other movements in the net surplus or deficit are recognised in the Consolidated Income Statement, including the current service cost, any past service cost and the effect of any curtailment or settlements. The net finance income/(expense) is also charged to the Consolidated Income Statement within Net finance costs.

The Group's contributions to defined contribution pension plans are charged to the Consolidated Income Statement as they fall due.

Taxation

Income tax expense represents the sum of current tax and deferred tax for the year.

The current tax payable or recoverable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Income Statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using the UK and foreign tax rates that have been enacted or substantively enacted by the period end date.

Current tax assets and liabilities are set off and stated net in the Consolidated Statement of Financial Position when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority or on the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary 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. It is accounted for using the balance sheet liability method. 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. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition other than in a business combination of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries, joint ventures 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.

Goodwill arising on business combinations also includes amounts corresponding to deferred tax liabilities recognised in respect of acquired intangible assets. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

The carrying amount of deferred tax assets is reviewed at each period end date, and is reduced or increased as appropriate 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, or it becomes probable that sufficient taxable profits will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the period end date, and is not discounted.

Deferred tax assets and liabilities are set off when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly to equity, in which case the tax is recognised directly in equity.

Actual tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets when it is more likely than not that there will be a cash impact. These provisions are made for each uncertainty individually on the basis of the Directors judgement following consideration of the available relevant information. The measurement basis adopted represents the best predictor of the resolution of the uncertainty which is usually based on the most likely cash outflow. The Company reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances.

Financial instruments

Financial assets and financial liabilities are recognised on the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously and where the Group intends to net settle.

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Financial assets

Trade receivables

Trade receivables do not carry interest and are recognised initially at the value of the invoice sent to the customer i.e. amortised cost and subsequently reduced by allowances for lifetime expected credit losses.

Other receivables include loans which are held at the capital sum outstanding plus unpaid interest reduced by allowances for expected credit losses.

Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. The Group applies the simplified approach permitted by IFRS 9, Financial Instruments, which requires the use of the lifetime expected loss provision for all receivables, including contract assets. These estimates are based on historic credit losses, macro-economic and specific country-risk considerations with higher default rates applied to older balances.

In addition, if specific circumstances exist which would indicate that the receivable is irrecoverable a specific provision is made. A provision is made against trade receivables and contract assets until such time as the Group believes there to be no reasonable expectation of recovery, after which the trade receivable or contract asset balance is written off.

Financial assets at fair value through Other Comprehensive Income

Financial assets are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

As permitted by IFRS 9, the Group classifies its equity investments at Fair Value through Other Comprehensive Income. All fair value movements are recorded in Other Comprehensive Income and gains and losses are not recycled to the Consolidated Income Statement on disposal.

Dividend income from Financial assets held at fair value through Other Comprehensive Income is recorded in the Consolidated Income Statement.

Unlisted equity investments are valued using a variety of approaches including comparable company valuation multiples and discounted cash flow techniques. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

The fair value of listed equity investments is determined based on quoted market prices.

Financial liabilities and equity instruments

Trade payables

Trade payables are non-interest bearing and are stated at their nominal value.

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Capital market and bank borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Group's bonds are subject to fair value hedge accounting as explained below and this portion is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs.

Derecognition

The Group derecognises a financial asset, or a portion of a financial asset, from the Consolidated Statement of Financial Position where the contractual rights to cash flows from the asset have expired, or have been transferred, usually by sale, and with them either substantially all the risks and rewards of the asset or significant risks and rewards, along with the unconditional ability to sell or pledge the asset.

Financial liabilities are derecognised when the liability has been settled, has expired or has been extinguished.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to market risks. The principal derivative instruments used by the Group are foreign currency swaps, interest rate swaps, foreign exchange forward contracts and options. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

Changes in the fair value of derivative instruments which do not qualify for hedge accounting are recognised immediately in the Consolidated Income Statement.

Where the derivative instruments do qualify for hedge accounting, the following treatments are applied:

Fair value hedges

Changes in the fair value of the hedging instrument are recognised in the Consolidated Income Statement for the year together with the changes in the fair value of the hedged item due to the hedged risk, to the extent the hedge is effective. When the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, hedge accounting is discontinued.

Cash flow hedges
Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the Consolidated Income Statement.

If a hedged firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time that the asset or liability is recognised, the associated gains and losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the Consolidated Income Statement in the same period in which the hedged item affects the Consolidated Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, revoked, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in equity is included in the Consolidated Income Statement for the period.

Net investment hedges
Exchange differences arising from the translation of the net investment in foreign operations are recognised in the translation reserve. Gains and losses arising from changes in the fair value of the hedging instruments are recognised in equity to the extent that the hedging relationship is effective. Any ineffectiveness is recognised immediately in the Consolidated Income Statement for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Gains and losses accumulated in the translation reserve are included in the Consolidated Income Statement on disposal of the foreign operation.

Provisions
Provisions are recognised when the Group has a present obligation, legal or constructive, 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 period end date and are discounted to present value where the effect is material.

Onerous contract provisions are recognised for losses on contracts where the forecast costs of fulfilling the contract throughout the contract period exceed the forecast income receivable. The provision is calculated based on cash flows to the end of the contract.

Share-based payments
The Group issues equity-settled and cash-settled share-based payments to certain Directors and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using a binomial pricing model which is calibrated using a Black-Scholes framework. The expected life used in the models has been adjusted, based on the Directors best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each period end date for cash-settled share-based payments.

Investment in own shares
Treasury shares
Where the Company purchases its equity share capital as Treasury Shares, the consideration paid, including any directly attributable incremental costs (net of income taxes) is recorded as a deduction from shareholders' equity until such shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

Employee Benefit Trust
The Company has established an Employee Benefit Trust (EBT) for the purpose of purchasing shares in order to satisfy outstanding share options and potential awards under long-term incentive plans. The assets of the EBT comprise shares in DMGT plc and cash balances. The EBT is administered by independent trustees and its assets are held separately from those of the Group. The Group bears the major risks and rewards of the assets held by the EBT until the shares vest unconditionally with employees. The Group recognises the assets and liabilities of the EBT in the consolidated financial statements and shares held by the EBT are recorded at cost as a deduction from shareholders' equity. Consideration received for the sale of shares held by the EBT is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

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Critical accounting judgements and key sources of estimation uncertainty

In addition to the judgement taken by the Directors in selecting and applying the accounting policies set out above, the Directors have made the following judgements concerning the amounts recognised in the consolidated financial statements:

Adjusted measures

The Directors believe that the adjusted profit and adjusted earnings per share measures provide additional useful information to users of the Report and Accounts on the performance of the business. Accordingly, the Group presents adjusted operating profit and adjusted profit before tax by adjusting for costs and profits which the Directors judge to be significant by virtue of their size, nature or incidence or which have a distortive effect on current year earnings.

In the Directors' judgement such items would include, but are not limited to, costs associated with business combinations, gains and losses on the disposal of businesses and subsidiary undertakings, finance costs relating to premium on bond buy backs, fair value movements, exceptional operating costs, impairment of goodwill, intangible assets and property, plant and equipment and amortisation of intangible assets arising on business combinations.

Exceptional operating costs include items of a significant and a non-recurring nature. In addition, the Group presents an adjusted profit after tax measure by making adjustments for certain tax charges and credits which the Directors judge to be significant by virtue of their size, nature or incidence or which have a distortive effect. The Group uses these adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting.

See Note 13 for a reconciliation of profit before tax to adjusted profit before and after tax.

The Group also presents a measure of net cash. In the judgement of the Directors this measure should include the currency gain or loss on derivatives entered into with the intention of economically converting the currency borrowings into an alternative currency. See Note 16 for further detail.

Retirement benefits

When a surplus on a defined benefit pension scheme arises, the Directors are required to consider the rights of the Trustees in preventing the Group from obtaining a refund of that surplus in the future. Where the Trustees are able to exercise this right, the Group would be required to restrict the amount of surplus recognised.

After considering the principles set out in IFRIC 14, the Directors have judged it appropriate to recognise a surplus of £303.1 million (2020 £136.7 million) and report a net surplus on its pension schemes amounting to £295.1 million (2020 £123.2 million).

Mail Force Charitable Incorporated Organisation (CIO)

The Group established the Mail Force CIO during the prior year. The Group has assessed its relationship with the charity in accordance with IFRS 10, Consolidated Financial Statements and concluded that it does not have the power to affect returns to the Group from the Charity's activities and does not control Mail Force. Accordingly Mail Force's accounts have not been consolidated within the Group's financial statements.

The following represent key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements:

Forecasting

The Group prepares medium-term forecasts based on Board-approved budgets and four-year outlooks. These are used to support estimates made in the preparation of the Group's financial statements including the recognition of deferred tax assets in different jurisdictions, the Group's going concern and viability assessments and for the purposes of impairment reviews. Longer-term forecasts use long-term growth rates applicable to the relevant businesses. See Note 21 for a sensitivity assessment of these long-term growth rates on the carrying values of certain of the Group's goodwill and intangible assets.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangible or other assets are impaired or whether a reversal of an impairment should be recorded requires a comparison of the balance sheet carrying value with the recoverable amount of the asset or CGU. The recoverable amount is the higher of the value in use and fair value less costs to sell.

The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the asset or CGU and calculate the net present value of these cash flows using a suitable discount rate. The key areas of estimation are the long-term growth rate and operating cash flows, the discount rate applied to those cash flows and an assessment of climate change on the applicable businesses.

Acquisitions and intangible assets

The Group's accounting policy on the acquisition of subsidiaries is to allocate purchase consideration to the fair value of identifiable assets, liabilities and contingent liabilities acquired with any excess consideration representing goodwill. Determining the fair value of assets, liabilities and contingent liabilities acquired requires significant estimates and assumptions, including assumptions with respect to cash flows and unprovided liabilities and commitments, including with respect to tax, to be used. The Group recognises intangible assets acquired as part of a business combination at fair value at the date of acquisition. The determination of these fair values is based upon the Directors estimate and includes assumptions on the timing and amount of future cash flows generated by the assets and the selection of an appropriate discount rate. Additionally, the Directors must estimate the expected useful economic lives of intangible assets and charge amortisation on these assets accordingly.

Taxation
Being a multinational Group with tax affairs in many geographic locations inherently leads to a highly complex tax structure which makes the degree of estimation more challenging. The resolution of issues is not always within the control of the Group and actual tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. Such issues can take several years to resolve.

The Group accounts for unresolved issues based on its best estimate of the final outcome, however the inherent uncertainty regarding these items means that the eventual resolution could differ significantly from the accounting estimates and, therefore, impact the Group's results and future cash flows. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets when it is more likely than not that there will be a cash impact. These provisions are made for each uncertainty individually based on the Directors' estimates following consideration of the available relevant information. The measurement basis adopted represents the best predictor of the resolution of the uncertainty which is usually based on the most likely cash outflow. The Company reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances.

In addition, the Group makes estimates regarding the recoverability of deferred tax assets relating to losses based on forecasts of future taxable profits which are, by their nature, uncertain. See Note 37 for further information concerning recognised and unrecognised deferred tax assets.

Retirement benefits
The cost of defined benefit pension plans is determined using actuarial valuations prepared by the Group's actuaries. This involves making certain assumptions concerning discount rates, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumptions and the resulting estimates are reviewed annually and, when appropriate, changes are made which affect the actuarial valuations and, hence, the amount of retirement benefit expense recognised in the Consolidated Income Statement and the amounts of actuarial gains and losses recognised in the Consolidated Statement of Changes in Equity.

The fair value of the Group's pension scheme assets includes quoted and unquoted investments. The value of unquoted investments are estimated as their values are not directly observable. Accordingly the assumptions used in valuing unquoted investments are affected by current market conditions and trends which could result in changes in their fair value after the measurement date. A 1.0% movement in the value of unquoted pension scheme assets is estimated to change the value of the Group's pension scheme assets by £22.8 million (2020 £23.0 million).

The carrying amount of the retirement benefit obligation at 30 September 2021 was a surplus of £295.1 million (2020 £123.2 million). The assumptions used and the associated sensitivity analysis can be found in Note 35.

Legal claim provision
DMGT and certain of its subsidiaries are involved in various lawsuits and claims which arise in the course of business. The Group records a provision for these matters when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated.

The amounts accrued for legal contingencies often result from complex judgements about future events and uncertainties that rely heavily on estimates and assumptions.

As disclosed in Note 19 discontinued operations, Genscape has been involved in a dispute with the US Environmental Protection Agency (EPA) since 2016. In 2017 Genscape voluntarily paid a 2.0% liability cap associated with invalid Renewable Identification Numbers (RINs) at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. However, during 2019 the EPA ordered Genscape to replace 69.2 million additional RINs it had verified.

DMGT continues to cooperate with the EPA and settlement discussions are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, made a provision for the total cost of replacing RINs as at 30 September 2019.

At each period end IAS 37 requires DMGT to review this provision and make appropriate adjustments to reflect the current status of the claim. The Group's closing provision includes the cost of replacement RINs, estimated purchase costs, associated legal fees and currency fluctuations. The final settlement amount may be different than the provision made, however, it is not possible for the Group to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution. Accordingly, the provision could change substantially over time as the dispute progresses and new facts emerge.

RINs trade in a volatile range, using the period end price of US$1.46 compared to the estimated future forecast price of US$1.22 would increase the provision by approximately US$6.1 million (£4.5 million).

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3 Segment analysis

The Group's business activities are split into three continuing operating divisions: Property Information, Events and Exhibitions and Consumer Media. These divisions are the basis on which information is reported to the Group's Chief Operating Decision Maker, which has been determined to be the Executive Committee. The segment result is the measure used for the purposes of resource allocation and assessment and represents profit earned by each segment, including share of results from joint ventures and associates but before exceptional operating costs, amortisation of acquired intangible assets arising on business combinations, impairment charges, other gains and losses, net finance costs and taxation. During the period, the EdTech and Insurance Risk segments were disposed and are classified within discontinued operations.

The accounting policies applied in preparing the management information for each of the reportable segments are the same as the Group's accounting policies described in Note 2.

Year ended 30 September 2021	Note	Total and external revenue £m	Segment operating profit/(loss) £m	Less operating (loss)/profit of joint ventures and associates £m	Adjusted operating profit/(loss) £m
Insurance Risk		**223.0**	**39.4**	**(0.1)**	**39.5**
Property Information		**227.1**	**44.7**	**1.2**	**43.5**
EdTech		**33.5**	**1.1**	**–**	**1.1**
Events and Exhibitions		**34.4**	**0.4**	**–**	**0.4**
Consumer Media		**623.8**	**59.7**	**–**	**59.7**
		1,141.8	**145.3**	**1.1**	**144.2**
Corporate costs		**–**	**(42.3)**	**(4.2)**	**(38.1)**
Discontinued operations	19	**(256.5)**	**(40.5)**	**0.1**	**(40.6)**
		885.3			
Adjusted operating profit					**65.5**
Exceptional operating costs, impairment of internally generated and acquired computer software					**(33.4)**
Impairment of goodwill and acquired intangible assets arising on business combinations	21, 22				**(13.0)**
Amortisation of acquired intangible assets arising on business combinations	19, 22				**(15.2)**
Operating profit before share of results of joint ventures and associates					**3.9**
Share of results of joint ventures and associates	7				**(9.8)**
Total operating loss					**(5.9)**
Other gains and losses	8				**14.3**
Profit before investment revenue, net finance costs and tax					**8.4**
Investment revenue	9				**2.3**
Finance expense	10				**(15.6)**
Finance income	10				**2.5**
Loss before tax					**(2.4)**
Tax	11				**62.2**
Profit from discontinued operations	19				**1,480.1**
Profit for the year					**1,539.9**

An analysis of the amortisation and impairment of goodwill and intangible assets, exceptional operating costs by segment is as follows:

Year ended 30 September 2021	Note	Amortisation of intangible assets not arising on business combinations (Note 22) £m	Amortisation of intangible assets arising on business combinations (Note 22) £m	Impairment of goodwill and intangible assets arising on business combinations (Note 21,22) £m	Exceptional operating costs £m
Insurance Risk		(0.1)	–	–	–
Property Information		(4.5)	(5.7)	–	(0.6)
EdTech		(3.0)	(0.2)	–	–
Events and Exhibitions		(0.1)	(4.3)	(13.0)	–
Energy Information		–	–	–	(5.3)
Consumer Media		(0.4)	(5.2)	–	(1.8)
		(8.1)	(15.4)	(13.0)	(7.7)
Corporate costs		(1.4)	–	–	(31.0)
		(9.5)	(15.4)	(13.0)	(38.7)
Relating to discontinued operations	19	3.1	0.2	–	5.3
Continuing operations		(6.4)	(15.2)	(13.0)	(33.4)

The Group's exceptional operating (costs)/income which have been disclosed separately due to their size, nature and incidence are analysed in the table below. The Directors believe this presentation provides users of these accounts with clear and consistent reporting:

Year ended 30 September 2021	Note	Severance and other closure costs £m	LTIP (i) £m	Professional fees and claims (ii) £m	Total £m
Property Information		(0.1)	–	(0.5)	(0.6)
Energy Information		–	–	(5.3)	(5.3)
Consumer Media		0.6	(2.4)	–	(1.8)
		0.5	(2.4)	(5.8)	(7.7)
Corporate costs		–	(13.5)	(17.5)	(31.0)
		0.5	(15.9)	(23.3)	(38.7)
Relating to discontinued operations	19	–	–	5.3	5.3
Continuing operations		0.5	(15.9)	(18.0)	(33.4)

(i) During the year ended 30 September 2018, the Group sold its investment in ZPG Plc (ZPG) resulting in a profit on sale of £508.4 million and during the year ended 30 September 2019 the Group disposed of its investment in Euromoney Institutional Investor PLC (Euromoney). During the year ended 30 September 2021 Cazoo successfully listed on the New York Stock Exchange (NYSE) and the Group disposed of its Insurance Risk segment (RMS). As a direct consequence of these transactions the value of the DMGT Long Term Incentive Plans (LTIPs) are estimated to have increased by £35.8 million. As the LTIPs include a service period condition, IFRS 2, Share-based Payment requires the LTIP charge to be spread over the service period until the award vests. The LTIP charge recognised in the period, which relates to the disposals of Euromoney and RMS and of Cazoo's NYSE listing amounts to £15.9 million. Since profit on sale of RMS and the capital benefit of the Euromoney disposal and Cazoo listing are excluded from our adjusted profit measure we have treated the incremental increase in the LTIP charge as an adjusting item and will continue to do so until these awards vest in December 2021.

(ii) Professional fees and claims include costs in respect of restructuring advice relating to the offer by Rothermere Continuation Limited (RCL). See Note 45 for more detail.

The Group's tax credit includes £2.8 million in relation to these exceptional operating costs of which a charge of £0.4 million relates to discontinued operations.

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An analysis of the depreciation of right of use assets and property, plant and equipment, research costs, investment revenue, other gains and losses and finance income and expense by segment is as follows:

Year ended 30 September 2021	Note	Depreciation of right of use assets (Note 24) £m	Depreciation of property, plant and equipment (Note 23) £m	Research costs £m	Investment revenue (Note 9) £m	Other gains and losses (Note 8) £m	Finance income (Note 10) £m	Finance expense (Note 10) £m
Insurance Risk		**(5.6)**	**(3.9)**	**(27.6)**	**0.2**	**1,319.6**	**–**	**(2.0)**
Property Information		**(2.0)**	**(1.5)**	**–**	**–**	**9.2**	**–**	**(0.4)**
EdTech		**(0.5)**	**(0.1)**	**–**	**–**	**230.6**	**–**	**(0.1)**
Events and Exhibitions		**(0.7)**	**(0.1)**	**–**	**–**	**(0.2)**	**–**	**(0.2)**
Energy Information		**–**	**–**	**–**	**–**	**1.0**	**–**	**–**
Consumer Media		**(11.5)**	**(14.8)**	**(0.2)**	**–**	**3.9**	**1.7**	**(0.7)**
		(20.3)	**(20.4)**	**(27.8)**	**0.2**	**1,564.1**	**1.7**	**(3.4)**
Corporate costs		**–**	**(0.6)**	**–**	**2.3**	**1.4**	**0.8**	**(14.3)**
		(20.3)	**(21.0)**	**(27.8)**	**2.5**	**1,565.5**	**2.5**	**(17.7)**
Relating to discontinued operations	19	**6.1**	**4.0**	**27.6**	**(0.2)**	**(1,551.2)**	**–**	**2.1**
Continuing operations		**(14.2)**	**(17.0)**	**(0.2)**	**2.3**	**14.3**	**2.5**	**(15.6)**

Year ended 30 September 2020	Note	Total and external revenue £m	Segment operating profit/(loss) £m	Less operating (loss)/profit of joint ventures and associates £m	Adjusted operating profit/(loss) £m
Insurance Risk		248.3	33.0	(0.7)	33.7
Property Information		186.6	25.0	1.0	24.0
EdTech		84.9	5.9	–	5.9
Events and Exhibitions		79.2	3.8	–	3.8
Energy Information		7.1	1.6	–	1.6
Consumer Media		604.4	55.8	–	55.8
		1,210.5	125.1	0.3	124.8
Corporate costs		–	(40.5)	(5.6)	(34.9)
Discontinued operations	19	(340.3)	(40.5)	0.7	(41.2)
		870.2			
Adjusted operating profit					**48.7**
Exceptional operating costs, impairment of internally generated and acquired computer software					(16.2)
Impairment of goodwill and acquired intangible assets arising on business combinations	21, 22				(14.1)
Amortisation of acquired intangible assets arising on business combinations	19, 22				(10.6)
Operating profit before share of results of joint ventures and associates					**7.8**
Share of results of joint ventures and associates	7				(10.7)
Total operating loss					**(2.9)**
Other gains and losses	8				42.1
Profit before investment revenue, net finance costs and tax					**39.2**
Investment revenue	9				7.0
Finance expense	10				(16.9)
Finance income	10				4.4
Profit before tax					**33.7**
Tax	11				2.0
Profit from discontinued operations	19				153.3
Profit for the year					**189.0**

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An analysis of the amortisation and impairment of goodwill and intangible assets, exceptional operating costs by segment is as follows:

Year ended 30 September 2020	Note	Amortisation of intangible assets not arising on business combinations (Note 22) £m	Amortisation of intangible assets arising on business combinations (Note 22) £m	Impairment of goodwill and intangible assets arising on business combinations (Notes 21, 22) £m	Impairment of internally generated and acquired computer software (Note 22) £m	Exceptional operating (costs)/income £m
Insurance Risk		(0.1)	–	–	–	(20.4)
Property Information		(4.9)	(6.1)	–	(1.5)	(1.0)
EdTech		(7.3)	(0.7)	–	–	–
Events and Exhibitions		(0.1)	(1.3)	(11.2)	–	(1.5)
Energy Information		–	–	–	–	11.4
Consumer Media		(1.6)	(3.2)	(2.9)	–	(7.2)
		(14.0)	(11.3)	(14.1)	(1.5)	(18.7)
Corporate costs		(1.4)	–	–	–	(5.0)
		(15.4)	(11.3)	(14.1)	(1.5)	(23.7)
Relating to discontinued operations	19	7.4	0.7	–	–	9.0
Continuing operations		(8.0)	(10.6)	(14.1)	(1.5)	(14.7)

The Group's exceptional operating (costs)/income are analysed as follows:

Year ended 30 September 2020	Note	Severance and other closure costs (i) £m	LTIP (ii) £m	Option modification charge (iii) £m	Legal fees and claims £m	Total £m
Insurance Risk		–	–	(20.4)	–	(20.4)
Property Information		(1.0)	–	–	–	(1.0)
Events and Exhibitions		(1.5)	–	–	–	(1.5)
Energy Information		–	–	–	11.4	11.4
Consumer Media		(6.1)	(1.1)	–	–	(7.2)
		(8.6)	(1.1)	(20.4)	11.4	(18.7)
Corporate costs		–	(5.0)	–	–	(5.0)
		(8.6)	(6.1)	(20.4)	11.4	(23.7)
Relating to discontinued operations	19	–	–	20.4	(11.4)	9.0
Continuing operations		(8.6)	(6.1)	–	–	(14.7)

(i) Headcount was reduced in the Property Information, Events and Exhibitions and Consumer Media segments to enhance the future profitability of individual product lines and support the margins of these businesses.

(ii) During the year ended 30 September 2018, the Group sold its investment in ZPG Plc (ZPG) resulting in a profit on sale of £508.4 million and during the year ended 30 September 2019 the Group disposed of its investment in Euromoney Institutional Investor PLC (Euromoney). As a direct consequence of these disposals the charge relating to the DMGT Long Term Incentive Plans (LTIPs) is estimated to have increased by £22.5 million. As the LTIPs include a service period condition, IFRS 2, Share-based Payment requires the LTIP charge to be spread over the service period until the award vests. The LTIP charge recognised in the period, which relates to the disposals of ZPG and Euromoney amounts to £6.1 million. Since the profit on sale of ZPG and the capital benefit of the Euromoney disposal are excluded from the adjusted profit measure, the incremental increase in the LTIP charge as an adjusting item and will continue to be so until these awards vest.

(iii) Options granted under the 2015 RMS Equity Incentive Plan (2015 Plan) originally required satisfying two conditions in order to vest – a service period and the occurrence of an initial public offering (IPO) of RMS or an event in which the Group ceased to hold at least 50.0% of the voting rights of RMS. Since the possibility of an IPO or change in control was considered improbable, in accordance with IFRS 2, Share-based Payment, the Group had not booked a charge to the Consolidated Income Statement for this 2015 Plan.

On 20 July 2020, the Group modified the 2015 Plan such that vesting now occurs only on the satisfaction of a service period, which causes vesting to be considered probable. Following this modification and in accordance with IFRS 2, the Group is required to recognise a charge of £20.4 million (US$26.2 million) for the cumulative service rendered by participants from grant to modification. Due to the materiality and non-recurring nature of this charge, the Group has classified the modification charge as an adjusting item.

The charge in the Consolidated Income Statement for the period post modification to the period end amounts to £2.0 million (US$2.6 million) which has been charged against the Group's adjusted operating profit.

The Group's tax charge includes a credit of £4.7 million in relation to these exceptional operating costs of which a charge of £2.4 million relates to discontinued operations.

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An analysis of the depreciation of right of use assets and property, plant and equipment, research costs, investment revenue, other gains and losses and finance income and expense by segment is as follows:

Year ended 30 September 2020	Note	Depreciation of right of use assets (Note 24) £m	Depreciation of property, plant and equipment (Note 23) £m	Research costs £m	Other gains and losses (Note 8) £m	Investment revenue (Note 9) £m	Finance income (Note 10) £m	Finance expense (Note 10) £m
Insurance Risk		(6.0)	(5.3)	(41.7)	–	0.4	–	(0.7)
Property Information		(2.0)	(1.9)	–	33.7	–	–	(0.5)
EdTech		(1.3)	(0.3)	–	0.5	0.9	–	(0.2)
Events and Exhibitions		(0.6)	(0.2)	–	(0.2)	–	–	(0.1)
Energy Information		–	–	(0.5)	133.8	–	–	–
Consumer Media		(11.0)	(14.2)	–	5.6	–	3.2	(1.1)
		(20.9)	(21.9)	(42.2)	173.4	1.3	3.2	(2.6)
Corporate costs		–	(0.6)	–	3.0	7.0	1.2	(15.2)
		(20.9)	(22.5)	(42.2)	176.4	8.3	4.4	(17.8)
Relating to discontinued operations	19	7.3	5.6	42.2	(134.3)	(1.3)	–	0.9
Continuing operations		(13.6)	(16.9)	–	42.1	7.0	4.4	(16.9)

The Group's revenue comprises sales excluding value added tax, less discounts and commission where applicable and is analysed as follows:

	Year ended 30 September 2021 Total £m	Year ended 30 September 2021 Total Point in time £m	Year ended 30 September 2021 Total Over time £m	Year ended 30 September 2021 Discontinued operations Total (Note 19) £m	Year ended 30 September 2021 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2021 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2021 Continuing operations Total £m	Year ended 30 September 2021 Continuing operations Point in time £m	Year ended 30 September 2021 Continuing operations Over time £m
Print advertising	**113.2**	**113.2**	**–**	**–**	**–**	**–**	**113.2**	**113.2**	**–**
Digital advertising	**172.7**	**5.3**	**167.4**	**–**	**–**	**–**	**172.7**	**5.3**	**167.4**
Circulation	**262.6**	**262.6**	**–**	**–**	**–**	**–**	**262.6**	**262.6**	**–**
Subscriptions and recurring licences	**324.0**	**0.6**	**323.4**	**243.6**	**0.4**	**243.2**	**80.4**	**0.2**	**80.2**
Events, conferences and training	**34.9**	**34.7**	**0.2**	**0.4**	**0.4**	**–**	**34.5**	**34.3**	**0.2**
Transactions and other	**234.4**	**224.4**	**10.0**	**12.5**	**12.5**	**–**	**221.9**	**211.9**	**10.0**
	1,141.8	**640.8**	**501.0**	**256.5**	**13.3**	**243.2**	**885.3**	**627.5**	**257.8**

	Year ended 30 September 2020 Total £m	Year ended 30 September 2020 Total Point in time £m	Year ended 30 September 2020 Total Over time £m	Year ended 30 September 2020 Discontinued operations Total (Note 19) £m	Year ended 30 September 2020 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2020 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2020 Continuing operations Total £m	Year ended 30 September 2020 Continuing operations Point in time £m	Year ended 30 September 2020 Continuing operations Over time £m
Print advertising	131.7	131.7	–	–	–	–	131.7	131.7	–
Digital advertising	151.8	8.8	143.0	–	–	–	151.8	8.8	143.0
Circulation	284.5	280.5	4.0	–	–	–	284.5	280.5	4.0
Subscriptions and recurring licences	373.1	0.6	372.5	318.3	1.5	316.8	54.8	(0.9)	55.7
Events, conferences and training	78.7	78.7	–	0.6	0.6	–	78.1	78.1	–
Transactions and other	190.7	185.7	5.0	21.4	21.4	–	169.3	164.3	5.0
	1,210.5	686.0	524.5	340.3	23.5	316.8	870.2	662.5	207.7

By geographic area

The majority of the Group's operations are located in the United Kingdom and North America. The analysis of Group revenue below is based on the location of Group companies in these regions.

	Year ended 30 September 2021 Total £m	Year ended 30 September 2021 Total Point in time £m	Year ended 30 September 2021 Total Over time £m	Year ended 30 September 2021 Discontinued operations Total (Note 19) £m	Year ended 30 September 2021 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2021 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2021 Continuing operations Total £m	Year ended 30 September 2021 Continuing operations Point in time £m	Year ended 30 September 2021 Continuing operations Over time £m
UK	**777.6**	**582.4**	**195.2**	**–**	**–**	**–**	**777.6**	**582.4**	**195.2**
North America	**317.7**	**23.6**	**294.1**	**256.5**	**13.3**	**243.2**	**61.2**	**10.3**	**50.9**
Rest of the World	**46.5**	**34.8**	**11.7**	**–**	**–**	**–**	**46.5**	**34.8**	**11.7**
	1,141.8	**640.8**	**501.0**	**256.5**	**13.3**	**243.2**	**885.3**	**627.5**	**257.8**

	Year ended 30 September 2020 Total £m	Year ended 30 September 2020 Total Point in time £m	Year ended 30 September 2020 Total Over time £m	Year ended 30 September 2020 Discontinued operations Total (Note 19) £m	Year ended 30 September 2020 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2020 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2020 Continuing operations Total £m	Year ended 30 September 2020 Continuing operations Point in time £m	Year ended 30 September 2020 Continuing operations Over time £m
UK	718.8	569.9	148.9	–	–	–	718.8	569.9	148.9
North America	402.1	36.7	365.4	339.7	23.4	316.3	62.4	13.3	49.1
Rest of the World	89.6	79.4	10.2	0.6	0.1	0.5	89.0	79.3	9.7
	1,210.5	686.0	524.5	340.3	23.5	316.8	870.2	662.5	207.7

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The analysis of Group revenue below is based on the geographic location of customers in these regions.

	Year ended 30 September 2021 Total £m	Year ended 30 September 2021 Total Point in time £m	Year ended 30 September 2021 Total Over time £m	Year ended 30 September 2021 Discontinued operations Total (Note 19) £m	Year ended 30 September 2021 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2021 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2021 Continuing operations Total £m	Year ended 30 September 2021 Continuing operations Point in time £m	Year ended 30 September 2021 Continuing operations Over time £m
UK	**698.0**	**572.9**	**125.1**	**43.6**	**1.9**	**41.7**	**654.4**	**571.0**	**83.4**
North America	**299.6**	**21.5**	**278.1**	**159.7**	**9.4**	**150.3**	**139.9**	**12.1**	**127.8**
Rest of the World	**144.2**	**46.4**	**97.8**	**53.2**	**2.0**	**51.2**	**91.0**	**44.4**	**46.6**
	1,141.8	**640.8**	**501.0**	**256.5**	**13.3**	**243.2**	**885.3**	**627.5**	**257.8**

	Year ended 30 September 2020 Total £m	Year ended 30 September 2020 Total Point in time £m	Year ended 30 September 2020 Total Over time £m	Year ended 30 September 2020 Discontinued operations Total (Note 19) £m	Year ended 30 September 2020 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2020 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2020 Continuing operations Total £m	Year ended 30 September 2020 Continuing operations Point in time £m	Year ended 30 September 2020 Continuing operations Over time £m
UK	685.7	560.3	125.4	53.3	2.3	51.0	632.4	558.0	74.4
North America	338.5	34.7	303.8	225.3	17.5	207.8	113.2	17.2	96.0
Rest of the World	186.3	91.0	95.3	61.7	3.7	58.0	124.6	87.3	37.3
	1,210.5	686.0	524.5	340.3	23.5	316.8	870.2	662.5	207.7

The closing net book value of goodwill, intangible assets, property, plant and equipment and right of use assets is analysed by geographic area as follows:

	At 30 September 2021 Closing net book value of property, plant and equipment (Note 23) £m	At 30 September 2020 Closing net book value of property, plant and equipment (Note 23) £m	At 30 September 2021 Closing net book value of right of use assets (Note 24) £m	At 30 September 2020 Closing net book value of right of use assets (Note 24) £m	At 30 September 2021 Closing net book value of goodwill (Note 21) £m	At 30 September 2020 Closing net book value of goodwill (Note 21) £m	At 30 September 2021 Closing net book value of intangible assets (Note 22) £m	At 30 September 2020 Closing net book value of intangible assets (Note 22) £m
UK	**51.6**	52.9	**17.0**	32.8	**172.8**	127.1	**91.7**	75.2
North America	**3.4**	9.1	**13.2**	51.6	**24.9**	126.5	**0.2**	17.3
Rest of the World	**0.4**	1.0	**4.5**	5.4	**10.4**	1.8	**1.1**	2.4
	55.4	63.0	**34.7**	89.8	**208.1**	255.4	**93.0**	94.9

The additions to non-current assets are analysed as follows:

	Year ended 30 September 2021 Property, plant and equipment (Note 23) £m	Year ended 30 September 2020 Property, plant and equipment (Note 23) £m	Year ended 30 September 2021 Right of use assets (Note 24) £m	Year ended 30 September 2020 Right of use assets (Note 24) £m	Year ended 30 September 2021 Goodwill (Note 21) £m	Year ended 30 September 2020 Goodwill (Note 21) £m	Year ended 30 September 2021 Intangible assets (Note 22) £m	Year ended 30 September 2020 Intangible assets (Note 22) £m
Insurance Risk	**1.1**	3.8	**7.7**	37.8	**–**	–	**–**	0.3
Property Information	**0.6**	0.6	**0.1**	1.0	**(0.7)**	4.7	**5.2**	4.9
EdTech	**0.2**	0.3	**–**	–	**–**	–	**1.5**	3.4
Events and Exhibitions	**–**	–	**0.8**	1.6	**–**	7.9	**–**	9.8
Energy Information	**–**	0.3	**–**	–	**–**	–	**–**	–
Consumer Media	**17.2**	6.7	**11.0**	1.8	**46.3**	9.2	**35.7**	38.5
	19.1	11.7	**19.6**	42.2	**45.6**	21.8	**42.4**	56.9
Corporate costs	**0.5**	0.7	**–**	–	**–**	–	**–**	–
	19.6	12.4	**19.6**	42.2	**45.6**	21.8	**42.4**	56.9

4 Operating profit before the share of results of joint ventures and associates

Operating profit before the share of results of joint ventures and associates is further analysed as follows:

	Note	Year ended 30 September 2021 Total £m	Year ended 30 September 2021 Discontinued operations (Note 19) £m	Year ended 30 September 2021 Continuing operations £m	Year ended 30 September 2020 Total £m	Year ended 30 September 2020 Discontinued operations (Note 19) £m	Year ended 30 September 2020 Continuing operations £m
Revenue		**1,141.8**	**256.5**	**885.3**	1,210.5	340.3	870.2
(Decrease)/increase in stocks of finished goods and work in progress		**(1.5)**	**(1.8)**	**0.3**	(4.6)	(4.6)	–
Raw materials, consumables and direct staff costs		**(179.0)**	**–**	**(179.0)**	(176.6)	–	(176.6)
Inventories recognised as an expense in the year		**(180.5)**	**(1.8)**	**(178.7)**	(181.2)	(4.6)	(176.6)
Staff costs		**(489.7)**	**(155.7)**	**(334.0)**	(518.7)	(209.3)	(309.4)
Impairment of goodwill and intangible assets	3	**(13.0)**	**–**	**(13.0)**	(15.6)	–	(15.6)
Amortisation of intangible assets arising on business combinations	3	**(15.4)**	**(0.2)**	**(15.2)**	(11.3)	(0.7)	(10.6)
Amortisation of internally generated and acquired computer software not arising on business combinations	3	**(9.5)**	**(3.1)**	**(6.4)**	(15.4)	(7.4)	(8.0)
Promotion and marketing costs		**(26.9)**	**(1.9)**	**(25.0)**	(32.5)	(3.7)	(28.8)
Venue and delegate costs		**(9.3)**	**–**	**(9.3)**	(24.2)	–	(24.2)
Editorial and production costs		**(84.3)**	**–**	**(84.3)**	(95.5)	–	(95.5)
Distribution and transportation costs		**(32.7)**	**(0.1)**	**(32.6)**	(34.5)	(0.1)	(34.4)
Royalties and similar charges		**(18.7)**	**(3.6)**	**(15.1)**	(33.7)	(10.0)	(23.7)
Depreciation of property, plant and equipment	3	**(21.0)**	**(4.0)**	**(17.0)**	(22.5)	(5.6)	(16.9)
Depreciation of right of use assets	3	**(20.3)**	**(6.1)**	**(14.2)**	(20.9)	(7.3)	(13.6)
Other property costs		**(26.5)**	**(1.8)**	**(24.7)**	(21.4)	(1.9)	(19.5)
Rental of plant, equipment and venue space		**(5.5)**	**–**	**(5.5)**	(11.8)	–	(11.8)
Foreign exchange translation differences		**(1.2)**	**–**	**(1.2)**	(0.3)	(0.2)	(0.1)
Net credit losses on financial assets		**(1.5)**	**(0.1)**	**(1.4)**	(5.5)	(0.4)	(5.1)
Low-value asset lease expense		**(1.7)**	**(0.6)**	**(1.1)**	(3.0)	(0.7)	(2.3)
Other expenses		**(145.1)**	**(42.4)**	**(102.7)**	(123.2)	(56.9)	(66.3)
Operating profit before share of results of joint ventures and associates		**39.0**	**35.1**	**3.9**	39.3	31.5	7.8

5 Auditor’s remuneration

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Fees payable to the Company’s Auditor for the audit of the Company’s annual accounts	**1.1**	0.7
for the audit of the Company’s subsidiaries	**1.3**	1.2
Audit services provided to all Group companies	**2.4**	1.9
Audit-related assurance services	**0.3**	0.2
Assurance services	**0.3**	0.2
Total non-audit services	**0.6**	0.4
Total remuneration	**3.0**	2.3

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6 Employees

The average monthly number of persons employed by the Group including Directors is analysed as follows:

	Note	Year ended 30 September 2021 Number	Year ended 30 September 2020 Number
Insurance Risk	(i)	**1,417**	1,507
Property Information		**996**	1,025
EdTech	(i)	**390**	386
Events and Exhibitions		**315**	353
Energy Information	(ii)	**–**	322
Consumer Media		**2,716**	2,413
Corporate costs		**65**	63
		5,899	6,069

(i) The current year represents the average monthly number of persons employed in the Insurance Risk segment for the year ended 15 September 2021 and in the EdTech segment for the period ended 2 March 2021 when these segments were disposed.

(ii) The prior year represents the average monthly number of persons employed in the Energy Information segment for the year ended 5 November 2019 when the segment was disposed.

The total average number of persons employed by the Group in the year, for the purposes of calculating an average cost per employee, is 5,683 (2020 5,773).

Total staff costs comprised:

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Wages and salaries		**409.7**	447.0
Share-based payments	39, 42	**40.1**	42.2
Social security costs		**39.8**	40.7
Pension costs		**12.2**	12.5
		501.8	542.4

7 Share of results of joint ventures and associates

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Share of adjusted operating profits from operations of joint ventures		**1.0**	1.2
Share of adjusted operating losses from operations of associates		**(4.1)**	(8.3)
Share of adjusted operating losses from joint ventures and associates		**(3.1)**	(7.1)
Share of associates' other gains	13	**0.1**	0.4
Share of amortisation of intangibles arising on business combinations of associates	13	**(0.1)**	–
Share of associates' interest payable		**(0.1)**	(0.7)
Share of joint ventures' tax	11, 13	**(0.1)**	(0.1)
Share of associates' tax	11, 13	**–**	0.6
Impairment of carrying value of joint ventures	13, 25	**–**	(0.1)
Impairment of carrying value of associates	13, 25, (i)	**(6.5)**	(3.7)
Share of results of joint ventures and associates		**(9.8)**	(10.7)
Share of results from operations of joint ventures	25	**0.9**	1.1
Share of results from operations of associates	19, 25	**(4.2)**	(8.0)
Impairment of carrying value of joint ventures	25	**–**	(0.1)
Impairment of carrying value of associates	25	**(6.5)**	(3.7)
Share of results of joint ventures and associates		**(9.8)**	(10.7)

(i) Represents a £1.7 million write-down in the carrying value of Entale Media Ltd and a £4.8 million write-down in the carrying value of WellAware Holdings, Inc. both held centrally. The impairment charge results from consistent trading losses from both of these businesses during the year. In the prior year, represents a £0.1 million write-down in the carrying value of Global Events Partners Ltd in the Events and Exhibitions segment and a £3.6 million write-down in the carrying value of Also Energy Holdings, Inc. held centrally.

8 Other gains and losses

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Profit on disposal and closure of businesses	13, 18, (i)	**2.5**	38.4
Recycled cumulative translation differences	13, 18, 39, (ii)	**0.1**	0.7
Gain from bargain purchase	17, (iii)	**3.9**	–
Profit on change in control	13, (iv)	**–**	1.6
Profit on disposal of joint ventures and associates	13, (v)	**7.8**	1.4
		14.3	42.1

There is a tax charge of £nil in relation to these other gains and losses (2020 £1.6 million).

(i) In the current year this principally relates to the sale of Rochford Brady Legal Services Ltd and Lawlink (UK) Ltd in the Property Information segment.

In the prior year this principally relates to a £24.8 million profit on disposal of Inframation AG and a £15.7 million profit on disposal of Buildfax, Inc. both in the Property Information segment.

(ii) Represents cumulative translation differences required to be recycled through the Consolidated Income Statement on disposals.

(iii) On 18 October 2020, the Consumer Media segment acquired JPI Media's print operations at Dinnington, Portsmouth and Carn in Northern Ireland for total consideration of £10.0 million. The consideration paid was less than the value of the identifiable net assets acquired and accordingly the gain on this acquisition has been recognised in the Consolidated Income Statement in accordance with IFRS 3, Business Combinations.

(iv) In the prior year this relates to a reduction in the Group's interest in Cazoo Holdings Ltd (Cazoo), when classified as an associate held centrally. In accordance with IFRS 3, Business Combinations, the difference of £1.6 million between the fair value of the investment retained and the carrying value is treated as a gain on change in control.

(v) In the current year this principally represents a profit of £6.8 million on the sale of Mercatus, Inc. and a profit of £1.0 million on the sale of TreppPort LLC both in the Property Information segment.

In the prior year this principally represents a profit of £1.2 million on the sale of Also Energy Holdings, Inc. held centrally and a £0.1 million refund of expenses incurred in a prior year in relation to the disposal of SiteCompli in the Property Information segment.

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9 Investment revenue

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Interest receivable from short-term deposits	**0.9**	4.6
Interest receivable on loan notes	**1.4**	2.4
	2.3	7.0

10 Net finance costs

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		**(14.2)**	(15.0)
Finance charge on lease liabilities		**(1.3)**	(1.6)
Loss on derivatives, or portions thereof, not designated for hedge accounting		**–**	(0.3)
Change in fair value of derivative hedge of bond	16, 34	**(3.3)**	0.5
Change in fair value of hedged portion of bond	16, 34	**3.3**	(0.5)
Change in fair value of contingent consideration payable	13, 36, (i)	**(0.1)**	–
Finance expense		**(15.6)**	(16.9)
Profit on derivatives, or portions thereof, not designated for hedge accounting		**0.3**	–
Finance income on defined benefit pension schemes	13, 35	**2.1**	4.2
Finance income on sublease receivable		**0.1**	0.2
Finance income		**2.5**	4.4
Net finance costs		**(13.1)**	(12.5)

(i) The fair value movement of contingent consideration arises from the requirement of IFRS 3, Business Combinations, to measure such consideration at fair value with changes in fair value taken to the Consolidated Income Statement.

11 Tax

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
The credit/(charge) on the profit for the period consists of:			
UK tax			
Corporation tax at 19.0% (2020 19.0%)		**(0.1)**	0.3
Adjustments in respect of prior years		**(0.4)**	–
		(0.5)	0.3
Overseas tax			
Corporation tax		**(47.0)**	(14.4)
Adjustments in respect of prior years		**(1.3)**	4.0
		(48.3)	(10.4)
Total current tax		**(48.8)**	(10.1)
Deferred tax	37		
Origination and reversals of temporary differences		**6.8**	(2.1)
Adjustments in respect of prior years		**–**	2.0
Total deferred tax		**6.8**	(0.1)
Total tax charge		**(42.0)**	(10.2)
Relating to discontinued operations	19	**(104.2)**	(12.2)
Relating to continuing operations		**62.2**	2.0

In April 2019 the EU Commission released its final decision on the State Aid investigation into the Group Financing Exemption (GFE) included within the UK's controlled foreign company (CFC) rules. The Commission ruled that the GFE constituted State Aid to the extent that non-trade finance profits of a CFC arose as a result of Significant People Functions (SPFs) in the UK. Up until 2018 the Group financed its US operations through a Luxembourg resident finance company which had received clearance from HM Revenue & Customs (HMRC) that it benefitted from the GFE. It was previously considered that, If the State Aid investigation were to ultimately lead to a reversal of the benefits that the Group had accrued through the GFE, the tax cost to the Group would be in the range from £nil to £7.4 million. However, the Directors considered that an appeal against the Commission's decision would, more likely than not, be successful. Accordingly no provision was made in the financial statements. Following the Group's provision of information in relation to the issue, HMRC confirmed in writing in March 2021 that it does not consider the Group to be a beneficiary of State Aid under the EU Commission decision and that it regards the matter closed without adjustment.

A deferred tax charge of £49.4 million (2020 credit of £17.5 million) relating to the actuarial movement on defined benefit pension schemes was recognised directly in the Consolidated Statement of Comprehensive Income. A deferred tax credit of £3.6 million (2020 charge of £0.6 million) and a current tax charge of £nil (2020 £nil) relating to share based payments were recognised directly in equity.

Legislation was enacted in June 2021 to increase the UK corporation tax rate from 19.0% to 25.0% with effect from 1 April 2023. Accordingly, for the year ended 30 September 2021, the UK deferred tax balances are measured at 25.0% unless the temporary difference is expected to reverse before 1 April 2023, in which case the rate used is the one applicable at the expected time of reversal. For the year ended 30 September 2020, the UK deferred tax balances were measured at 19.0% as this was the rate applicable for the reversal of all UK temporary differences as at 30 September 2020. The numbers for the year ended 30 September 2020 also include the impact of restating the UK deferred tax balances to 19.0%, following the enactment of legislation to cancel a planned reduction in UK corporation tax to 17.0% with effect from 1 April 2020.

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The tax charge for the year is lower than the standard rate of corporation tax in the UK of 19.0% (2020 lower than 19.0%) representing the weighted average annual corporate tax rate for the full financial year. The differences are explained below:

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
(Loss)/profit on ordinary activities before tax – continuing operations		**(2.4)**	33.7
Profit before tax – discontinued operations	19	**33.1**	31.7
Profit on disposal of discontinued operations	19	**1,499.1**	145.1
Recycled cumulative translation differences on disposal of discontinued operations	19	**52.1**	(11.3)
Total profit before tax		**1,581.9**	199.2
Tax on profit on ordinary activities at the standard rate		**(300.6)**	(37.8)
Effect of:			
Amortisation and impairment of goodwill and intangible assets		**(2.0)**	(2.7)
Other expenses not deductible for tax purposes		**(1.1)**	(1.7)
Additional items deductible for tax purposes	(i)	**22.8**	5.9
Derecognition of previously recognised deferred tax assets	(ii)	**–**	(47.4)
Recognition of previously unrecognised deferred tax assets	(iii)	**53.8**	31.2
Effect of overseas tax rates		**(3.8)**	(1.6)
Effect of associates tax		**(0.7)**	(1.4)
Unrecognised tax losses utilised/current year tax losses not recognised		**(0.6)**	1.2
Write off/disposal of subsidiaries and associates	(iv)	**181.6**	31.1
Effect of change in tax rate		**12.5**	8.6
Adjustment in respect of prior years	(v)	**(1.7)**	6.0
Other		**(2.2)**	(1.6)
Total tax charge on the profit for the year – continuing and discontinued operations	13	**(42.0)**	(10.2)

(i) Additional items deductible for tax purposes includes stock option deductions in excess of cumulative deferred tax of £16.4 million (2020 £nil), Research and Development (R&D) tax credits of £6.3 million (2020 £3.2 million) and a benefit in respect of the US Foreign-Derived Intangibles Income (FDII) regime of £nil (2020 £2.5 million).

(ii) Derecognition of previously recognised deferred tax assets of £nil (2020 £47.4 million) relates to UK tax losses and deferred interest and US state R&D tax credits no longer expected to be offset against future profits.

(iii) Recognition of previously unrecognised deferred tax assets of £53.8 million (2020 £31.2 million) relates to UK losses and US deferred interest now expected to be offset against future profits.

(iv) Write off/disposal of subsidiaries and associates relates to the actual tax charge on disposals being lower than the book profit on sale at the statutory tax rate by £181.6 million (2020 £31.1 million lower than book profit).

(v) The adjustment in respect of prior year's charge includes the reassessment of other prior year items following the filing of tax returns of £1.7 million (2020 credit £1.9 million), a prior year benefit of the FDII regime of £nil (2020 credit £3.2 million) and a reassessment of the prior year benefit of R&D tax credits of £nil (credit £0.9 million).

Adjusted tax on profits before amortisation and impairment of intangible assets and non-recurring items (adjusted tax charge) amounted to a charge of charge of £17.2 million (2020 charge of £12.7 million) and the resulting effective rate is 19.5% (2020 17.6%). The differences between the tax charge and the adjusted tax charge are shown in the reconciliation below:

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Total tax charge on the profit for the year		**(42.0)**	(10.2)
Share of tax in joint ventures and associates	7	**(0.1)**	0.5
Deferred tax on amortisation and impairment of acquired intangible assets	(i)	**(2.5)**	(1.0)
Reassessment of temporary differences	(ii)	**(56.7)**	11.1
Tax on other gains and losses – continuing and discontinued operations	(iii)	**98.7**	1.6
Tax on exceptional operating costs		**(2.8)**	(4.7)
Impact of UK Corporation Tax rate change		**(12.5)**	(8.6)
Prior year impact of US Foreign-Derived Intangible Income regime		**–**	(3.2)
Tax on other adjusting items		**0.7**	1.8
Adjusted tax charge on the profit for the year	13	**(17.2)**	(12.7)

(i) In calculating the adjusted tax rate, the Group excludes the potential future impact of the deferred tax effects of intangible assets (other than internally generated and acquired computer software), as the Group prefers to give users of its accounts a view of the tax charge based on the current status of such items. Deferred tax would only crystallise on a sale of the relevant businesses, which is not anticipated at the current time, and such a sale, being an exceptional item, would result in an exceptional tax impact.

(ii) Reassessment of temporary differences include tax credits in relation to: the recognition of previously unrecognised deferred tax assets in respect of UK tax losses of £17.2 million (2020 £nil), the recognition of a deferred tax asset in respect of US deferred interest of £39.5 million (2020 £37.0 million), the derecognition of previously recognised deferred tax assets in respect of UK tax losses and deferred interest of £nil (2020 charge £39.5 million), and in respect of US state R&D tax credits of £nil (2020 charge £8.6 million).

(iii) Tax on other gains and losses during the year ended 30 September 2021 includes a tax charge of £56.6 million (2020 £ nil) in respect of the sale of the EdTech segment and a tax charge of £39.9 million (2020 £nil) in respect of the sale of the Insurance Risk segment. The prior year tax on other gains and losses included a charge of £7.7 million in respect of the sale of the Energy Information segment.

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12 Dividends paid

	Year ended 30 September 2021 Pence per share	Year ended 30 September 2021 £m	Year ended 30 September 2020 Pence per share	Year ended 30 September 2020 £m
Amounts recognisable as distributions to equity holders in the year				
Ordinary Shares – final dividend for the year ended 30 September 2020	**16.6**	**3.3**	–	–
A Ordinary Non-Voting Shares – final dividend for the year ended 30 September 2020	**16.6**	**34.3**	–	–
Ordinary Shares – final dividend for the year ended 30 September 2019	**–**	**–**	16.6	3.3
A Ordinary Non-Voting Shares – final dividend for the year ended 30 September 2019	**–**	**–**	16.6	34.6
	–	**37.6**	–	37.9
Ordinary Shares – interim dividend for the year ended 30 September 2021	**7.6**	**1.5**	–	–
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2021	**7.6**	**15.9**	–	–
Ordinary Shares – interim dividend for the year ended 30 September 2020	**–**	**–**	7.5	1.5
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2020	**–**	**–**	7.5	15.5
	–	**17.4**	–	17.0
	–	**55.0**	–	54.9

The Board has declared a final dividend of 17.3 pence per Ordinary/A Ordinary Non-Voting Share (2020 16.6 pence) which will absorb an estimated £39.8 million (2020 £37.6 million) of shareholders' equity for which no liability has been recognised in these financial statements. This will make a total for the year of 24.9 pence per share (2020 24.1 pence). The final dividend will be paid on 4 February 2022 to shareholders on the register at the close of business on 26 November 2021.

On 3 November 2021, it was announced that Rothermere Continuation Limited (RCL) and the Non-conflicted DMGT Directors had reached agreement on the terms of a special distribution and on a recommended cash offer (the Offer) by RCL of £2.55 per share to acquire all the issued and to be issued DMGT A Shares not already owned by RCL (Note 45). Conditional upon the Offer becoming or being declared unconditional, DMGT intends to declare a special dividend payable to all DMGT shareholders, including RCL. The special dividend would comprise cash of £5.68 per share and approximately 0.5749 shares in Cazoo Group Ltd (Cazoo) per DMGT share, subject to a possible deduction for tax. The cash element of the special distribution would absorb an estimated £1,297.1 million of shareholders' equity for which no liability has been recognised in these financial statements. At 30 September 2021 each share in Cazoo was valued at £5.76 (US$7.77) per share and the total value of the Group's investment in Cazoo at 30 September 2021 was £763.4 million (Note 26). In the event of the special dividend being declared, the record date is expected to be the date on which the Offer becomes or is declared unconditional and it is intended that settlement of the cash component of the special dividend would take place within 14 days of the record date. The settlement of the Cazoo shares component of the special dividend would be expected to occur in the first half of 2022.

13 Adjusted profit

	Note	Year ended 30 September 2021 Total £m	Year ended 30 September 2021 Discontinued operations (Note 19) £m	Year ended 30 September 2021 Continuing operations £m	Year ended 30 September 2020 Total £m	Year ended 30 September 2020 Discontinued operations (Note 19) £m	Year ended 30 September 2020 Continuing operations £m
Profit/(loss) before tax	3	**30.7**	**33.1**	**(2.4)**	65.4	31.7	33.7
Profit on disposal of discontinued operations including recycled cumulative translation differences		**1,551.2**	**1,551.2**	**–**	133.8	133.8	–
Adjust for:							
Amortisation of intangible assets in Group profit, including joint ventures and associates, arising on business combinations	3, 7	**15.5**	**0.2**	**15.3**	11.3	0.7	10.6
Impairment of goodwill and intangible assets arising on business combinations	3	**13.0**	**–**	**13.0**	14.1	–	14.1
Exceptional operating costs, impairment of internally generated and acquired computer software	3	**38.7**	**5.3**	**33.4**	25.2	9.0	16.2
Share of joint ventures' and associates' other gains and losses	7	**(0.1)**	**–**	**(0.1)**	(0.4)	–	(0.4)
Impairment of carrying value of joint ventures and associates	7	**6.5**	**–**	**6.5**	3.8	–	3.8
Other gains and losses:							
Profit on disposal of businesses, joint ventures, associates, change of control and recycled cumulative translation differences	8	**(14.3)**	**–**	**(14.3)**	(42.6)	(0.5)	(42.1)
Profit on disposal of discontinued operations including recycled cumulative translation differences		**(1,551.2)**	**(1,551.2)**	**–**	(133.8)	(133.8)	–
Finance costs:							
Finance income on defined benefit pension schemes	10	**(2.1)**	**–**	**(2.1)**	(4.2)	–	(4.2)
Fair value movements including share of joint ventures and associates	10	**0.1**	**–**	**0.1**	–	–	–
Tax:							
Share of tax in joint ventures and associates	7, 11	**0.1**	**–**	**0.1**	(0.5)	–	(0.5)
Adjusted profit before tax and non-controlling interests		**88.1**	**38.6**	**49.5**	72.1	40.9	31.2
Adjusted tax charge	7, 11	**(17.2)**	**(7.8)**	**(9.4)**	(12.7)	(10.6)	(2.1)
Non-controlling interests	(i), 11	**0.4**	**–**	**0.4**	–	–	–
Adjusted profit after taxation and non-controlling interests		**71.3**	**30.8**	**40.5**	59.4	30.3	29.1

(i) The adjusted non-controlling interests' share of losses for the year of £0.4 million (2020 £nil) is stated after eliminating a credit of £2.0 million (2020 £0.3 million), being the non-controlling interests' share of adjusting items.

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14 Earnings per share

Basic earnings per share of 676.2 pence (2020 83.1 pence) and diluted earnings per share of 649.9 pence (2020 81.2 pence) are calculated, in accordance with IAS 33, Earnings Per Share, on Group profit for the financial year of £1,542.3 million (2020 £189.3 million) as adjusted for the effect of dilutive Ordinary Shares of £nil (2020 £nil) and profits from discontinued operations of £1,480.1 million (2020 £153.3 million) and on the weighted average number of Ordinary Shares in issue during the year, as set out below.

As in previous years, adjusted earnings per share have also been disclosed since the Directors consider that this alternative measure gives a more comparable indication of the Group's underlying trading performance. Adjusted earnings per share of 31.3 pence (2020 26.1 pence) are calculated on profit for continuing and discontinued operations before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, other gains and losses and exceptional financing costs after taxation and non-controlling interests associated with those profits, of £71.3 million (2020 £59.4 million), as set out in Note 13 and on the basic weighted average number of Ordinary Shares in issue during the year.

Basic and diluted earnings per share:

	Year ended 30 September 2021 Diluted earnings £m	Year ended 30 September 2020 Diluted earnings £m	Year ended 30 September 2021 Basic earnings £m	Year ended 30 September 2020 Basic earnings £m
Earnings from continuing operations	**62.2**	36.0	**62.2**	36.0
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
Earnings from discontinued operations	**1,480.1**	153.3	**1,480.1**	153.3
	1,542.3	189.3	**1,542.3**	189.3
Adjusted earnings from continuing and discontinued operations	**71.3**	59.4	**71.3**	59.4
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
	71.3	59.4	**71.3**	59.4

	Year ended 30 September 2021 Diluted pence per share	Year ended 30 September 2020 Diluted pence per share	Year ended 30 September 2021 Basic pence per share	Year ended 30 September 2020 Basic pence per share
Earnings per share from continuing operations	**26.2**	15.4	**27.3**	15.8
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
Earnings per share from discontinued operations	**623.7**	65.8	**648.9**	67.3
Earnings per share from continuing and discontinued operations	**649.9**	81.2	**676.2**	83.1
Adjusted earnings per share from continuing and discontinued operations	**30.0**	25.5	**31.3**	26.1
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
Adjusted earnings per share from continuing and discontinued operations	**30.0**	25.5	**31.3**	26.1

The weighted average number of Ordinary Shares in issue during the year for the purpose of these calculations is as follows:

	Year ended 30 September 2021 Number m	Year ended 30 September 2020 Number m
Number of Ordinary Shares in issue	**234.8**	234.8
Own shares held	**(6.7)**	(7.0)
Basic earnings per share denominator	**228.1**	227.8
Effect of dilutive share options	**9.2**	5.2
Dilutive earnings per share denominator	**237.3**	233.0

15 EBITDA and cash generated by operations

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Continuing operations			
Adjusted operating profit	3	**65.5**	48.7
Non-exceptional depreciation charge on property, plant and equipment	3, 23	**17.0**	16.9
Non-exceptional depreciation charge on right of use assets	3, 24	**14.2**	13.6
Amortisation of internally generated and acquired computer software not arising on business combinations	3, 22	**6.4**	8.0
Operating losses from joint ventures and associates	7	**(3.1)**	(7.1)
Share of charge of depreciation and amortisation of internally generated and acquired computer software not arising on business combinations of joint ventures and associates		**0.3**	1.6
Discontinued operations			
Adjusted operating profit	19	**40.6**	41.2
Non-exceptional depreciation charge on property, plant and equipment	19, 23	**4.0**	5.6
Non-exceptional depreciation charge on right of use assets	19, 24	**6.1**	7.3
Amortisation of internally generated and acquired computer software not arising on business combinations	3, 19, 22	**3.1**	7.4
Share of losses from operations of joint ventures and associates	19	**(0.1)**	(0.7)
EBITDA		**154.0**	142.5
Adjustments for:			
Share-based payments	39	**40.1**	42.2
Share of losses from joint ventures and associates	7, 19	**3.2**	7.8
Exceptional operating costs	3	**(38.7)**	(23.7)
Share of charge of depreciation and amortisation of internally generated and acquired computer software not arising on business combinations of joint ventures and associates		**(0.3)**	(1.6)
(Increase)/decrease in inventories		**(2.7)**	14.5
(Increase)/decrease in trade and other receivables		**(22.6)**	30.6
Increase/(decrease) in trade and other payables		**13.3**	(31.5)
Decrease in provisions		**(3.6)**	(14.4)
Additional payments into pension schemes	35	**(14.2)**	(16.1)
Cash generated by operations		**128.5**	150.3

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16 Analysis of net cash

	Note	At 1 October 2020 £m	Cash flow £m	Fair value hedging adjustments £m	On acquisition of subsidiaries (Note 17) £m	On disposal of subsidiaries (Note 18) £m	Foreign exchange movements £m	Other non-cash movements (i) £m	At 30 September 2021 £m
Cash and cash equivalents	30	500.3	1,259.6	–	–	–	(13.0)	–	**1,746.9**
Bank overdrafts	30, 33	(20.4)	18.5	–	–	–	0.2	–	**(1.7)**
Net cash and cash equivalents		479.9	1,278.1	–	–	–	(12.8)	–	**1,745.2**
Debt due within one year									
Bonds	33, (i)	(0.8)	0.8	–	–	–	–	–	**–**
Lease liabilities	33, (i)	(22.7)	25.7	–	(1.7)	7.5	1.5	(26.9)	**(16.6)**
Debt due after one year									
Bonds	33, (i)	(202.7)	–	3.3	–	–	–	(0.1)	**(199.5)**
Lease liabilities	33, (i)	(77.1)	–	–	(2.1)	44.0	1.9	12.8	**(20.5)**
Net cash before effect of derivatives		176.6	1,304.6	3.3	(3.8)	51.5	(9.4)	(14.2)	**1,508.6**
Effect of derivatives	(ii)	(13.4)	–	(3.3)	–	–	4.0	–	**(12.7)**
Collateral deposits	29	21.7	(12.5)	–	–	–	–	–	**9.2**
Net cash at closing exchange rate		184.9	1,292.1	–	(3.8)	51.5	(5.4)	(14.2)	**1,505.1**
Net cash at average exchange rate		186.5							**1,497.8**

The net cash inflow of £1,278.1 million (2020 inflow of £201.6 million) includes a cash outflow of £3.1 million (2020 outflow of £2.9 million) in respect of operating exceptional items.

(i) Other non-cash movements comprise the unwinding of bond issue discount amounting to £nil (2020 £0.1 million), amortisation of bond issue costs of £0.1 million (2020 £0.1 million), £3.4 million (2020 £2.5 million) finance charges relating to IFRS 16 Leases and £15.2 million (2020 £41.8 million) in relation to new lease commitments.

(ii) Effect of derivatives includes the fair value interest rate swaps used to convert a portion of the Group's fixed rate debt to floating rates and the foreign exchange (FX) impact of fixed-to-fixed cross-currency swaps entered into with the intention of economically converting the currency of borrowings into an alternative currency. The movements in the year comprise a £3.3 million loss on fair value interest rate swaps and a £4.0 million FX gain on fixed-to-fixed cross-currency swaps. Further details on the Group's derivative instruments are provided in Note 34.

17 Summary of the effects of acquisitions

On 18 October 2020, the Consumer Media segment acquired the entire ordinary share capital of JPI Media's print operations at Dinnington, Portsmouth and Carn in Northern Ireland, subsequently renamed Associated Printing, for total consideration of £10.0 million. The fair value of net assets acquired amounted to £13.9 million which resulted in a negative goodwill adjustment of £3.9 million. This gain has been recognised in the Consolidated Income Statement in accordance with IFRS 3, Business Combinations.

Associated Printing contributed £9.8 million to the Group's revenue, reduced the Group's operating profit by £3.1 million and reduced the Group's profit after tax by £2.6 million, excluding the gain from bargain purchase (Note 8), for the period between the date of acquisition and 30 September 2021.

If the acquisition had been completed on the first day of the financial year, Associated Printing would have contributed £10.5 million to the Group's revenue, reduced the Group's operating profit by £3.2 million and reduced the Group's profit after tax by £2.7 million, excluding the gain from bargain purchase (Note 8).

On 2 March 2021, the Consumer Media segment acquired the entire ordinary share capital of New Scientist for total consideration of £74.5 million. The New Scientist is a popular weekly science and technology publication.

New Scientist contributed £13.3 million to the Group's revenue, contributed £3.1 million to the Group's operating profit and contributed £0.9 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2021.

If the acquisition had been completed on the first day of the financial year, New Scientist would have contributed £22.3 million to the Group's revenue, contributed £4.7 million to the Group's operating profit and £1.3 million to the Group's profit after tax.

Provisional fair value of net assets acquired with all acquisitions:

	Note	Associated Printing £m	New Scientist £m	Total £m
Goodwill	21, (i)	–	46.5	46.5
Intangible assets	22	–	35.1	35.1
Property, plant and equipment	23	11.2	0.1	11.3
Right of use assets	24	1.7	3.5	5.2
Inventories		1.3	0.1	1.4
Trade and other receivables		1.4	1.8	3.2
Cash and cash equivalents		–	7.5	7.5
Trade and other payables		(2.0)	(11.8)	(13.8)
Lease liabilities	16	(0.4)	(3.4)	(3.8)
Corporation tax		0.1	(0.3)	(0.2)
Deferred tax	37	0.6	(4.6)	(4.0)
Group share of net assets acquired		**13.9**	**74.5**	**88.4**

Cost of acquisitions:

	Note	Associated Printing £m	New Scientist £m	Total £m
Cash paid in current year		9.5	74.5	84.0
Negative goodwill	8	3.9	–	3.9
Working capital adjustment		0.5	–	0.5
Total consideration at fair value		**13.9**	**74.5**	**88.4**

(i) The amount of goodwill which is deductible for the purposes of calculating the Group's tax charge is £nil.

Goodwill arising on these acquisitions is principally attributable to the anticipated profitability relating to the distribution of the Group's products in new and existing markets and anticipated operating synergies from the business combinations.

All of the companies acquired during the year contributed £23.1 million to the Group's revenue and £1.7 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2021.

Acquisition-related costs, amounting to £2.3 million, have been charged against profits for the year in the Consolidated Income Statement.

If all acquisitions had been completed on the first day of the year, Group revenues for the period from continuing operations would have been £895.0 million and Group profit from continuing operations attributable to equity holders of the parent would have been £60.1 million. This information takes into account the amortisation of acquired intangible assets together with related income tax effects but excludes any pre-acquisition finance costs and should not be viewed as indicative of the results of operations that would have occurred if the acquisitions had actually been completed on the first day of the year.

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Purchase of additional shares in controlled entities:

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Cash consideration	–	0.8

During the year, the Group acquired additional shares in controlled entities amounting to £nil (2020 £0.8 million).

Reconciliation to purchase of businesses and subsidiary undertakings as shown in the Consolidated Cash Flow Statement:

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Cash consideration		**84.0**	70.7
Cash paid to settle contingent consideration in respect of acquisitions	36, (i)	**1.4**	0.4
Cash and cash equivalents acquired with subsidiaries		**(7.5)**	(1.9)
Bank overdrafts acquired with subsidiaries		**–**	0.6
Purchase of businesses and subsidiary undertakings		**77.9**	69.8

(i) Cash paid to settle contingent consideration in respect of acquisitions includes £0.8 million (2020 £0.3 million) within the Property Information segment and £0.6 million (2020 £0.1 million) within the Events and Exhibitions segment.

18 Summary of the effects of disposals

On 2 March 2021 the Group sold its EdTech segment for net proceeds of £288.0 million.

On 15 September 2021 the Group sold its Insurance Risk segment for net proceeds of £1,256.0 million.

On 27 April 2021 the DMGI Land and Property Europe Ltd in the Property Information segment sold its entire shareholdings of Rochford Brady Legal Services Ltd and Lawlink (UK) Ltd to Brady & Co (Law Searchers) Ltd, part of the Dye & Durham Group for net proceeds of £4.0 million.

The impact of the disposal of businesses completed during the period on net assets is as follows:

	Note	EdTech £m	Insurance Risk £m	Rochford Brady £m	Lawlink £m	Other £m	Total £m
Goodwill	21	68.0	8.8	1.3	0.2	0.8	79.1
Intangible assets	22	13.7	0.2	0.3	–	–	14.2
Property, plant and equipment	23	0.5	5.1	–	–	–	5.6
Right of use assets	24	3.2	42.9	0.6	–	–	46.7
Investments in associates	25	–	0.9	–	–	–	0.9
Trade and other receivables		17.0	63.6	0.5	0.3	–	81.4
Cash and cash equivalents		–	44.4	0.2	0.1	–	44.7
Trade and other payables		(39.6)	(131.7)	(0.5)	(0.1)	–	(171.9)
Lease liabilities	16	(4.4)	(46.4)	(0.7)	–	–	(51.5)
Bank overdrafts		–	(0.3)	–	–	–	(0.3)
Current tax		(0.1)	(29.5)	–	(0.1)	–	(29.7)
Provisions	36	–	(0.6)	(0.1)	–	–	(0.7)
Deferred tax assets/(liabilities)	37	(2.5)	31.6	–	–	–	29.1
Net assets disposed		55.8	(11.0)	1.6	0.4	0.8	47.6
Profit/(loss) on sale of businesses including recycled cumulative exchange differences	8, 19	230.6	1,319.6	2.4	–	1.1	1,553.7
		286.4	**1,308.6**	**4.0**	**0.4**	**1.9**	**1,601.3**
Satisfied by:							
Cash received		295.0	1,273.8	3.9	0.4	0.4	1,573.5
Directly attributable costs paid		(7.0)	(1.4)	(0.3)	–	(0.8)	(9.5)
Directly attributable costs payable		–	(16.4)	–	–	–	(16.4)
Working capital adjustment		(0.2)	0.1	0.3	–	1.3	1.5
Recycled cumulative translation differences	39	(1.4)	52.5	0.1	–	1.0	52.2
		286.4	**1,308.6**	**4.0**	**0.4**	**1.9**	**1,601.3**

Reconciliation to disposal of businesses and subsidiary undertakings as shown in the Consolidated Cash Flow Statement:

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Cash consideration net of disposal costs – continuing operations	**3.6**	(2.9)
Cash consideration net of disposal costs – discontinued operations	**1,560.4**	290.4
Working capital adjustment cash paid – discontinued operations	**–**	(1.8)
Cash consideration received in the current year relating to businesses sold in the prior year	**–**	15.6
Cash and cash equivalents disposed with subsidiaries	**(44.7)**	(0.3)
Bank overdrafts disposed with subsidiaries	**0.3**	0.1
Proceeds on disposal of businesses and subsidiary undertakings	**1,519.6**	301.1

All of the businesses disposed of during the year absorbed £360.6 million of the Group's net operating cash flows, contributed £1,559.4 million in respect of investing activities and paid £7.5 million in respect of financing activities.

The Group's net tax charge includes a tax charge of £98.7 million in relation to these disposals which includes a tax charge of £98.7 million relating to discontinued operations.

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19 Discontinued operations

On 26 August 2019, the Group announced the sale of its Energy Information segment to Verisk Analytics, Inc. which completed on 5 November 2019 following the completion of customary closing conditions.

On 18 February 2021, the Group announced the sale of its EdTech segment to PowerSchool and EAB which completed on 4 March 2021.

On 5 August 2021, the Group announced the sale of its Insurance Risk segment to Moody's Corporation which completed on 15 September 2021 following the completion of customary closing conditions.

The results of the Energy Information, EdTech and Insurance Risk segments for the year are included in discontinued operations for the current and prior years.

The Group's Consolidated Income Statement includes the following results from discontinued operations:

	Note	Insurance Risk £m	EdTech £m	Energy Information £m	Year ended 30 September 2021 £m	Insurance Risk £m	EdTech £m	Energy Information £m	Year ended 30 September 2020 £m
Revenue	3	**223.0**	**33.5**	**–**	**256.5**	**248.3**	**84.9**	**7.1**	**340.3**
Expenses		(173.9)	(28.8)	–	(202.7)	(203.2)	(70.1)	(5.5)	(278.8)
Depreciation	3	(9.5)	(0.6)	–	(10.1)	(11.3)	(1.6)	–	(12.9)
Amortisation of intangible assets not arising on business combinations	3	(0.1)	(3.0)	–	(3.1)	(0.1)	(7.3)	–	(7.4)
Adjusted operating profit	3	**39.5**	**1.1**	**–**	**40.6**	**33.7**	**5.9**	**1.6**	**41.2**
Exceptional operating income/(costs)	3, 13, (i)	–	–	(5.3)	(5.3)	(20.4)	–	11.4	(9.0)
Amortisation of intangible assets arising on business combinations	3, 13	–	(0.2)	–	(0.2)	–	(0.7)	–	(0.7)
Operating profit/(loss)	4	**39.5**	**0.9**	**(5.3)**	**35.1**	**13.3**	**5.2**	**13.0**	**31.5**
Share of adjusted operating losses from operations of joint ventures and associates		(0.1)	–	–	(0.1)	(0.6)	(0.1)	–	(0.7)
Total operating profit/(loss)		**39.4**	**0.9**	**(5.3)**	**35.0**	**12.7**	**5.1**	**13.0**	**30.8**
Other gains and losses	13	–	–	–	–	–	0.5	–	0.5
Profit/(loss) before net finance costs and tax		**39.4**	**0.9**	**(5.3)**	**35.0**	**12.7**	**5.6**	**13.0**	**31.3**
Investment revenue		0.2	–	–	0.2	0.4	0.9	–	1.3
Finance costs	3	(2.0)	(0.1)	–	(2.1)	(0.7)	(0.2)	–	(0.9)
Profit/(loss) before tax		**37.6**	**0.8**	**(5.3)**	**33.1**	**12.4**	**6.3**	**13.0**	**31.7**
Tax (charge)/credit	11	2.4	(0.2)	(3.9)	(1.7)	(1.9)	0.6	(3.2)	(4.5)
Profit/(loss) after tax attributable to discontinued operations		**40.0**	**0.6**	**(9.2)**	**31.4**	**10.5**	**6.9**	**9.8**	**27.2**
Profit on disposal of discontinued operations	13, 18	1,267.1	232.0	–	1,499.1	–	–	145.1	145.1
Recycled cumulative translation differences on disposal of discontinued operations	13, 18	52.5	(1.4)	1.0	52.1	–	–	(11.3)	(11.3)
Tax (charge)/credit on profit on disposal of discontinued operations	11	(49.7)	(56.3)	3.5	(102.5)	–	–	(7.7)	(7.7)
Profit/(loss) attributable to discontinued operations		**1,309.9**	**174.9**	**(4.7)**	**1,480.1**	**10.5**	**6.9**	**135.9**	**153.3**

(i) The Group's Energy Information business (Genscape) provided a third-party auditor service verifying Renewable Identification Numbers (RINs) for renewable fuel production activities in the US, as part of the Renewable Fuel Standard Quality Assurance Program (Program), a regulatory program administered by the US Environmental Protection Agency (EPA).

Following discovery and self-reporting to the EPA by Genscape of potential fraudulent RINs generated by two companies unconnected with DMGT but verified by Genscape between 2013 and 2014 under the Program, the EPA issued a notice of intent to revoke the ability of Genscape to verify RINs as a third-party auditor on 4 January 2017. Following the EPA investigation of the two companies in April 2016, the two companies pleaded guilty of fraud in connection with the broader scheme to generate RINs.

EPA regulations for the audit Program set a liability cap on replacement of invalid RINs of 2.0% of the RINs. In April 2017 Genscape voluntarily paid the 2.0% liability cap associated with the invalid RINs at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. The EPA regulations allow for situations where the cap does not apply – including fraud, auditor error and negligence.

The EPA had not formally alleged any fraud or intentional wrongdoing by Genscape, but in its May 2019 final determination letter, EPA did find grounds for auditor error and negligence by Genscape and ordered Genscape to replace 69.2 million additional RINs it had verified.

In July 2019, Genscape filed a petition for review with the Sixth Circuit Court of Appeals and a motion to stay the EPA's order to replace the 69.2 million RINs which was accepted for the duration of Genscape's petition for review.

Notwithstanding the sale of Genscape to Verisk, DMGT is responsible for any costs, claims or awards and all settlement negotiations with the EPA.

DMGT continues to cooperate with the EPA and settlement discussions are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, made a provision for the total cost of replacing RINs as at 30 September 2019.

At each year end IAS 37 requires DMGT to review this provision and make appropriate adjustments to reflect the current status of the claim. The Group's closing provision includes the cost of replacement RINs, estimated purchase costs, associated legal fees and currency fluctuations. The final settlement amount may be different than the provision made, however, it is not possible for the Group to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution. Accordingly, the provision could change substantially over time as the dispute progresses and new facts emerge. Any change to this provision will continue to be disclosed as an exceptional operating item within discontinued operations.

A deferred tax asset of £nil arises on this provision (30 September 2020 US$5.3 million (£4.1 million)).

RINs trade in a volatile range. Using the period end price of US$1.46 replacing the maximum 69.2 million RINs claimed by the EPA would equate to a potential claim of approximately US$100.7 million.

Cash flows associated with discontinued operations comprise operating cash outflows of £361.4 million (2020 inflow £92.7 million), investing cash inflows of £1,559.4 million (2020 £231.8 million) and financing cash outflows of £7.5 million (2020 £9.9 million).

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20 Total assets and liabilities of businesses held for sale

The main classes of assets and liabilities comprising the operations classified as held for sale are set out in the table below.

At 30 September 2021 the assets and liabilities held for sale relate to Landmark Solutions and Landmark Insurance, divisions of Landmark Information Group Ltd within the Group's Property Information segment.

	Note	At 30 September 2021 £m	At 30 September 2020 £m (i)
Trade and other receivables:			
Trade receivables	28	**1.7**	–
Prepayments	28	**2.7**	–
Contract acquisition costs	28	**2.5**	–
Total assets associated with businesses held for sale		**6.9**	–
Trade and other payables	31	**(5.9)**	–
Total liabilities associated with businesses held for sale		**(5.9)**	–
Net assets of the disposal group		**1.0**	–

(i) The comparative period has been re-presented to reflect that DMGT plc is responsible for any costs, claims or awards and all settlement negotiations with the US Environmental Protection Agency. An amount of £19.7 million and an associated deferred tax asset of £4.1 million have therefore been reclassified from assets and liabilities held for sale to provisions and deferred tax assets in the Consolidated Statement of Financial Position at 30 September 2020.

21 Goodwill

	Note	Goodwill £m
Cost		
At 1 October 2019		279.6
Additions	3	22.0
Adjustment to previous year estimate of contingent consideration		(0.2)
Disposals		(3.2)
Exchange adjustment		(3.7)
At 30 September 2020		294.5
Additions from business combinations		45.6
Transfer to other intangible assets	22	(1.9)
Adjustment to previous year estimate of contingent consideration	36	(0.1)
Disposals	18	(80.1)
Exchange adjustment		(4.0)
At 30 September 2021		**254.0**

	Note	Goodwill £m
Accumulated impairment losses		
At 1 October 2019		28.4
Impairment	3	11.8
Exchange adjustment		(1.1)
At 30 September 2020		39.1
Impairment	3	8.0
Disposals	18	(1.0)
Exchange adjustment		(0.2)
At 30 September 2021		**45.9**
Net book value – 2019		251.2
Net book value – 2020		255.4
Net book value – 2021		**208.1**

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. Intangible assets, all of which have finite lives, are tested separately from goodwill only where impairment indicators exist. Recoverable amounts have been determined using value in use calculations in accordance with IAS 36, Impairment of Assets.

Goodwill impairment losses recognised in the period amounted to £8.0 million, relating to CWC in the Events and Exhibitions segment following a significantly reduced forecast given the continued uncertainty caused by the Covid-19 pandemic. There is a tax charge of £nil associated with this impairment charge.

In the prior year ended 30 September 2020, the Group recognised goodwill impairment losses amounting to £11.8 million, of which £8.9 million related to the Events and Exhibitions segment. This impairment charge was the result of reduced forecasts following the Covid-19 pandemic which has resulted in a reduction in value in use. There was a tax credit of £nil associated with this impairment charge.

The Group's policy on impairment of goodwill is set out in Note 2.

No further disclosures, in accordance with paragraph 134 of IAS 36, are provided because no reasonable possible change in key assumptions results in an impairment charge.

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22 Other intangible assets

	Note	Publishing rights, mastheads and titles £m	Brands £m	Market- and customer-related databases and customer relationships £m	Computer software (i) £m	Other £m	Total £m
Cost							
At 1 October 2019		71.1	35.3	83.8	312.9	0.2	503.3
Additions from business combinations	3	38.1	5.9	3.1	3.3	–	50.4
Other additions	3	–	–	0.8	1.5	–	2.3
Internally generated	3	–	–	–	4.2	–	4.2
Disposals		(1.0)	(3.2)	(0.5)	(0.3)	(0.1)	(5.1)
Transfer from property, plant and equipment	23	–	–	–	0.7	–	0.7
Exchange adjustment		–	(1.0)	(0.9)	(12.2)	–	(14.1)
At 30 September 2020		**108.2**	**37.0**	**86.3**	**310.1**	**0.1**	**541.7**
Transfer from goodwill	21	–	–	1.9	–	–	1.9
Additions from business combinations	3, 17	–	23.0	12.1	–	–	35.1
Other additions	3	–	–	–	2.1	–	2.1
Internally generated	3	–	–	–	5.2	–	5.2
Disposals	18	(2.5)	(9.7)	(10.9)	(230.9)	–	(254.0)
Analysis reclassifications		–	0.7	(0.7)	(0.5)	–	(0.5)
Exchange adjustment		(0.1)	(0.7)	(0.7)	(15.2)	–	(16.7)
At 30 September 2021		**105.6**	**50.3**	**88.0**	**70.8**	**0.1**	**314.8**

	Note	Publishing rights, mastheads and titles £m	Brands £m	Market- and customer-related databases and customer relationships £m	Computer software (i) £m	Other £m	Total £m
Accumulated amortisation							
At 1 October 2019		70.9	33.1	56.2	273.1	0.1	433.4
Charge for the year	3	–	3.6	6.3	16.8	–	26.7
Impairment	3	–	1.6	0.7	1.5	–	3.8
Disposals		(0.7)	(3.2)	(0.3)	(0.3)	–	(4.5)
Transfer from property, plant and equipment	23	–	–	–	0.2	–	0.2
Exchange adjustment		(0.1)	(0.9)	(0.4)	(11.4)	–	(12.8)
At 30 September 2020		**70.1**	**34.2**	**62.5**	**279.9**	**0.1**	**446.8**
Charge for the year	3	–	6.1	8.2	10.6	–	24.9
Impairment	3	–	3.4	1.6	–	–	5.0
Disposals	18	(2.5)	(9.6)	(8.7)	(219.0)	–	(239.8)
Exchange adjustment		(0.1)	(0.9)	(0.4)	(13.7)	–	(15.1)
At 30 September 2021		**67.5**	**33.2**	**63.2**	**57.8**	**0.1**	**221.8**
Net book value – 2019		0.2	2.2	27.6	39.8	0.1	69.9
Net book value – 2020		38.1	2.8	23.8	30.2	–	94.9
Net book value – 2021		**38.1**	**17.1**	**24.8**	**13.0**	**–**	**93.0**

Impairment losses recognised in the period amount to £5.0 million relating to CWC in the Events and Exhibitions segment following a significantly reduced forecast given the continued uncertainty caused by the Covid-19 pandemic. There is a tax credit of £1.0 million associated with this impairment charge.

(i) Computer software includes purchased and internally generated intangible assets, not arising on business combinations, as follows:

	Note	£m
Cost		
At 1 October 2019		295.1
Additions		5.7
Disposals		(0.2)
Transfer from property, plant and equipment	23	0.7
Exchange adjustment		(12.0)
At 30 September 2020		**289.3**
Additions		7.3
Disposals		(221.5)
Analysis reclassifications		(1.0)
Exchange adjustment		(14.1)
At 30 September 2021		**60.0**
Accumulated amortisation		
At 1 October 2019		256.0
Charge for the year		15.4
Impairment	3	1.5
Disposals		(0.1)
Transfer from property, plant and equipment	23	0.2
Exchange adjustment		(10.8)
At 30 September 2020		**262.2**
Charge for the year	3	9.5
Disposals		(209.6)
Exchange adjustment		(13.2)
At 30 September 2021		**48.9**
Net book value – 2019		39.1
Net book value – 2020		27.1
Net book value – 2021		**11.1**

The following table analyses intangible assets in the course of construction included in the internally generated intangibles above, on which no amortisation has been charged in the year since they have not been brought into use.

	£m
Cost	
At 1 October 2019	**6.2**
Additions	2.2
Projects completed	(6.2)
At 30 September 2020	**2.2**
Additions	5.7
Projects completed	(1.9)
At 30 September 2021	**6.0**

The methodologies applied to the Group's CGUs when testing for impairment and details of the above impairment charge are set out in Note 2.

The Group's largest intangible assets with a carrying value greater than £10.0 million are further analysed as follows:

	Segment	At 30 September 2021 Carrying value £m	At 30 September 2020 Carrying value £m	At 30 September 2021 Remaining amortisation period Years	At 30 September 2020 Remaining amortisation period Years
The 'i' Masthead	Consumer Media	**31.1**	34.9	**8.2**	9.2
New Scientist Brand	Consumer Media	**22.1**	–	**14.4**	–
New Scientist Customer Relations	Consumer Media	**11.6**	–	**14.4**	–

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23 Property, plant and equipment

	Note	Freehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Cost					
At 1 October 2019		32.4	22.1	279.6	334.1
Owned by subsidiaries acquired	3	–	–	0.2	0.2
Additions	3	0.7	1.7	9.8	12.2
Disposals		(0.2)	(0.2)	(4.1)	(4.5)
Transfers to intangible fixed assets	22	–	–	(0.7)	(0.7)
Exchange adjustment		–	(0.8)	(2.5)	(3.3)
At 30 September 2020		**32.9**	**22.8**	**282.3**	**338.0**
Owned by subsidiaries acquired	3, 17	7.9	–	3.4	11.3
Additions	3	0.5	0.2	7.6	8.3
Disposals		–	–	(3.2)	(3.2)
Owned by subsidiaries disposed	18	(0.1)	(20.0)	(43.6)	(63.7)
Exchange adjustment		–	(1.1)	(2.9)	(4.0)
At 30 September 2021		**41.2**	**1.9**	**243.6**	**286.7**

	Note	Freehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Accumulated depreciation and impairment					
At 1 October 2019		18.1	17.5	224.1	259.7
Charge for the year	3	1.3	2.6	18.6	22.5
Disposals		(0.2)	(0.2)	(3.9)	(4.3)
Transfers to intangible fixed assets	22	–	–	(0.2)	(0.2)
Exchange adjustment		–	(0.8)	(1.9)	(2.7)
At 30 September 2020		**19.2**	**19.1**	**236.7**	**275.0**
Charge for the year	3	1.5	1.4	18.1	21.0
Disposals		–	–	(3.1)	(3.1)
Owned by subsidiaries disposed	18	(0.1)	(18.1)	(39.9)	(58.1)
Exchange adjustment		–	(1.0)	(2.5)	(3.5)
At 30 September 2021		**20.6**	**1.4**	**209.3**	**231.3**
Net book value – 2019		14.3	4.6	55.5	74.4
Net book value – 2020		13.7	3.7	45.6	63.0
Net book value – 2021		**20.6**	**0.5**	**34.3**	**55.4**

24 Right of use assets

	Note	Leasehold properties £m	Plant and equipment £m	Total £m
Cost				
At 1 October 2019		68.1	1.8	69.9
Owned by subsidiaries acquired	3	0.1	–	0.1
Additions	3	41.4	0.7	42.1
Disposals	3	(0.1)	–	(0.1)
Adjustment to sublease receivable		0.6	–	0.6
Exchange adjustment		(2.0)	–	(2.0)
At 30 September 2020		**108.1**	**2.5**	**110.6**
Owned by subsidiaries acquired	3, 17	5.0	0.2	5.2
Additions	3	13.7	0.7	14.4
Disposals		(7.6)	(0.4)	(8.0)
Owned by subsidiaries disposed	18	(58.8)	–	(58.8)
Exchange adjustment		(3.8)	–	(3.8)
At 30 September 2021		**56.6**	**3.0**	**59.6**

	Note	Leasehold properties £m	Plant and equipment £m	Total £m
Accumulated depreciation				
At 1 October 2019		–	–	–
Charge for the year	3	20.1	0.8	20.9
Exchange adjustment		(0.1)	–	(0.1)
At 30 September 2020		**20.0**	**0.8**	**20.8**
Charge for the year	3	19.4	0.9	20.3
Disposals		(3.1)	(0.3)	(3.4)
Owned by subsidiaries disposed	18	(12.1)	–	(12.1)
Exchange adjustment		(0.7)	–	(0.7)
At 30 September 2021		**23.5**	**1.4**	**24.9**
Net book value – 2019		68.1	1.8	69.9
Net book value – 2020		88.1	1.7	89.8
Net book value – 2021		**33.1**	**1.6**	**34.7**

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25 Investments in joint ventures and associates

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Joint ventures				
At 1 October 2019		9.0	(0.9)	8.1
Disposals		(0.6)	0.6	–
Share of retained reserves	7	–	1.1	1.1
Dividends received	(i)	–	(0.2)	(0.2)
Impairment	7	(0.1)	–	(0.1)
Exchange adjustment		(0.5)	0.2	(0.3)
At 30 September 2020		**7.8**	**0.8**	**8.6**
Disposals	(ii)	(6.4)	(0.7)	(7.1)
Owned by subsidiaries disposed		(1.1)	1.1	–
Share of retained reserves	7	–	0.9	0.9
Dividends received	(iii)	–	(0.4)	(0.4)
Exchange adjustment		(0.3)	–	(0.3)
At 30 September 2021		**–**	**1.7**	**1.7**

(i) During the prior year, the Group received dividends from TreppPort LLC in the Property Information segment.

(ii) During the year, the Group sold its investment in TreppPort LLC in the Property Information segment.

(iii) During the year, the Group received dividends from TreppPort LLC and PointX Ltd, both in the Property Information segment.

Summary aggregated financial information for the Group's joint ventures, extracted on a 100% basis from the joint ventures' own financial information, is set out below:

Year ended 30 September 2021	Revenue £m	Operating profit £m	Total expenses £m	Profit for the year £m	Total comprehensive income £m
Property Information	**6.4**	**2.2**	**(4.5)**	**1.9**	**1.9**

At 30 September 2021	Current assets £m	Total assets £m	Current liabilities £m	Total liabilities £m	Net assets £m
Property Information	**11.6**	**12.0**	**(3.6)**	**(3.6)**	**8.4**

Year ended 30 September 2020	Revenue £m	Operating profit £m	Total expenses £m	Profit for the year £m	Total comprehensive income £m
Property Information	14.5	2.5	(12.1)	2.4	2.4

At 30 September 2020	Current assets £m	Total assets £m	Current liabilities £m	Total liabilities £m	Net assets £m
Property Information	10.9	10.9	(3.5)	(3.5)	7.4

At 30 September 2021 the Group's joint ventures had capital commitments amounting to £nil (2020 £nil). There were no material contingent liabilities (2020 none).

Information on principal joint ventures:

	Segment	Principal activity	Year ended	Description of holding	Group interest %
Unlisted					
PointX Ltd (incorporated and operating in the UK)	Property Information	Provider of a 'Points of Interest' database covering Great Britain	31 March 2021	Ordinary B	50.0
Decision First Ltd (incorporated and operating in the UK)	Property Information	Developer of technology links to allow communication between mortgage lenders and service providers	31 December 2020	Ordinary	50.0

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Associates				
At 1 October 2019		133.5	(42.6)	90.9
Additions – cash	(i)	2.5	–	2.5
Additions – non cash	(ii)	1.0	–	1.0
Share of retained reserves	7	–	(8.7)	(8.7)
Dividends received	(iii)	–	(0.5)	(0.5)
Impairment	7	(3.7)	–	(3.7)
Transfer to financial assets at fair value through Other Comprehensive Income	26	(27.5)	1.0	(26.5)
Transfer from financial assets at fair value through Other Comprehensive Income	26	0.8	–	0.8
Disposal	(iv)	(11.1)	4.6	(6.5)
Exchange adjustment		(1.4)	0.5	(0.9)
At 30 September 2020		**94.1**	**(45.7)**	**48.4**
Additions – cash	(v)	21.7	–	21.7
Additions – non cash	(vi)	0.3	–	0.3
Share of retained reserves	7	–	(4.3)	(4.3)
Dividends received	(vii)	–	(0.6)	(0.6)
Impairment	7	(6.5)	–	(6.5)
Transfer to financial assets at fair value through Other Comprehensive Income	26	(2.5)	0.6	(1.9)
Transfer from financial assets at fair value through Other Comprehensive Income	26	13.5	–	13.5
Disposals	(viii)	(3.8)	4.0	0.2
Owned by subsidiaries disposed	18	(5.9)	5.0	(0.9)
Exchange adjustment		(1.2)	0.5	(0.7)
At 30 September 2021		**109.7**	**(40.5)**	**69.2**

The cumulative unrecognised share of losses of the Group's associates principally comprises £23.4 million (2020 £20.9 million) in relation to the Group's investment in Independent Television News Ltd and £18.9 million (2020 £16.5 million) in relation to Excalibur Holdco Ltd.

Joint ventures and associates have been accounted for under the equity method using unaudited financial information for the year ended 30 September 2021.

(i) During the prior year cash additions relate to additions in Mercatus, Inc. in the Property Information segment and to LineVision, Inc. and Quick Move Ltd both held centrally.

(ii) During the prior year non-cash additions relate to additions in Quick Move Ltd held centrally and settled with media credits.

(iii) During the prior year the Group received dividends from Whereoware LLC in the Events and Exhibitions segment.

(iv) During the prior year the Group disposed of its investment in Also Energy Holdings, Inc. held centrally.

(v) Cash additions during the year relate to Bloobloom Ltd, Factory 14 S.a.r.l. and Kortext Ltd, all held centrally.

(vi) Non-cash additions during the year relate to Bloobloom Ltd held centrally and settled with media credits.

(vii) During the year, the Group received dividends from Whereoware LLC in the Events and Exhibitions segment and from Mercatus, Inc. in the Property Information segment.

(viii) During the year the Group disposed of its investment in Mercatus, Inc. in the Property Information segment.

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Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial information is set out below:

Year ended 30 September 2021	Revenue £m	Operating profit/(loss) £m	Total expenses £m	(Loss)/profit for the year £m	Other comprehensive income £m	Total comprehensive (expense)/income £m
Property Information	**3.9**	**(3.6)**	**(7.3)**	**(3.4)**	**–**	**(3.4)**
Events and Exhibitions	**0.6**	**0.6**	**(0.1)**	**0.5**	**–**	**0.5**
Centrally held	**181.6**	**18.6**	**(221.4)**	**(39.8)**	**–**	**(39.8)**
	186.1	**15.6**	**(228.8)**	**(42.7)**	**–**	**(42.7)**

At 30 September 2021	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net liabilities £m
Property Information	**–**	**1.4**	**1.4**	**(3.5)**	**–**	**(3.5)**	**(2.1)**
Centrally held	**80.8**	**158.7**	**239.5**	**(211.2)**	**(305.0)**	**(516.2)**	**(276.7)**
	80.8	**160.1**	**240.9**	**(214.7)**	**(305.0)**	**(519.7)**	**(278.8)**

Year ended 30 September 2020	Revenue £m	Operating loss £m	Total expenses £m	Loss for the year £m	Other comprehensive income £m	Total comprehensive expense £m
Insurance Risk	6.1	(2.5)	(8.6)	(2.5)	–	(2.5)
Property Information	2.8	(1.7)	(4.6)	(1.8)	–	(1.8)
Centrally held	140.4	(10.7)	(159.6)	(19.2)	–	(19.2)
	149.3	(14.9)	(172.8)	(23.5)	–	(23.5)

At 30 September 2020	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net (liabilities)/assets £m
Insurance Risk	2.7	3.3	6.0	(1.1)	–	(1.1)	4.9
Property Information	0.1	3.2	3.3	(2.1)	(1.8)	(3.9)	(0.6)
Centrally held	9.7	57.1	66.8	(44.1)	(115.9)	(160.0)	(93.2)
	12.5	63.6	76.1	(47.3)	(117.7)	(165.0)	(88.9)

At 30 September 2021 the Group's associates had capital commitments amounting to £nil (2020 £nil). There were no material contingent liabilities (2020 none).

Information on principal associates:

	Segment	Principal activity	Year ended	Description of holding	Group interest %
Unlisted					
LineVision, Inc. (incorporated and operating in the US)	Centrally held	Provider of transmission line monitoring and asset management for utilities	31 December 2020	Series A1	41.0
Excalibur Holdco Ltd (incorporated and operating in the UK)	Centrally held	Operator of online discount businesses	30 September 2021	B Ordinary	23.9
Entale Media Ltd (incorporated and operating in the UK)	Centrally held	Podcast platform provider	31 March 2021	Preference	36.8
Independent Television News Ltd (incorporated and operating in the UK)	Centrally held	Independent TV news provider	31 December 2020	Ordinary	20.0
Factory 14 S.a.r.l (incorporated and operating in Luxembourg)	Centrally held	Mergers and acquisitions advisory firm	31 December 2020	Preference	20.1
Propstack Services Private Ltd (incorporated and operating in India)	Centrally held	Provider of commercial real estate information	31 March 2021	Preference, Equity	22.7
Quick Move Ltd (incorporated and operating in the UK)	Centrally held	Serviced marketplace for the purchase and resale of second-hand luxury goods	30 September 2021	Ordinary, Preference	21.4
Kortext Ltd (incorporated and operating in the UK)	Centrally held	Online learning platform	30 June 2021	Ordinary, Preference	22.0
Bloobloom Ltd (incorporated and operating in the UK)	Centrally held	Sales of prescription glasses and sunglasses	31 July 2021	Preference	20.0
Yopa Property Ltd (incorporated and operating in the UK)	Centrally held	Online property portal	31 December 2020	Preference	45.3

26 Financial assets at fair value through Other Comprehensive Income

	Note	£m
At 1 October 2019		33.8
Additions – cash		48.0
Additions – non cash		9.0
Disposals		(0.3)
Transfer from investment in associates	25, (i)	26.5
Transfer to investment in associates	25, (ii)	(0.8)
Fair value movement in the period	39	295.0
Exchange adjustment		(0.5)
At 30 September 2020		**410.7**
Additions – cash		53.4
Additions – non cash		5.2
Disposals		(22.0)
Transfer from investment in associates	25, (i)	1.9
Transfer to investment in associates	25, (ii)	(13.5)
Fair value movement in the period	39	370.8
Exchange adjustment		(0.5)
At 30 September 2021		**806.0**

The financial assets above are non-interest bearing securities, which are recorded as non-current assets unless they are expected to be sold within one year, in which case they are recorded as current assets.

(i) During the year, the Group's investment in Bricklane Technologies Ltd, previously an associate, was reclassified as a financial asset.

In the prior year, the Group's investment in Cazoo Holdings Ltd (Cazoo), previously an associate, was reclassified as a financial asset. The Group could not veto any Cazoo Board decisions – which were based on a simple Board majority, due to the composition of other seats on the Board and had no other means that gave it the ability to participate in the financial and operating policy decisions of Cazoo. The Group provided no essential technical information to develop the Cazoo business and there was no interchange of managerial personnel between DMGT and Cazoo. Therefore, the Directors concluded that the Group did not possess the ability to exert significant influence over Cazoo and accordingly the Group did not equity account for its interest.

(ii) During the year, the Group increased its investment in Kortext Ltd which is now held as an associate.

During the prior year the Group increased its investment in Quick Move Ltd which is now held as an associate.

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Financial assets at fair value through Other Comprehensive Income are analysed as follows:

	Note	Class of Holding	Group interest %	At 30 September 2021 £m	At 30 September 2020 £m
Listed					
Cazoo Group Ltd (incorporated and operating in the UK)	(i)	Common Equity	16.9	**763.4**	–
Taboola.com Ltd (incorporated and operating in Israel)	(ii)	Common Equity	0.4	**4.9**	–
Unlisted					
Cazoo Holdings Ltd (incorporated and operating in the UK)	(i)	Preference and Ordinary	23.5	**–**	375.0
Taboola.com Ltd (incorporated and operating in Israel)	(ii)	Preference	0.4	**–**	2.7
PA Media Group Ltd (incorporated and operating in the UK)	(iii)	Ordinary	19.1	**9.3**	7.4
BDG Media, Inc. (incorporated and operating in the US)	(iv)	Common, Preference	3.4	**6.0**	6.4
Kortext Ltd (incorporated and operating in the UK)	(v)	Preference and Ordinary	22.0	**–**	5.6
Farewill Ltd (incorporated and operating in the UK)	(vi)	Preference	5.4	**3.7**	3.7
Cue Ball Capital LP (incorporated and operating in the US)	(vii)	Limited Partner	2.5	**2.7**	3.1
Hambro Perks Ltd (incorporated and operating in the UK)	(viii)	Ordinary	3.1	**3.9**	2.2
Financial Network Analytics Ltd (incorporated and operating in the UK)	(ix)	Ordinary	4.5	**1.4**	1.0
GPNutrition Ltd (incorporated and operating in the UK)	(x)	Ordinary	13.9	**–**	1.0
Air Mail LLC (incorporated and operating in the US)	(xi)	Preference	5.0	**0.9**	1.0
CompStak, Inc. (incorporated and operating in the US)	(xii)	Ordinary	2.0	**0.5**	0.5
Bricklane Technologies Ltd (incorporated and operating in the UK)	(xiii)	Preference	14.7	**2.7**	–
Zilch Technology Limited (incorporated and operating in the UK)	(xiv)	Ordinary	1.2	**5.0**	–
Other				**1.6**	1.1
				806.0	410.7

(i) Cazoo Group Ltd provides an online used car sales platform.

In March 2021 Cazoo Holdings Ltd announced a definitive business combination agreement with AJAX I (AJAX), a publicly traded special purpose acquisition company (SPAC) listed on the New York Stock Exchange (NYSE).

This transaction closed on 27 August 2021 and the combined company was named Cazoo Group Ltd (Cazoo) which listed on the NYSE on 27 August 2021.

Prior to closing, DMGT invested US$25.0m in AJAX to acquire 2.5 million AJAX shares and received US$29.5 million cash and 132.6 million shares in the newly listed Cazoo entity in exchange for DMGT's interest in Cazoo Holdings Ltd.

DMGT now holds 130.1 million Class C shares in Cazoo, which are not tradeable for six months after listing when they convert into Class A shares, together with 2.5 million Class A shares which are freely tradeable.

The carrying value of Cazoo as at 30 September 2021 was £763.4 million (2020 £375.0 million) and a gain of £357.2 million (£293.5 million) was recognised in Other Comprehensive Income during the year.

On 12 July 2021 the Company announced that its controlling shareholder, Rothermere Continuation Limited (RCL), had notified it of a possible offer for the entire share capital of DMGT not already owned by RCL. Conditional upon the possible offer becoming or being declared unconditional, DMGT intends to declare a special dividend which would include shares in Cazoo (see Note 45).

(ii) Taboola.com Ltd is a content marketing platform provider.

In January 2021, Taboola announced a definitive business combination with ION Acquisition Corp. 1 Ltd (ION), a publicly traded special purpose acquisition company (SPAC) listed on the New York Stock Exchange (NYSE). This transaction closed on 28 June 2021 and the combined company was named Taboola which listed on the NYSE on 30 June 2021.

(iii) PA Media Group Ltd is a provider of news, sport and entertainment information.

(iv) BDG Media, Inc. operating as Bustle provides an online information platform covering fashion, politics, technology, diversity, celebrities, health and beauty.

(v) Kortext Ltd provides a digital learning platform and supplies digital textbooks.

(vi) Farewill Ltd provides online-based will-writing services.

(vii) Cue Ball Capital LP is a venture capital and private equity firm specialising in start-ups, early-stage, mid-venture, growth equity scale-ups and buy-out investments.

(viii) Hambro Perks Ltd is a venture capital firm.

(ix) Financial Network Analytics Ltd provides a platform which allows financial regulators and financial market infrastructures to map and monitor complex financial networks and to simulate operational and financial risks.

(x) GPNutrition Ltd provides direct to consumer nutritional supplements.

(xi) Air Mail, LLC owns and operates an online media service that provides weekly digital newsletter covering politics, business, the environment, the arts, literature, film and television, food, design, travel, architecture, society, fashion and crime.

(xii) CompStak, Inc. provides commercial real estate information to brokers, appraisers, researchers, landlords, lenders and investors.

(xiii) Bricklane Technologies Ltd is a property investment platform provider.

(xiv) Zilch Technology Ltd operates a buy now pay later app.

27 Inventories

	At 30 September 2021 £m	At 30 September 2020 £m
Raw materials and consumables	**8.7**	6.1
Work in progress	**7.7**	6.3
	16.4	12.4

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28 Trade and other receivables

	Note	At 30 September 2021 £m	At 30 September 2020 £m
Current assets			
Trade receivables		**130.7**	165.1
Impairment allowance		**(7.5)**	(4.7)
		123.2	160.4
Prepayments		**39.4**	52.8
Contract acquisition costs		**2.5**	5.1
Contract assets		**7.0**	5.1
Sublease receivable		**3.2**	3.7
Other receivables		**18.5**	20.2
		193.8	247.3
Classified as held for sale	20	**(6.9)**	–
		186.9	247.3
Non-current assets			
Trade receivables		**–**	1.5
Prepayments		**–**	0.7
Contract acquisition costs		**–**	4.3
Sublease receivable		**–**	3.1
Other receivables		**3.3**	0.9
		3.3	10.5
		190.2	257.8

The maturity analysis of the Group's sublease receivables is as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
Within one year	**3.2**	3.8
Between one and two years	**–**	3.1
Total undiscounted cashflows	**3.2**	6.9
Effect of discounting	**–**	(0.1)
Net investment in the lease	**3.2**	6.8

Movement in the impairment allowance is as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
At start of year	**(4.7)**	(3.6)
Impairment losses recognised	**(4.1)**	(5.7)
Amounts written off as uncollectable	**0.3**	3.9
Amounts recovered during the year	**0.4**	0.2
Owned by subsidiaries disposed	**0.5**	0.5
Exchange adjustment	**0.1**	–
At end of year	**(7.5)**	(4.7)

IFRS 9 introduced an expected credit loss (ECL) model which requires an impairment provision to be made on initial recognition of the receivable which previously under IAS 39 was required only when a loss event occurred. Accordingly, the Group recognises an ECL by reference to historical recovery rates and forward-looking indicators.

The Group applies the IFRS 9 simplified approach to measuring impairment allowances using a lifetime expected credit loss allowance for trade receivables, contract assets and other short-term receivables. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experience as adjusted for current and forward-looking information and macroeconomic factors in the countries where the debtor is located.

For trade receivables the expected credit loss allowance is calculated using a provision matrix, with higher default rates applied to older balances.

The provision rates are based on days past due for groupings of customers with similar loss patterns.

Trade receivables and contract assets with a contractual amount of £1.0 million, which have been written off, are still subject to enforcement activity.

The Group applies IFRS 9 in measuring impairment allowances using a 12 month expected credit loss allowance for long-term other receivables. To estimate a range of expected credit losses, the probability of default tables based on the debtor's proxy credit rating was estimated and applied to the carrying amount outstanding at 30 September 2021.

The lifetime expected loss provision for trade receivables, contract assets, sublease receivable and other receivables is as follows:

At 30 September 2021	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	**2.1%**	**2.3%**	**0.0%**	**21.6%**	**4.6%**
Gross carrying amount (£m)	**120.7**	**13.0**	**7.1**	**21.8**	**162.6**
Loss allowance provision (£m)	**2.5**	**0.3**	**–**	**4.7**	**7.5**

At 30 September 2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0.1%	0.4%	0.8%	19.4%	2.4%
Gross carrying amount (£m)	141.1	23.8	12.5	22.2	199.6
Loss allowance provision (£m)	0.2	0.1	0.1	4.3	4.7

Ageing of impaired trade receivables, contract assets, sublease receivables and other receivables:

	At 30 September 2021 £m	At 30 September 2020 £m
0 – 30 days	**2.5**	0.2
31 – 60 days	**0.3**	0.1
61 – 90 days	**–**	0.1
91 – 120 days	**0.1**	0.2
121+ days	**4.6**	4.1
Total	**7.5**	4.7

Included in the Group's trade receivables are amounts owed with a carrying value of £14.0 million (2020 £14.3 million) which are past due at 30 September 2021 for which no allowance has been made. The Group is not aware of any deterioration in the credit quality of these customers and considers that the amounts are still recoverable.

Ageing of past due but not impaired trade receivables and contract assets is as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
1 – 30 days overdue	**4.2**	6.9
31 – 60 days overdue	**2.9**	1.3
61 – 90 days overdue	**0.2**	0.2
91+ days overdue	**6.7**	5.9
Total	**14.0**	14.3

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

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29 Other financial assets

	Note	At 30 September 2021 £m	At 30 September 2020 £m
Current assets			
Collateral	16, (i)	**9.2**	21.7
		9.2	21.7
Non-current assets			
Escrow	(ii)	**120.7**	–
Loans to joint ventures and associates	(iii)	**19.8**	14.2
		140.5	14.2

(i) The Group deposits collateral with its bank counterparties with whom it has entered into a credit support annex to an ISDA (International Swaps and Derivatives Association) Master Agreement. This represents cash that cannot be readily used in operations. The collateral deposited at both the current and prior year end principally relates to fixed-to-fixed cross-currency swaps. At 30 September 2021 these swaps had a carrying value of £17.2 million liability (2020 £23.1 million). Further details relating to these swaps are disclosed in Note 34.

(ii) Following the disposal of Euromoney in 2019 the Company has made available £120.7 million from the Group's cash resources to the Group's Pension Schemes. These funds are now held in escrow deposit accounts with original maturities of greater than three months and any movement of funds out of these escrow accounts require the approval of the Pension Scheme Trustees.

As part of the funding agreement from the 31 March 2019 triennial valuation, the Company has agreed to make annual payments of £7.0 million into these escrow deposit accounts to October 2024.

None of the escrow balances will be released before 2024. Up to £50.0 million may be released to the Schemes in 2024 depending on Pension Scheme funding levels and in 2026 any remaining funds in escrow will either be released to the Company or to the Schemes depending on Pension Scheme funding levels at that time.

On 3 November 2021, it was announced (the Offer Announcement) that Rothermere Continuation Limited (RCL) and the Non-conflicted DMGT Directors had reached agreement on the definitive terms of a cash offer (the Offer) by RCL of £2.55 per DMGT A Share to acquire all the issued and to be issued DMGT A Shares not already owned by RCL (the Offer Shares). The Non-conflicted DMGT Directors are those that are considered independent in respect of the Offer. The Offer Announcement followed DMGT's announcement on 12 July 2021 of a possible major reorganisation of the Group and, subject to pre-conditions, a possible offer by RCL for the Offer Shares. Conditional upon the Offer becoming or being declared unconditional (Offer Acceptance), DMGT intends to declare a special dividend payable to all DMGT shareholders, including RCL.

The proposed special dividend highlighted above would constitute a significant portion of the current value of DMGT. The Pension Scheme Trustees must therefore reconsider the schemes' funding requirements, including DMGT's ability to fund any further emerging deficits that could arise from investment and other risks. DMGT must also consider the powers of the Pensions Regulator in the context of recent changes to pension laws. The surplus on an accounting basis is not relevant in these circumstances and the significantly higher funding obligations and solvency protections under UK pension laws and Pensions Regulator guidance are relevant.

Against this background, a number of significant payments and protections have been required to be agreed between the Trustees, DMGT and RCL. These payments and protections would take effect in the event of Offer Acceptance and the special dividend being declared. They include the payment of £402.0 million in cash, including the release of current escrow arrangement.

(iii) Loans to joint ventures and associates stated net of expected credit loss provision are as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
Total gross loans to joint ventures and associates	**31.8**	26.2
Loss allowance provision	**(12.0)**	(12.0)
Loan receivable net of expected credit loss provision	**19.8**	14.2

Movement in the impairment allowance is as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
At start and end of year	**12.0**	12.0

30 Cash and cash equivalents

	Note	At 30 September 2021 £m	At 30 September 2020 £m
Cash and cash equivalents	(i)	**1,746.9**	500.3
Cash and cash equivalents	(i)	**1,746.9**	500.3
Unsecured bank overdrafts	33	**(1.7)**	(20.4)
Cash and cash equivalents in the cash flow statement	16	**1,745.2**	479.9
Analysis of cash and cash equivalents by currency:			
Sterling		**1,254.6**	157.3
US dollar		**486.7**	327.6
Australian dollar		**0.2**	0.1
Canadian dollar		**0.6**	0.8
Euro		**0.5**	1.0
Other		**4.3**	13.5
		1,746.9	500.3
Analysis of cash and cash equivalents by interest rate type:			
Floating rate interest		**361.5**	146.8
Fixed rate interest		**1,385.4**	353.5
		1,746.9	500.3

(i) The carrying amount of cash and cash equivalents equates to their fair values.

31 Trade and other payables

	Note	At 30 September 2021 £m	At 30 September 2020 £m
Current liabilities			
Trade payables		**22.6**	30.5
Interest payable		**3.6**	3.6
Other taxation and social security		**4.6**	8.4
Other creditors		**21.4**	26.1
Accruals		**137.9**	140.7
Deferred revenue		**80.2**	197.4
		270.3	406.7
Classified as held for sale	20	**(5.9)**	–
		264.4	406.7
Non-current liabilities			
Other creditors		**–**	1.5
		264.4	408.2

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

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32 Current tax

	At 30 September 2021 £m	At 30 September 2020 £m
Corporation tax payable	**1.7**	5.3
Corporation tax receivable	**(0.4)**	(0.4)
	1.3	4.9

33 Borrowings

The Group's borrowings are unsecured and are analysed as follows:

	Overdrafts £m	Bonds £m	Lease liabilities £m	Total £m
At 30 September 2021				
Within one year	**1.7**	**–**	**16.6**	**18.3**
Between one and two years	**–**	**–**	**5.6**	**5.6**
Between two and five years	**–**	**–**	**11.2**	**11.2**
Over five years	**–**	**199.5**	**3.7**	**203.2**
	–	**199.5**	**20.5**	**220.0**
	1.7	**199.5**	**37.1**	**238.3**
At 30 September 2020				
Within one year	20.4	0.8	22.7	43.9
Between one and two years	–	–	22.4	22.4
Between two and five years	–	–	25.3	25.3
Over five years	–	202.7	29.4	232.1
	–	202.7	77.1	279.8
	20.4	203.5	99.8	323.7

The Group's borrowings are analysed by currency and interest rate type as follows:

	Sterling £m	US dollar £m	Australian dollar £m	Euro £m	Other £m	Total £m
At 30 September 2021						
Fixed rate interest	**218.5**	**15.2**	**–**	**1.5**	**1.4**	**236.6**
Floating rate interest	**1.0**	**0.7**	**–**	**–**	**–**	**1.7**
	219.5	**15.9**	**–**	**1.5**	**1.4**	**238.3**
At 30 September 2020						
Fixed rate interest	240.6	53.8	3.5	1.0	4.4	303.3
Floating rate interest	14.6	4.3	–	0.8	0.7	20.4
	255.2	58.1	3.5	1.8	5.1	323.7

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The Group's borrowings, analysed by currency and interest rate type, adjusting the principal borrowed and interest rate type by the notional amount of interest rate swaps, interest rate caps and currency derivatives, are as follows:

	Sterling £m	US dollar £m	Australian dollar £m	Euro £m	Other £m	Total £m
At 30 September 2021						
Fixed rate interest	**165.2**	**170.8**	**–**	**1.5**	**1.4**	**338.9**
Floating rate interest	**(30.9)**	**(69.7)**	**–**	**–**	**–**	**(100.6)**
	134.3	**101.1**	**–**	**1.5**	**1.4**	**238.3**
At 30 September 2020						
Fixed rate interest	183.4	216.5	3.5	1.0	4.4	408.8
Floating rate interest	(17.3)	(69.3)	–	0.8	0.7	(85.1)
	166.1	147.2	3.5	1.8	5.1	323.7

Committed borrowing facilities

During the year the Group cancelled committed bank facilities amounting to £50.0 million, after which the Group's total committed bank facilities amount to £315.7 million (2020 £373.2 million). Of these facilities £155.0 million (2020 £205.0 million) are denominated in sterling and £160.7 million (US$217.0 million) (2020 £168.2 million (US$217.0 million)) are denominated in US dollars. Drawings are permitted in all major currencies.

The Group's bank loans bear interest charged at LIBOR plus a margin. The margin varies by bank and is based on the Group's ratio of net debt to EBITDA or the Group's credit rating. EBITDA for these purposes is defined as the aggregate of the Group's consolidated operating profit including share of results of joint ventures and associates before deducting depreciation, amortisation and impairment of goodwill, intangible and tangible assets, before exceptional items and before interest and finance charges, and is shown in Note 15. For the purposes of calculating the Group's bank covenants, EBITDA is calculated on a pre-IFRS 16 basis and amounts to £132.1 million by deducting operating lease charges and adding sublease rental income.

In September 2021, the facilities were amended such that they will reference ARFR from the first drawdown following cessation of the relevant IBOR. Further information on the effect of IBOR reform is provided in Note 2.

The Group's committed bank facilities and undrawn committed facilities available to the Group in respect of which all conditions precedent had been met are analysed by maturity as follows:

	At 30 September 2021 Committed £m	At 30 September 2020 Committed £m	At 30 September 2021 Undrawn £m	At 30 September 2020 Undrawn £m
Expiring in more than one year but not more than two years	**315.7**	–	**315.7**	–
Expiring in more than two years but not more than three years	**–**	373.2	**–**	373.2
Total bank facilities	**315.7**	373.2	**315.7**	373.2

The Group has issued standby letters of credit amounting to £3.3 million (2020 £2.3 million).

Bonds

The nominal, carrying and fair values of the Group's bonds and the coupons payable are as follows:

Maturity	Annual coupon %	At 30 September 2021 Fair value £m	At 30 September 2020 Fair value £m	At 30 September 2021 Carrying value £m	At 30 September 2020 Carrying value £m	At 30 September 2021 Nominal value £m	At 30 September 2020 Nominal value £m
9 April 2021	10.00	**–**	0.8	**–**	0.8	**–**	0.8
21 June 2027	6.375	**221.6**	231.8	**199.5**	202.7	**200.0**	200.0
		221.6	232.6	**199.5**	203.5	**200.0**	200.8

The Company's 2021 bonds matured during the year and were repaid in full.

The Group's bonds have been adjusted from their nominal values to take account of direct issue costs, discounts and movements in hedged risks. The issue costs and discount are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £0.3 million (2020 £0.4 million) and the unamortised discount amounts to £0.6 million (2020 £0.6 million).

The fair value of the Group's bonds has been calculated on the basis of quoted market rates using level 2 fair value inputs.

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Lease liabilities

The Group leases various office space, equipment and vehicles which are negotiated on an individual basis with differing terms and conditions.

The Group's key lease arrangements relate to office space in the key cities in which it operates. The Group negotiates lease contracts according to the Group's needs with a view to balancing stability, security of tenure and lease terms against the risk of entering excessively long or onerous arrangements.

Of the Group's leased properties, the most significant lease relates to the DMGT head office premises Northcliffe House, 2 Derry Street, London, W8 5TT which expires in December 2022. The lease for 7575 Gateway Blvd was disposed during the year on sale of the Risk Insurance segment.

The lease payments for Northcliffe House made during the year amount to £10.0 million (2020 £10.0 million) and these are adjusted each year in line with the Consumer Price Index of the preceding year.

An analysis of the Group's finance lease liabilities is as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
Northcliffe House	**9.9**	19.8
7575 Gateway Blvd	**–**	31.7
Other office space	**25.6**	46.6
Motor vehicles	**1.5**	1.6
Other equipment	**0.1**	0.1
	37.1	99.8

There are no leases with residual value guarantees or leases not yet commenced to which the Group is committed.

34 Financial instruments and risk management

The carrying amounts of the Group's financial instruments together with the gains and losses thereon are as follows:

	Note	At 30 September 2021 Carrying value £m	Year ended 30 September 2021 (Loss)/gain to income £m	Year ended 30 September 2021 Gain/(loss) to equity £m	At 30 September 2020 Carrying value £m	Year ended 30 September 2020 (Loss)/gain to income £m	Year ended 30 September 2020 Gain/(loss) to equity £m
Financial assets							
Fair value through profit and loss							
Derivative instruments in designated hedge accounting relationships	(i)						
Interest rate swaps		**0.4**	**(2.2)**	**–**	3.7	1.5	–
Derivative instruments not in designated hedge accounting relationships	(i)						
Interest rate caps		**0.4**	**0.3**	**–**	0.1	(0.3)	–
Provision for contingent consideration receivable	(ii)	**0.2**	**–**	**–**	0.1	–	–
Loans to joint ventures and associates	29 (iii)	**4.2**	**–**	**–**	–	–	–
Fair value through Other Comprehensive Income							
Financial assets	26 (iv)	**806.0**	**–**	**370.3**	410.7	–	294.5
Amortised cost							
Trade receivables and contract assets		**128.5**	**(3.4)**	**(3.6)**	167.0	(1.6)	(5.1)
Other receivables		**21.6**	**–**	**(1.9)**	21.0	–	(2.6)
Sublease receivable		**3.2**	**0.1**	**–**	6.8	0.2	–
Collateral	29	**9.2**	**–**	**–**	21.7	–	–
Other financial assets – Escrow	29	**120.7**	**0.1**	**–**	–	–	–
Loans to joint ventures and associates	29 (iii)	**15.6**	**1.4**	**–**	14.2	2.4	–
Cash and cash equivalents		**1,746.9**	**0.8**	**(13.0)**	500.3	4.6	(11.0)
		2,856.9	**(2.9)**	**351.8**	1,145.6	6.8	275.8

	Note	At 30 September 2021 Carrying value £m	Year ended 30 September 2021 (Loss)/gain to income £m	Year ended 30 September 2021 Gain/(loss) to equity £m	At 30 September 2020 Carrying value £m	Year ended 30 September 2020 (Loss)/gain to income £m	Year ended 30 September 2020 Gain/(loss) to equity £m
Financial liabilities							
Fair value through profit and loss							
Derivative instruments in designated hedge accounting relationships	(i)						
Fixed-to-fixed cross-currency swaps		**(17.2)**	**(0.8)**	**5.9**	(23.1)	(1.4)	1.3
Provision for contingent consideration payable	(ii)	**(1.1)**	**(0.1)**	**–**	(2.5)	–	–
Amortised cost							
Trade payables		**(16.7)**	**–**	**0.3**	(30.5)	–	0.4
Lease liabilities		**(37.1)**	**(1.3)**	**3.4**	(99.8)	(1.6)	2.2
Bank overdrafts		**(1.7)**	**–**	**0.2**	(20.4)	–	0.1
Bonds	(v)	**(199.5)**	**(9.6)**	**–**	(203.5)	(13.5)	–
Bank loans		**–**	**(1.6)**	**–**	–	(1.6)	–
		(273.3)	**(13.4)**	**9.8**	(379.8)	(18.1)	4.0
Total for financial instruments		**2,583.6**	**(16.3)**	**361.6**	765.8	(11.3)	279.8

(i) Derivative instruments are measured at Fair Value Through Profit and Loss (FVTPL). Their fair values are determined using market rates of interest and exchange and established estimation techniques such as discounted cashflow and option valuation models. The Group has derivatives designated in the following hedging relationships:

- hedges of the change in fair value of recognised assets and liabilities (fair value hedges);
- hedges of net investment in foreign operations (net investment hedges).

To the extent that net investment hedges are effective, changes in fair value of the derivative are taken to the translation reserve through other comprehensive income.

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(ii) Contingent consideration is valued based on the future profitability of the business to which the contingent consideration relates, discounted at market rates of interest.

(iii) Loans to joint ventures and associates (included within other financial assets) include the following:

- 8.0% fixed rate unsecured convertible loan note which was issued during the year, repayable on 4 August 2023 with a carrying value of £4.2 million (at FVTPL); and
- 10.0% fixed rate unsecured loan note, repayable on 31 December 2025 with a carrying value (which includes accrued interest) of £15.6 million (2020 £14.2 million) (held at Amortised cost).

(iv) Unlisted equity investments are valued using a variety of techniques including comparable company valuation multiples and discounted cashflows. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

(v) The Group's bonds are measured at amortised cost as adjusted for fair value hedging.

Risk management

The Group is exposed to credit, interest rate and currency risks arising in the normal course of business. Derivative financial instruments are used to manage exposures to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes.

Capital risk management

The Group manages its capital, defined as equity shareholders' funds and net cash or borrowings, to ensure that entities in the Group are able to continue as going concerns for the foreseeable future. Further detail is provided in the Going Concern section of the Basis of Preparation (Note 1).

Debt management

The Group borrows on an unsecured basis and arranges its debt to ensure an appropriate maturity profile. The Group's principal sources of funding are the long-term sterling bond market and committed bank facilities. The Group is mindful of its credit rating, currently BB with Standard & Poor's and BB+ with Fitch and ensures it has sufficient committed bank facilities in order to meet short-term business requirements, after taking into account the Group's holding of cash and cash equivalents together with any distribution restrictions which exist. The Group aims to maximise the term and flexibility of indebtedness and retain headroom in the form of undrawn committed bank facilities of approximately £100.0 million. Additionally, the Group arranges its currency borrowings in order that they are in proportion to the ratio of earnings in that particular currency to total Group earnings.

The Going Concern Section of the Basis of Preparation (Note 1) provides details of the intention of RCL to make a cash offer (the Offer) to acquire all the issued and to be issued DMGT A Shares not already owned by RCL. Should the Offer become unconditional DMGT intends to declare a special dividend which will result in the Group's cash balances being distributed to all shareholders.

In that event, the Directors consider that the Group's cash generative businesses together with its bond issuances and bank facilities are sufficient to cover the likely medium-term funding requirements of the Group.

Associates, joint ventures and other equity investments in general arrange and maintain their own financing and funding requirements. In all cases such financing is on a non-recourse basis to the Company.

Whilst the Group's internal target of a 12 month rolling net debt to EBITDA ratio is no greater than 2.0 times at any point, the limit imposed by its bank covenants is no greater than 3.5 times together with a minimum interest cover ratio of 3.0 times, measured in March and September. These covenants were met at the relevant testing dates during the year. The bank covenant ratio uses the average exchange rate in the calculation of net debt. For bank covenant purposes, net debt is calculated on a pre-IFRS 16 basis by excluding lease liabilities to allow comparability between testing periods. At 30 September 2021, the Group had net cash (at average exchange rates as adjusted for lease liabilities and excluding Escrow balances) amounting to £1,534.7 million (2020 £286.7 million).

Cash and liquidity risk management

The Group monitors its cash balances to ensure that sufficient resources are available to meet operational requirements as they fall due. Short-term money market deposits are used to manage liquidity whilst maximising the rate of return on cash resources, giving due consideration to credit risk. A detailed maturity profile of both derivative and non-derivative financial liabilities are analysed in the table later in this note.

Market risk management

The Group's primary market risks are interest rate fluctuations and exchange rate movements.

Interest rate risk management

The limit imposed by the Group's bank covenants is at least 3.0 times EBITDA to net interest. The actual ratio for the year was 11.3 times (2020 18.0 times).

Group debt is largely comprised of floating rate sterling (GBP) and US dollar (USD) bank borrowings and fixed GBP bond debt.

The Group's interest rate exposure management policy is aimed at reducing the exposure of the consolidated businesses to changes in interest rates. Group policy is to have 70.0% to 80.0% of interest rate exposures fixed with the balance floating.

This is achieved by issuing fixed rate GBP bond debt and entering into derivative contracts that economically swap fixed rate interest into floating rate. Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist.

To meet policy the Group:

- swaps a portion of its fixed GBP bond debt into GBP floating debt using interest rate swaps;
- swaps a portion of its fixed GBP bond debt into USD fixed debt by using fixed-to-fixed cross-currency swaps;
- buys caps to fix its debt; and
- enters forward contracts, selling USD and buying GBP to swap its GBP floating rate debt into USD floating rate debt.

The derivatives in place to meet Group policy are as follows:

(i) Fixed-to-floating interest rate swaps, designated as fair value hedges of a portion of the Group's bonds; changes in the fair value of the swaps are recognised in the Consolidated Income Statement and at the same time the carrying value of the hedged bonds are adjusted for movements in the hedged risk to the extent effective and those adjustments are also recognised in the Consolidated Income Statement. The notional value of these interest rate swaps amounts to £53.1 million (2020 £73.1 million) with the Group paying floating rates of between 0.0% and 0.5% (2020 0.1% and 1.0%). The average hedged interest rate for the year was 0.1% (2020 0.6%).

(ii) Fixed-to-fixed cross-currency swaps designated as hedges of the Group's net investments in foreign operations. The notional value of these cross-currency swaps amounts to £72.0 million/US$115.0 million (2020 £72.0 million/US$115.0 million) with the Group paying fixed US dollar interest at rates of between 6.0% and 7.0% (2020 6.0% and 7.0%). The average hedged GBP/USD exchange rate for the year was 1.60 (2020 1.60).

(iii) Interest rate caps amounting to US$95.0 million and £85.0 million notional (2020 US$95.0 million and £105.0 million) at rates of between 2.4% and 3.5% (2020 2.1% and 3.5%).

Foreign exchange rate risk management

Translation exposures arise on the earnings and net assets of business operations in entities with functional currencies other than that of the parent company. The net asset exposures are economically hedged by a policy of denominating borrowings in currencies where significant translation exposures exist, most notably US dollars.

The Group also designates currency swaps, forward contracts and US dollar bank borrowings as net investment hedges, hedging the Group's overseas investments.

Credit risk management

The Group's principal credit risk relates to its trade and other receivables and non-performance by counterparties to financial instrument contracts.

Trade and other receivables

The Group's customer base is diversified geographically and by segment with customers generally of a good financial standing. Before accepting any new customers, the Group assesses the potential customers' credit quality and sets credit limits by customer. The average credit period is 33 days (2020 41 days). The Group considers the credit risk of trade receivables to be low, although the Group remains vigilant in the current economic climate. The Group reserves the right to charge interest on overdue receivables, although the Group does not hold collateral over any trade receivable balances. The Group makes an impairment allowance which is reviewed regularly in conjunction with an analysis of historical payment profiles, past default experience together with relevant forward looking information. Further information on impairment allowances relating to trade receivables, contract assets, sublease receivable and other receivables can be found in Note 28.

The maximum exposure to credit risk from trade and other receivables at the reporting date is the amount of each class disclosed in the table at the start of this note.

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Institutional counterparty risk

The Group seeks to limit interest rate and foreign exchange risks, described above, by the use of derivative financial instruments. As a result, credit risk arises from the potential non-performance of the counterparties to those financial instruments, which are unsecured. The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged. The Group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents.

Credit risk is controlled by monitoring the credit quality of these counterparties, principally licensed commercial banks and investment banks with strong long-term credit ratings, and of the amounts outstanding with each of them. The credit risk on cash deposits and derivative financial instruments is considered low since the counterparties are banks with high credit ratings.

Due to the recent disposal of the Group's Insurance Risk division in September 2021, deposit counterparty limits have temporarily increased to circa. £160.0 million per banking Group. However, ordinarily Group policy is to have no more than the higher of £20.0 million or 25.0% of surplus cash balances deposited (or at risk) with any 'AA' rated or UK ring-fenced banking counterparty and no more than the higher of £10.0 million or 15.0% of surplus cash balances deposited with any 'A' rated counterparty. Additionally, no more than £75.0 million in aggregate should be deposited with any one 'AA' rated banking group and no more than £65.0 million in aggregate should be deposited with any one 'A' rated banking group. The Group has no significant concentration of risk with exposure spread over a large number of counterparties and customers.

Expected credit losses on cash and cash equivalents (which includes cash deposits with an original maturity of less than three months) were reviewed at the reporting date and determined to be immaterial.

The maximum exposure to credit risk from derivative assets and cash and cash equivalents at the reporting date is the amount of each class disclosed in the table at the start of this note.

Derivative financial instruments and hedge accounting

The Group designates certain derivatives as:

(i) hedges of the change in fair value of recognised assets and liabilities (fair value hedges); or

(ii) hedges of highly probable forecast transactions (cash flow hedges); or

(iii) hedges of net investments in foreign operations (net investment hedges).

To qualify for hedge accounting, each individual hedging relationship must be expected to be effective, be designated and documented at its inception and throughout the life of the hedge relationship.

Fair value hedges

The Group's policy is to use interest rate swaps to convert a proportion of its fixed rate debt to floating rates. The swaps are designated as a hedge of the change in fair value of the Group's fixed rate debt.

The notional amount of the interest rate swaps is used to hedge an equivalent notional amount of fixed rate debt. Accordingly, the hedge ratio is deemed to be 100%.

Since the critical terms of the swaps match those of the fixed rate debt the Group expects a highly effective hedging relationship. The fair value of the designated fixed rate debt is expected to move in the opposite direction to the fair value of the interest rate swaps as a result of changes in external market interest rates.

The nominal and carrying amounts of hedged fixed rate debt are as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
Nominal amount	**53.1**	73.1
Carrying amount	**53.0**	76.3

The carrying amount of debt in the table above is included within Borrowings in the Consolidated Statement of Financial Position.

The change in value of the hedged fixed rate debt is used as the basis for recognising hedge ineffectiveness for the year. The following table shows the fair value adjustment to sterling debt (which is included in the carrying amount above) and the fair value of related derivatives designated in fair value hedging relationships included in the Consolidated Statement of Financial Position, together with the fair value gains and losses thereon included in the Consolidated Income Statement for the current and prior years:

	Fair value at 30 September 2019 £m	Year ended 30 September 2020 fair value gain/(loss) £m	Fair value at 30 September 2020 £m	Year ended 30 September 2021 fair value gain/(loss) £m	Fair value at 30 September 2021 £m
Sterling interest rate swaps	3.2	0.5	3.7	(3.3)	**0.4**
Sterling debt	(3.2)	(0.5)	(3.7)	3.3	**(0.4)**
Total	–	–	–	–	**–**

Cash flow hedges

The Group's policy is to use certain derivative financial instruments in order to hedge the foreign exchange risk arising from certain firm commitments or forecast highly probable transactions in currencies other than the functional currency of the relevant Group entity.

There were no cash flow hedging relationships during the current or prior year.

Net investment hedges

The Group seeks to manage the foreign currency exposure arising on retranslation of the reporting entity's share of net assets of foreign operations at each reporting date by designating certain derivative financial instruments and foreign currency borrowings as net investment hedging instruments.

The carrying amount of the Group's net investments in foreign operations exceeds the amount of the hedging instruments, such that the amount of net investments designated in the hedge relationship is equal to the amount of the hedging instruments. Accordingly, the hedge ratio is deemed to be 100%.

Since the critical terms of the hedging instruments match those of the net investments in foreign operations the Group expects a highly effective hedging relationship. The carrying value of the designated net investments in foreign operations is expected to move in the opposite direction to the mark-to-market value of the hedging instruments as a result of changes in market exchange rates.

Hedge effectiveness

Since the Group expects the hedge relationships described above to be highly effective, a qualitative assessment of effectiveness is performed on inception, at each reporting date, and upon any material change in circumstances affecting the hedge effectiveness requirements.

The key sources of ineffectiveness for the designated relationships described above are:

(i) A reduction to the amount of the Group's hedged fixed rate debt to an amount that is less than the notional amount of the interest rate swaps.

(ii) An insufficient amount of net investments in foreign operations (i.e. less than the amount of the hedging instruments).

(iii) A material change in the Group's credit risk or that of its swap counterparties.

If changes in circumstances cause the critical terms of the hedging instrument to no longer match those of the hedged item, ineffectiveness is monitored using the hypothetical derivative method.

All designated hedge relationships were effective throughout the year ended 30 September 2021. There was no ineffectiveness recognised in the Consolidated Income Statement for the current or prior year.

The Group's derivative financial instruments and their maturity profiles are summarised as follows:

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Derivative financial assets:

	Fair value hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial assets £m
At 30 September 2021			
Within one year	**0.4**	**–**	**0.4**
Over five years	**–**	**0.4**	**0.4**
	0.4	**0.4**	**0.8**
At 30 September 2020			
Within one year	0.6	–	0.6
Between one and two years	3.1	–	3.1
Over five years	–	0.1	0.1
	3.1	0.1	3.2
	3.7	0.1	3.8

Derivative financial liabilities:

	Net investment hedges £m	Derivative financial liabilities £m
At 30 September 2021		
Between two and five years	**(13.2)**	**(13.2)**
Over five years	**(4.0)**	**(4.0)**
	(17.2)	**(17.2)**
At 30 September 2020		
Between two and five years	(17.7)	(17.7)
Over five years	(5.4)	(5.4)
	(23.1)	(23.1)

Maturity profile of financial liabilities

The remaining undiscounted contractual liabilities and their maturities together with a reconciliation to amounts included in the Consolidated Statement of Financial Position are as follows:

	Within one year £m	Between one and two years £m	Between two and five years £m	Between five and ten years £m	Total undiscounted liability £m	Interest £m	Undiscounted value of financial asset £m	Discounting, mark to market and other adjustments £m	Included in Consolidated Statement of Financial Position £m
At 30 September 2021									
Trade payables	**(16.7)**	**–**	**–**	**–**	**(16.7)**	**–**	**–**	**–**	**(16.7)**
Bank overdrafts	**(1.7)**	**–**	**–**	**–**	**(1.7)**	**–**	**–**	**–**	**(1.7)**
Bonds	**(12.8)**	**(12.8)**	**(38.3)**	**(209.1)**	**(273.0)**	**73.0**	**–**	**0.5**	**(199.5)**
Lease liabilities	**(17.5)**	**(6.1)**	**(12.0)**	**(3.8)**	**(39.4)**	**2.3**	**–**	**–**	**(37.1)**
Contingent consideration	**(1.1)**	**–**	**–**	**–**	**(1.1)**	**–**	**–**	**–**	**(1.1)**
Fixed-to-fixed cross-currency swaps	**(5.5)**	**(5.5)**	**(77.0)**	**(19.5)**	**(107.5)**	**3.8**	**90.4**	**(3.9)**	**(17.2)**
	(55.3)	**(24.4)**	**(127.3)**	**(232.4)**	**(439.4)**	**79.1**	**90.4**	**(3.4)**	**(273.3)**
At 30 September 2020									
Trade payables	(30.5)	–	–	–	(30.5)	–	–	–	(30.5)
Bank overdrafts	(20.8)	–	–	–	(20.8)	0.4	–	–	(20.4)
Bonds	(13.6)	(12.8)	(38.3)	(222.0)	(286.7)	85.9	–	(2.7)	(203.5)
Lease liabilities	(25.4)	(24.5)	(29.5)	(31.1)	(110.5)	10.7	–	–	(99.8)
Contingent consideration	(1.9)	(0.8)	–	–	(2.7)	–	–	0.2	(2.5)
Fixed-to-fixed cross-currency swaps	(5.7)	(5.7)	(85.0)	(21.8)	(118.2)	6.2	94.9	(6.0)	(23.1)
	(97.9)	(43.8)	(152.8)	(274.9)	(569.4)	103.2	94.9	(8.5)	(379.8)

Included in the maturity table above are currency swaps with a notional value of US$90.0 million (2020 US$90.0 million) with mutual break clauses at fair value every five years.

At both the current and prior year end all interest rate swaps were in an asset position. Since interest rate swaps are settled on a net basis, no liability is included in the above maturity tables.

Sensitivity analysis

In managing the Group's interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations. However, changes in foreign exchange rates and interest rates may have an impact on the Group's statutory results.

At 30 September 2021 it is estimated that an increase of 1.0% in interest rates would have increased the Group's finance costs by £0.1 million (2020 £0.3 million). There would have been no effect on amounts recognised directly in equity. A decrease of 1.0% in interest rates would have increased the Group's finance costs by £0.1 million (2020 £0.4 million decrease). There would have been no effect on amounts recognised directly in equity. This sensitivity has been calculated by applying the interest rate change to the Group's variable rate borrowings, net of any interest rate swaps, at the year end date.

At 30 September 2021 it is estimated that a 10.0% strengthening of sterling against the US dollar would have increased the net gain taken to equity by £10.2 million (2020 £11.5 million) with no change to the net loss taken to income (2020 no change to the net loss). A 10.0% weakening of sterling against the US dollar would have decreased the net gain taken to equity by £12.6 million (2020 £8.5 million) with no change to the net loss taken to income (2020 no change to the net loss). This sensitivity has been calculated by applying the foreign exchange change to the Group's financial instruments which are affected by changes in foreign exchange rates.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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At 30 September 2021	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets					
Financial assets at fair value through Other Comprehensive Income	26	**768.3**	**31.7**	**6.0**	**806.0**
Fair value through profit and loss					
Derivative instruments in designated hedge accounting relationships		**–**	**0.4**	**–**	**0.4**
Derivative instruments not in designated hedge accounting relationships		**–**	**0.4**	**–**	**0.4**
Provision for contingent consideration receivable		**–**	**–**	**0.2**	**0.2**
Loans to joint ventures and associates		**–**	**–**	**4.2**	**4.2**
		768.3	**32.5**	**10.4**	**811.2**
Financial liabilities					
Fair value through profit and loss					
Derivative instruments in designated hedge accounting relationships		**–**	**(17.2)**	**–**	**(17.2)**
Provision for contingent consideration payable	36	**–**	**–**	**(1.1)**	**(1.1)**
		–	**(17.2)**	**(1.1)**	**(18.3)**

At 30 September 2020	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets					
Financial assets at fair value through Other Comprehensive Income	26	–	409.5	1.2	410.7
Fair value through profit and loss					
Derivative instruments in designated hedge accounting relationships		–	3.7	–	3.7
Derivative instruments not in designated hedge accounting relationships		–	0.1	–	0.1
Provision for contingent consideration receivable		–	–	0.1	0.1
		–	413.3	1.3	414.6
Financial liabilities					
Fair value through profit and loss					
Derivative instruments in designated hedge accounting relationships		–	(23.1)	–	(23.1)
Provision for contingent consideration payable	36	–	–	(2.5)	(2.5)
		–	(23.1)	(2.5)	(25.6)

Reconciliation of level 3 fair value measurement of financial assets is as follows:

	Note	£m
At 1 October 2019		8.4
Transfer to Level 2	(i)	(6.9)
Exchange adjustment		(0.2)
At 30 September 2020		**1.3**
Additions to contingent consideration receivable		0.2
Transfer from Level 2	(ii)	4.8
Loans advanced to joint ventures and associates		4.2
Exchange adjustment		(0.1)
At 30 September 2021		**10.4**

(i) Equity investments classified within level 3 in prior years were transferred to level 2, as the observable market data used in the valuation became available during the prior year.

(ii) Equity investments classified within level 2 in prior years have been transferred to level 3, as the observable market data used in the valuation was not available.

Reconciliation of level 3 fair value measurement of financial liabilities is as follows:

	Note	£m
At 1 October 2019		(2.1)
Cash paid to settle contingent consideration in respect of acquisitions	36	0.4
Additions to contingent consideration	36	(1.1)
Adjustment to goodwill	21, 36	0.2
Exchange adjustment	36	0.1
At 30 September 2020		**(2.5)**
Cash paid to settle contingent consideration in respect of acquisitions	36	1.4
Change in fair value of contingent consideration	10, 36	(0.1)
Adjustment to goodwill	21, 36	0.1
At 30 September 2021		**(1.1)**

The key inputs into the significant level 3 financial liabilities are the future profitability of the businesses to which the contingent consideration relates and the discount rate. The estimated range of possible outcomes for the fair value of these liabilities is £0.2 million to £1.1 million (2020 £0.4 million to £6.2 million).

In the current year the increase in fair value of contingent consideration of £0.1 million (2020 £nil) was charged to the Consolidated Income Statement within Net finance costs (Note 10).

A one percentage point increase or decrease in the growth rate used in estimating the expected profits, results in no change to the contingent consideration liability at 30 September 2021 (2020 no change).

No discounting was applied to the contingent consideration balance as at 30 September 2021, as the entire balance is payable within less than one year. In the prior year the rates used to discount contingent consideration ranged from 0.0% to 1.2%. A one percentage point increase or decrease in the discount rate used to discount the expected gross value of payments, results in no change to the contingent consideration liability at 30 September 2021 (2020 no change).

35 Retirement benefit obligations

The Group operates a number of pension schemes under which contributions are paid by the employer and employees. The total net pension costs of the Group for the year ended 30 September 2021 were £10.1 million (2020 £7.6 million).

The schemes include a number of defined contribution pension arrangements, in addition to funded defined benefit pension arrangements which are closed to future accrual. The defined benefit schemes in the UK, together with some defined contribution plans, are administered by Trustees or Trustee Companies.

Defined benefit schemes

Background

The Company operates two main defined benefit schemes (the Schemes), the Harmsworth Pension Scheme (HPS) and the Senior Executive Pension Scheme (SEPF), both of which are closed to new entrants and to further accrual.

Full actuarial valuations of the Schemes are carried out triennially by the scheme actuary and determine the level of contributions payable by the Company to the Schemes. The Technical Provisions position for the most recent funding valuations of the Schemes are summarised in the table below:

Latest Funding Position Date of latest triennial valuation	HPS 31 March 2019 £m	SEPF 31 March 2019 £m	AVC 31 March 2017 £m
Total Liabilities	(2,821.0)	(330.5)	(52.8)
Total Assets	2,583.0	346.1	49.0
Surplus/(Deficit)	(238.0)	15.6	(3.8)

Following the results of the latest triennial valuations as at 31 March 2019, the Company and the Trustees of the Schemes (Trustees) agreed to eliminate the above HPS deficit through a combination of additional contributions and investment returns by 5 October 2024. The agreed Recovery Plan contributions were as follows:

HPS

- £16.2 million paid on 5 October 2019 under the Recovery Plan agreed at the 31 March 2016 valuation;
- £11.0 million each year for 5 years from 5 October 2020 paid annually in advance; and
- £50.0 million at October 2024 or such lower amount required to meet the deficit at 31 March 2024 based on the Scheme Actuary's estimate of the technical provisions at this date.

The Company also agreed to pay the Pension Protection Fund levy and all other expenses excluding investment management expenses for HPS.

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In addition, the Recovery Plan contributions were supplemented by arrangements offering contingent security to HPS, including:

- An Escrow arrangement, to which the Company agreed to contribute an initial sum of £113.6 million and five annual payments of £7.0 million each, with a termination date of 30 September 2026;
- A long-term insolvency guarantee (to replace the Limited Partnership Investment vehicle), capped at £150.0 million with a termination date of 2035 (or the date on which the Scheme reaches full funding on a self-sufficiency basis); and
- Further Funding Agreement in relation to contributions provided in certain circumstances.

Following the disposal of the Group's Insurance Risk segment and its retirement as a guarantor of HPS a further £58.0 million of funding has also been agreed.

The Company considers that these contributions are sufficient to eliminate any deficit over the agreed period. This recovery plan will be reviewed at the next triennial funding valuation of the Schemes which is due to be completed with an effective date of 31 March 2022.

SEPF
For the actuarial valuation as at 31 March 2019, there was no shortfall and therefore no deficit contributions were required.

The Company will pay the Pension Protection Fund levy and all other expenses excluding investment management expenses for SEPF.

AVC Plan
The Recovery Plan agreed as part of the 31 March 2017 valuation of the AVC Plan estimated that the deficit would be eliminated by 30 September 2026. No deficit contributions were payable as it was assumed that this would be met through returns on the AVC Plan's assets.

The 31 March 2020 valuation of the AVC Plan is currently in progress.

In addition, the Company has agreed with the Trustees that, should it make any permanent reductions in the Company's capital, including share buy-backs, it will make additional contributions to the Schemes amounting to 20.0% of the capital reduction capped at the aggregate HPS and SEPF funding deficits shown in the most recent actuarial report. Contributions of £nil (2020 £nil) relating to this agreement were made in the year to 30 September 2021.

Should Rothermere Continuation Limited's (RCL) offer (Note 45) to acquire all the issued and to be issued DMGT A shares not already owned by RCL be accepted by shareholders, the funding terms outlined above would be replaced with protections which include the payment of £402.0 million in cash including the release of the current escrow arrangements.

A further £10.0 million of funding is payable if the SEPF and AVC plans merge as currently planned.

Limited Partnership investment vehicle
HPS owned a beneficial interest in a Limited Partnership investment vehicle (LP). The LP was designed to facilitate annual payments of £10.8 million as deficit funding payments over the year to 2026. In addition, the LP was required to make a final payment to the scheme of £149.9 million, or the funding deficit within the scheme on an ongoing actuarial valuation basis, at the end of the year to 2026 if this was less. This recovery plan, agreed following the 2016 actuarial valuation, assumed £60.0 million of the £149.9 million final payment would be required.

As part of the 31 March 2019 actuarial discussions it was agreed to dissolve the LP and replace it with a long-term insolvency guarantee, capped at £150.0 million with a termination date of 2035 (or the date on which the scheme reaches full funding on a self-sufficiency basis).

For funding purposes, the interest of HPS in the LP was treated as an asset of the scheme and reduced the actuarial deficit within the scheme. However, under IAS 19, Employee Benefits, the LP was not included as an asset of the scheme and therefore is not included in the disclosures below.

Strategic Plan
The Trustees have developed a comprehensive approach to managing the Schemes' investment strategy to ensure it is always aligned with the Strategic Plan. The Schemes' financial performance has been sufficiently better than envisaged so the Trustees have reduced risk largely by decreasing the equity allocation and increasing its interest rate and inflation rate hedging which is reflected in the analysis of the Schemes' assets. In addition, the Strategic Plan has been amended to target an asset allocation that may enable the Schemes to be self-sufficient by 2026.

The figures in this note are based on calculations using membership data as at 30 September 2021 along with asset valuations and cash flow information from the schemes for the year to 30 September 2021.

A reconciliation of the net pension obligation reported in the Consolidated Statement of Financial Position is shown in the following table:

	At 30 September 2021 Schemes in surplus £m	At 30 September 2021 Schemes in deficit £m	At 30 September 2021 Total £m	At 30 September 2020 Schemes in surplus £m	At 30 September 2020 Schemes in deficit £m	At 30 September 2020 Total £m
Present value of defined benefit obligation	**(2,893.4)**	**(50.0)**	**(2,943.4)**	(2,950.3)	(55.5)	(3,005.8)
Assets at fair value	**3,196.5**	**42.0**	**3,238.5**	3,087.0	42.0	3,129.0
Surplus/(deficit) reported in the Consolidated Statement of Financial Position	**303.1**	**(8.0)**	**295.1**	136.7	(13.5)	123.2

The IAS 19 accounting surplus/(deficit) data above differs to the triennial actuarial surplus/(deficit) calculation used in the assessment of future funding obligations.

There are a number of reasons for this. The Technical Provisions basis is agreed by the Trustees and Company as part of the triennial actuarial funding valuation which is used to determine the level of any contributions payable by the Company into the Schemes. The guidance issued to Trustees from the Pensions Regulator is that the Technical Provisions basis should reflect the covenant strength and investment strategy at the time of the valuation. In addition, the Technical Provisions discount rate represents the expected risk adjusted return on the Schemes' assets and is normally set with reference to the yield on government bonds.

For accounting purposes, IAS19 states that the actuarial assumptions used must represent the best estimate of the variables determining the ultimate post-employment benefit cost. The discount rate used is determined by reference to market yields at the end of the reporting period on high quality (AA rated) corporate bonds, and therefore doesn't directly relate to the expected return on the Schemes' assets.

The key differences between the make-up of the bases are the reference yields used for the discount rate, which is higher on the IAS19 basis, and that the Technical Provisions incorporate different risk adjustment factors, compared to the accounting basis which is set to represent best estimate assumptions.

Due to the different methodologies used it is not uncommon for a scheme to be in IAS19 accounting surplus but still be in a deficit on a Technical Provisions basis.

The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its Statement of Financial Position.

In relation to HPS and the SEPF, having taken account of the rules of the schemes, the Company has an unconditional right to a refund of any surplus under IFRIC 14 and considers that the recognition of surpluses in these schemes on its Statement of Financial Position is in accordance with the interpretations of IFRIC 14. In relation to the AVC, having taken account of the rules of the scheme, the Company does not have an unconditional right to a refund under IFRIC 14. However, at 30 September 2021 the AVC Plan showed a deficit and no contributions are payable into the AVC Plan. Therefore no asset ceiling needs to be applied to restrict surplus on the balance sheet and no additional minimum funding liability is needed under IFRIC 14.

IFRIC 14 is in the process of being revised which may lead to a reassessment of the Company's recognition of any pension surplus on its Statement of Financial Position.

The surplus/(deficit) for the year, set out above, excludes a related deferred tax liability of £74.2 million (2020 £23.4 million).

A reconciliation of the present value of the defined benefit obligation is shown in the following table:

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Defined benefit obligation at start of year		**(3,005.8)**	(2,975.8)
Interest cost	10	**(45.7)**	(52.5)
Past service cost	3	**(0.2)**	–
Net benefit payments		**116.2**	114.4
Actuarial loss as a result of:			
– changes in financial assumptions	39	**(29.3)**	(66.3)
– changes in demographic assumptions	39	**(3.3)**	(15.1)
– membership experience	39	**24.7**	(10.5)
Defined benefit obligation at end of year		**(2,943.4)**	(3,005.8)

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A reconciliation of the fair value of assets is shown in the following table:

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Fair value of assets at start of year		**3,129.0**	3,190.8
Interest income on scheme assets	10	**47.8**	56.7
Company contributions	15	**14.2**	16.1
Net benefit payments		**(116.2)**	(114.4)
Return on plan assets, excluding amounts included in interest income on scheme assets	39	**163.7**	(20.2)
Fair value of assets at end of year		**3,238.5**	3,129.0

The fair value of assets is categorised as follows:

	Note	At 30 September 2021 £m	At 30 September 2021 %	At 30 September 2020 £m	At 30 September 2020 %
Equities	(i)				
– Investment funds		**586.3**	**18**	357.0	11
– Private equity		**205.7**	**6**	188.3	6
Liability Driven Investments	(ii)	**665.8**	**21**	727.5	23
Bonds and loans	(iii)	**1,088.6**	**34**	1,092.7	35
Property	(iv)	**434.0**	**13**	425.6	14
Infrastructure		**201.1**	**6**	215.2	7
Cash / Other		**57.0**	**2**	122.7	4
Total Assets		**3,238.5**	**100**	3,129.0	100

(i) Equities include hedge funds and infrastructure funds. Quoted securities in active markets are valued at the latest available bid price at the reporting date.

Private equity and infrastructure funds are valued by investment managers using appropriate valuation techniques. These are derived from market based multiples and discount rates of comparable quoted businesses or market transactions which have been determined by the Trustees' investment advisors to represent fair value.

(ii) Liability Driven Investment funds (LDI) are a collateralised portfolio of gilt repo and swap contracts designed to hedge approximately 65.0% to 70.0% (by value of assets) of the schemes' inflation and interest rate sensitivity. These are independently valued using quoted prices and for OTC instruments by the investment manager using recognised discounting techniques.

(iii) Bonds and loans include corporate bonds, distressed credit and loans. Corporate bonds are held in unitised pooled investment vehicles and are valued at the latest available bid price provided by the pooled investment manager. Distressed credit and loans are valued by the investment managers using relevant valuation techniques.

(iv) The schemes' property portfolio represent a mixture of industrial, retail, office and leisure. These assets are independently valued at open market value at 31 March each year with subsequent changes in value based on changes in the Morgan Stanley Capital International (MSCI) property index.

The value of employer-related assets held on behalf of the schemes at 30 September 2021 was £nil (0.0% of assets), (2020 £nil, 0.0% of assets).

The main financial assumptions are shown in the following table:

	Year ended 30 September 2021 %	Year ended 30 September 2020 %
Price inflation	**3.50**	2.95
Pension increases	**3.35**	2.85
Discount rate	**1.95**	1.55

The discount rate for both scheme liabilities and the fair value of scheme assets reflects yields at the year-end date on high-quality corporate bonds and are based on a cash flow-based yield curve, calculating a single equivalent discount rate reflecting the average duration of the schemes' liabilities, rounded to the nearest 0.05% p.a. This methodology incorporates bonds given an AA rating from at least two of the main four rating agencies (Standard & Poor's, Moody's, Fitch and DBRS).

RPI inflation is derived in a similar way to the discount rate but with reference to the Bank of England spot curve at the duration of the schemes' weighted average duration with an appropriate allowance for inflation risk premium (0.20% p.a.), rounded to the nearest 0.05% p.a.

Mortality assumptions take account of scheme experience, and also allow for further improvements in life expectancy based on the Continuous Mortality Investigation (CMI) projections but with a long-term rate of improvement in future mortality rates of 1.25% p.a. Allowance is made for the extent to which employees have chosen to commute part of their pension for cash at retirement.

The average duration of the defined benefit obligation at the end of the year is approximately 17 years (2020 17 years).

The table below illustrates examples of the assumed average life expectancies from age 60 for the principal schemes:

	Year ended 30 September 2021 Future life expectancy from age 60 (years)	Year ended 30 September 2020 Future life expectancy from age 60 (years)
For a current 60-year-old male member of the scheme	**26.9**	26.9
For a current 60-year-old female member of the scheme	**28.6**	28.5
For a current 50-year-old male member of the scheme	**27.2**	27.2
For a current 50-year-old female member of the scheme	**29.3**	29.2

The amounts charged to the Consolidated Income Statement relating to the Group's defined benefit schemes, based on the above assumptions are shown in the following table:

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Past service cost	3	**(0.2)**	–
Charge to operating profit		**(0.2)**	–
Finance income	10	**2.1**	4.2
Total credit to the Consolidated Income Statement		**1.9**	4.2

The fair value of some of our pension assets are made up of quoted and unquoted investments. The latter require more judgement as their values are not directly observable. The assumptions used in valuing unquoted investments are affected by current market conditions and trends which could result in changes in fair value after the measurement date.

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted. The table below indicates the effect from changes in the principal assumptions used above:

		Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Mortality			
Increase in pension obligation at 30 September from a one-year increase in life expectancy		**118.8**	121.6
Change in projected pension cost for the year to 30 September 2022 from a one-year increase	+/-	**2.3**	1.8
Inflation rate			
Increase in pension obligation at 30 September from a 0.1% p.a. increase (excluding hedging)		**45.9**	52.6
Change in projected pension cost for the year to 30 September 2022 from a 0.1% p.a. increase	+/-	**0.9**	0.7
Discount rate			
Decrease in pension obligation at 30 September from a 0.1% p.a. increase (excluding hedging)		**51.8**	55.7
Change in projected pension cost for the year to 30 September 2022 from a 0.1% p.a. increase	+/-	**1.3**	0.9

There are significant risks in connection with running defined benefit schemes, and the key risks are highlighted below:

Inflation rate risk

A significant proportion of the defined benefit obligation is linked to inflation, therefore increased inflation will result in a higher pension obligation. The Trustees have sought to acquire certain assets with exposure to inflationary uplifts in order to negate a proportion of this risk. Monetary assets such as bonds and loans hedge approximately 70.0% of the schemes' risk (by value of assets).

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Life expectancy risk
The present value of the defined benefit obligation is calculated with reference to the best estimate of the mortality of scheme members. An increase in assumed life expectancy will result in an increase in the defined benefit obligation. Regular reviews of mortality experience are performed to ensure life expectancy assumptions remain appropriate.

Investment risk
This is a measure of the uncertainty that the return on the schemes' assets meet the return necessary to fund pension obligations. The schemes hold a significant proportion of equities, but during the year have been reallocating some of these investments into credit and property investments which exhibit lower volatility of return and the LDI investments.

Discount rate risk
The present value of the defined benefit obligation is calculated using a discount rate set with reference to high-quality corporate bond yields. A decrease in corporate bond yields will increase the present value of the defined benefit obligation, although this will be partially offset by bonds and the LDI investment funds which reduce the gilt rate risk by hedging approximately 65.0% of the schemes' risk (by value of assets).

Amounts recognised in the Consolidated Statement of Comprehensive Income (SOCI) are shown in the following table:

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Actuarial loss recognised in SOCI	39	**155.8**	(112.1)
Cumulative actuarial gain recognised in SOCI at beginning of year		**173.9**	286.0
Cumulative actuarial gain recognised in SOCI at end of year		**329.7**	173.9

A history of experience gains and losses is shown in the following table:

	At 30 September 2021 £m	At 30 September 2020 £m	At 30 September 2019 £m	At 30 September 2018 £m	At 30 September 2017 £m
Present value of defined benefit obligation	**(2,943.4)**	(3,005.8)	(2,975.8)	(2,594.9)	(2,690.7)
Fair value of scheme assets	**3,238.5**	3,129.0	3,190.8	2,838.4	2,753.1
Combined surplus in schemes	**295.1**	123.2	215.0	243.5	62.4
Experience adjustments on defined benefit obligation	**(7.9)**	(91.9)	(419.4)	82.6	191.8
Experience adjustments on fair value of scheme assets	**163.7**	(20.2)	374.1	101.0	107.3

Should the Offer not become nor be declared unconditional, the Group expects to contribute approximately £11.0 million to the schemes during the year to 30 September 2021, in addition to a £58.0 million of funding following the disposal of the Group's Insurance Risk segment and its retirement as a guarantor of HPS.

UK defined contribution plans
The Group has introduced a number of PensionSaver group personal pension plans that have replaced the trust-based defined contribution pension plans previously offered to employees. These plans create a consistent pensions savings vehicle across all Group segments. The benefits for all members of the trust-based plans have been transferred to individual policies held in the member's own name and the scheme is now wound up. Insured death benefits previously held under this trust have already been transferred to a new trust-based arrangement specifically for life assurance purposes.

The aggregate value of the Group personal pension plans was £214.0 million (2020 £164.7 million) at the year end. The pension cost attributable to these plans during the year amounted to £17.8 million (2020 £16.3 million).

Overseas pension plans
Overseas subsidiaries of certain Group segments operate defined contribution retirement benefit plans, primarily in North America. The pension cost attributable to these plans during the year amounts to £1.8 million (2020 £2.3 million).

36 Provisions

	Note	Contract discounts and rebates (iv) £m	Coupon discount £m	Onerous contracts £m	Contingent consideration (ii) £m	Claims and legal (iii) £m	Other (i) £m	Total £m
Current liabilities								
At 1 October 2019		29.1	0.1	1.2	0.6	3.3	10.1	44.4
Acquired in business combinations		1.5	–	–	–	–	–	1.5
Additions		–	–	–	0.5	–	–	0.5
Charged/(released) during year		10.1	–	(1.2)	–	(7.2)	0.2	1.9
Utilised during year		(10.7)	–	0.9	–	(4.0)	(0.2)	(14.0)
Transfer from held for sale liabilities	20	–	–	–	–	32.5	–	32.5
Transfer from non-current liabilities		–	–	0.4	1.5	–	–	1.9
Contingent consideration paid	17, 34	–	–	–	(0.4)	–	–	(0.4)
Adjustment to goodwill		–	–	–	(0.2)	–	–	(0.2)
Exchange adjustment		–	–	–	(0.1)	(1.4)	(0.3)	(1.8)
At 30 September 2020		**30.0**	**0.1**	**1.3**	**1.9**	**23.2**	**9.8**	**66.3**
Charged/(released) during year		1.4	–	(0.1)	–	12.3	0.1	13.7
Utilised during year		(6.8)	0.7	(0.7)	–	(7.2)	(2.5)	(16.5)
Owned by subsidiaries disposed	18	–	–	–	–	–	(0.2)	(0.2)
Transfer from non-current liabilities		–	–	–	0.4	–	0.2	0.6
Contingent consideration paid	17, 34	–	–	–	(1.2)	–	–	(1.2)
Adjustment to goodwill	21	–	–	–	(0.1)	–	–	(0.1)
Fair value adjustment to contingent consideration	10	–	–	–	0.1	–	–	0.1
Exchange adjustment		–	–	–	–	(1.2)	(0.1)	(1.3)
At 30 September 2021		**24.6**	**0.8**	**0.5**	**1.1**	**27.1**	**7.3**	**61.4**

	Note	Onerous contracts £m	Contingent consideration (ii) £m	Other (i) £m	Total £m
Non-current liabilities					
At 1 October 2019		2.9	1.5	2.6	7.0
Acquired in business combinations		–	–	0.1	0.1
Additions		–	0.6	–	0.6
Charged during year		–	–	0.4	0.4
Utilised during year		–	–	(0.1)	(0.1)
Transfer to current liabilities		(0.4)	(1.5)	–	(1.9)
Exchange adjustment		(0.1)	–	(0.1)	(0.2)
At 30 September 2020		**2.4**	**0.6**	**2.9**	**5.9**
Released during year		(1.5)	–	(0.7)	(2.2)
Utilised during year		–	–	(0.1)	(0.1)
Owned by subsidiaries disposed	18	–	–	(0.5)	(0.5)
Transfer to current liabilities		–	(0.4)	(0.2)	(0.6)
Contingent consideration paid	17	–	(0.2)	–	(0.2)
At 30 September 2021		**0.9**	**–**	**1.4**	**2.3**

(i) Other current provisions principally comprise end of service provisions of £4.3 million (2020 £4.3 million), dilapidation provisions of £1.2 million (2020 £2.1 million) and provisions for national insurance contributions of £0.6 million (2020 £1.7 million).

Other non-current provisions principally comprise dilapidation provisions of £0.6 million (2020 £1.4 million), end of service provisions of £nil (2020 £0.9 million) and a provision for amounts payable to the Newspaper Society following the cessation of membership on disposal of Northcliffe Newspapers Ltd in 2012 of £0.4 million (2020 £0.4 million).

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(ii) The maturity profile of the Group's contingent consideration provision is as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
Expiring in one year or less	**1.1**	1.9
Expiring between one and two years	**–**	0.6
	1.1	2.5

The contingent consideration is based on future business valuations and profit multiples and has been estimated using available data forecasts. The contingent consideration relating to acquisitions in the year is £0.4 million (2020 ranged from £0.4 million to £4.6 million). Certain contingent consideration arrangements are not capped since they are based on future business performance.

(iii) Claims and provisions largely relate to the EPA's claim against Genscape, see Note 19 for further details. The comparative period has been re-presented, see Note 20 for further information.

(iv) Contract discounts and rebates relate to provisions held for rebates agreed with advertising agencies and advertisers, on advertising spend across the Group's Consumer Media titles.

37 Deferred taxation

	Note	Accelerated capital allowances £m	Goodwill and intangible assets £m	Share-based payments £m	Deferred interest £m	Trading losses and tax credits £m	Pension scheme deficit £m	Other £m	Total £m
At 30 September 2019		31.8	(17.6)	6.3	24.4	31.5	(33.8)	9.5	52.1
Disclosed within non-current liabilities		–	(2.5)	–	–	–	–	–	(2.5)
Disclosed within non-current assets		31.8	(15.1)	6.3	24.4	31.5	(33.8)	9.5	54.6
(Charge)/credit to income	11, (i)	(2.5)	3.2	5.5	6.7	(23.3)	(4.3)	9.2	(5.5)
Credit/(charge) to income due to change in tax rate	38, 40	3.3	(0.5)	0.7	2.9	2.5	(0.4)	0.1	8.6
(Charge)/credit to equity		–	–	(0.6)	–	–	21.4	–	20.8
Charge to equity due to change in tax rate		–	–	–	–	–	(3.9)	–	(3.9)
Owned by subsidiaries acquired		–	(1.1)	–	–	–	–	0.4	(0.7)
Transfer from held for sale assets	20	–	–	–	–	–	–	4.1	4.1
Exchange adjustment		(0.2)	0.8	–	(0.3)	(1.0)	–	(0.7)	(1.4)
At 30 September 2020		**32.4**	**(15.2)**	**11.9**	**33.7**	**9.7**	**(21.0)**	**22.6**	**74.1**
Disclosed within non-current liabilities		–	(0.3)	–	–	–	–	–	(0.3)
Disclosed within non-current assets		32.4	(14.9)	11.9	33.7	9.7	(21.0)	22.6	74.4
(Charge)/credit to income	11, (i)	0.9	2.6	0.1	(14.3)	19.0	(6.0)	(8.0)	(5.7)
Credit/(charge) to income due to change in tax rate	11, (i)	8.0	(2.0)	1.6	0.3	2.8	1.3	0.5	12.5
Charge to equity	39	–	–	2.5	–	–	(29.5)	–	(27.0)
Charge to equity due to change in tax rate	40	–	–	1.1	–	–	(19.9)	–	(18.8)
Owned by subsidiaries acquired		0.6	(3.9)	–	–	–	–	–	(3.3)
Owned by subsidiaries sold		(5.4)	1.9	(4.9)	(16.2)	–	–	(4.5)	(29.1)
Exchange adjustment		(0.3)	0.2	(0.3)	(2.0)	(0.6)	–	(0.9)	(3.9)
At 30 September 2021		**36.2**	**(16.4)**	**12.0**	**1.5**	**30.9**	**(75.1)**	**9.7**	**(1.2)**
Disclosed within non-current liabilities		**36.0**	**(17.1)**	**12.0**	**1.2**	**29.9**	**(75.1)**	**7.2**	**(5.9)**
Disclosed within non-current assets		**0.2**	**0.7**	**–**	**0.3**	**1.0**	**–**	**2.5**	**4.7**
At 30 September 2021		**36.2**	**(16.4)**	**12.0**	**1.5**	**30.9**	**(75.1)**	**9.7**	**(1.2)**

(i) Includes a £61.4 million charge attributable to discontinued operations (2020 £nil).

The net deferred tax asset disclosed in the Consolidated Statement of Financial Position in respect of deferred interest, tax losses and tax credits is analysed as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
UK	**31.0**	8.6
North America	**0.3**	33.7
Rest of the World	**1.1**	1.1
	32.4	43.4

These losses have been recognised on the basis that the Directors are of the opinion, based on recent and forecast trading, that sufficient suitable taxable profits will be generated in the relevant territories in future accounting periods, such that it is considered probable that these assets will be recovered.

There is an unrecognised deferred tax asset of £62.8 million (2020 £78.4 million) which relates to revenue losses and £33.5 million (2020 £67.8 million) which relates to deferred interest where there is insufficient certainty that these losses will be utilised in the foreseeable future. There is an additional unprovided deferred tax asset relating to capital losses carried forward of £147.8 million (2020 £124.0 million).

No deferred tax liability is recognised on temporary differences of £0.5 million (2020 £245.8 million) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The temporary differences at 30 September 2021 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may still result in a tax liability, principally as a result of dividend withholding taxes levied by the overseas tax jurisdictions in which these subsidiaries operate.

38 Called-up share capital

	Allotted, issued and fully paid At 30 September 2021 £m	Allotted, issued and fully paid At 30 September 2020 £m
Ordinary Shares of 12.5 pence each	**2.5**	2.5
A Ordinary Non-Voting Shares of 12.5 pence each	**26.8**	26.8
	29.3	29.3

	Allotted, issued and fully paid At 30 September 2021 Number of shares	Allotted, issued and fully paid At 30 September 2020 Number of shares
Ordinary Shares	**19,890,364**	19,890,364
A Ordinary Non-Voting Shares	**214,913,327**	214,913,327
	234,803,691	234,803,691

The two classes of shares are equal in all respects, except that the A Ordinary Non-Voting Shares do not have voting rights and hence their holders are not entitled to vote at general meetings of the Company.

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39 Reserves

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Share premium account			
At start and end of year		**17.8**	17.8
Capital redemption reserve			
At start and end of year		**21.0**	21.0
Own shares			
At start of year		**(59.3)**	(49.1)
Purchase of DMGT shares	(i)	**(1.0)**	(19.7)
Own shares released on vesting of share options	(ii)	**24.8**	9.5
At end of year		**(35.5)**	(59.3)

The Group's investment in its own shares represents shares held in treasury or shares held by an employee benefit trust (EBT) to satisfy incentive schemes.

At 30 September 2021, this investment comprised 4,115,021 A Ordinary Non-Voting Shares (2020 4,455,593 shares) held in treasury and 875,450 A Ordinary Non-Voting Shares (2020 3,705,104 shares) held in the EBT. The market value of the Treasury Shares at 30 September 2021 was £44.1 million (2020 £29.0 million) and the market value of the shares held in the EBT at 30 September 2021 was £9.4 million (2020 £24.1 million).

The EBT is independently managed and purchases shares in order to satisfy outstanding share options and potential awards under long-term incentive plans.

(i) The Company purchased 0.1 million (2020 0.2 million) A Ordinary Non-Voting Shares having a nominal value of £nil (2020 £nil) into treasury to match obligations under incentive plans. The consideration paid for these shares was £1.0 million (2020 £1.8 million). In addition in the prior year, the EBT purchased 2.5 million A Ordinary Non-Voting shares having a nominal value of £0.3 million. The consideration paid for these shares in the prior year was £17.9 million.

(ii) During the year, the Company utilised £3.3 million (2020 1.3 million) A Ordinary Non-Voting Shares in order to satisfy incentive schemes. This represented 1.6% (2020 0.6%) of the called-up A Ordinary Non-Voting Share capital at 30 September 2021. The carrying value of these shares was £24.8 million (2020 £9.5 million).

At 30 September 2021 options were outstanding under the terms of the Company's Executive Share Option Schemes, Long-Term Incentive Plans and nil-cost options, over a total of 9,935,671 A Ordinary Non-Voting Shares (2020 4,001,779 shares).

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Translation reserve			
At start of year		**66.5**	52.5
Foreign exchange differences on translation of foreign operations		**(13.3)**	2.1
Translation reserves recycled to Consolidated Income Statement on disposals	8, 18, 19	**(52.2)**	10.6
Gain on hedges of net investments in foreign operations		**6.1**	0.8
Costs of hedging		**(0.2)**	0.5
At end of year		**6.9**	66.5

The translation reserve arises on the translation into sterling of the net assets of the Group's foreign operations, offset by changes in fair value of financial instruments used to hedge this exposure.

Included in the translation reserve is a cumulative loss of £0.1 million (2020 £8.7 million) in relation to continuing hedge relationships and a cumulative loss of £7.2 million (2020 £37.0 million) in relation to hedging relationships for which hedge accounting is no longer applied.

	Note	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Retained earnings			
At start of year		**1,069.9**	703.9
Profit for the year		**1,542.3**	189.3
Dividends paid	12	**(55.0)**	(54.9)
Actuarial gain/(loss) on defined benefit pension schemes	35	**155.8**	(112.1)
Credit to equity for share-based payments	6, 15, 42	**40.1**	42.2
Settlement of exercised share options of subsidiaries		**(34.0)**	(10.4)
Fair value movement of financial assets at fair value through Other Comprehensive Income	26	**370.8**	295.0
Deferred tax on actuarial movement	37	**(49.4)**	17.5
Deferred tax on other items recognised directly in equity	37	**3.6**	(0.6)
At end of year		**3,044.1**	1,069.9
At end of year – total reserves		**3,054.3**	1,115.9

40 Non-controlling interests

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
At start of year	**1.0**	–
Share of loss for the year	**(2.4)**	(0.3)
Non-controlling interest arising on acquisition	**–**	1.3
Foreign exchange differences on translation of foreign operations	**(0.1)**	–
At end of year	**(1.5)**	1.0

41 Commitments and contingent liabilities

Commitments

At 30 September 2021, the Group had outstanding capital expenditure commitments as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
Property, plant and equipment		
Contracted but not provided in the financial statements	**–**	–

At 30 September 2021, the Group had outstanding commitments under non-cancellable agreements made to secure venues for future events and exhibitions which fall due as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
Within one year	**7.0**	10.2
Between one and two years	**–**	1.5
	7.0	11.7

The Group has entered into arrangements with ink suppliers to obtain ink for the year to December 2022 at competitive prices and to secure supply. At 30 September 2021, the commitment to purchase ink over this year was £3.8 million (2020 £7.6 million for the year to December 2020).

The Group has entered into agreements with various printers for years up to December 2024 at competitive prices and to secure supply. At 30 September 2021, the commitment to purchase printing capacity over this year was £7.8 million (2020 £19.5 million for the year to December 2022).

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Contingent liabilities

The Group has issued standby letters of credit amounting to £3.3 million (2020 £2.3 million).

The Group is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The Group makes provision for the estimated costs to defend such claims and provides for any settlement costs when such an outcome is judged probable.

The Group's Energy Information business (Genscape) provided a third-party auditor service verifying Renewable Identification Numbers (RINs) for renewable fuel production activities in the US, as part of the Renewable Fuel Standard Quality Assurance Program (Program), a regulatory program administered by the US Environmental Protection Agency (EPA).

Following discovery and self-reporting to the EPA by Genscape of potential fraudulent RINs generated by two companies unconnected with DMGT but verified by Genscape between 2013 and 2014 under the Program, the EPA issued a notice of intent to revoke the ability of Genscape to verify RINs as a third-party auditor on 4 January 2017. Following the EPA investigation of the two companies in April 2016, the two companies pleaded guilty of fraud in connection with the broader scheme to generate RINs.

EPA regulations for the audit Program set a liability cap on replacement of invalid RINs of 2.0% of the RINs. In April 2017 Genscape voluntarily paid the 2.0% liability cap associated with the invalid RINs at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. The EPA regulations allow for situations where the cap does not apply – including fraud, auditor error and negligence.

The EPA had not formally alleged any fraud or intentional wrongdoing by Genscape, but in its May 2019 final determination letter, EPA did find grounds for auditor error and negligence by Genscape and ordered Genscape to replace 69.2 million additional RINs it had verified.

In July 2019, Genscape filed a petition for review with the Sixth Circuit Court of Appeals and a motion to stay the EPA's order to replace the 69.2 million RINs which was accepted for the duration of Genscape's petition for review.

Notwithstanding the sale of Genscape to Verisk, DMGT is responsible for any costs, claims or awards and all settlement negotiations with the EPA.

DMGT continues to cooperate with the EPA and settlement discussions are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, made a provision for the total cost of replacing RINs as at 30 September 2019.

At each year end IAS 37 requires DMGT to review this provision and make appropriate adjustments to reflect the current status of the claim. The Group's closing provision includes the cost of replacement RINs, estimated purchase costs, associated legal fees and currency fluctuations. The final settlement amount may be different than the provision made, however, it is not possible for the Group to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution. Accordingly, the provision could change substantially over time as the dispute progresses and new facts emerge. Any change to this provision will continue to be disclosed as an exceptional operating item within discontinued operations.

A deferred tax asset of £nil arises on this provision (30 September 2020 US$5.3 million (£4.1 million)).

RINs trade in a volatile range. Using the year end price of US$1.46 replacing the maximum 69.2 million RINs claimed by the EPA would equate to a potential claim of approximately US$100.7 million.

42 Share-based payments

The Group offers a number of share-based remuneration schemes to Directors and certain employees. The principal schemes comprise share options under the DMGT, Insurance Risk, Property Information and Consumer Media segments. Share options are exercisable after the vesting period, subject in some cases to the satisfaction of performance conditions, and up to 10 years from the date of grant at a price equivalent to the market value of the respective shares at the date of grant. Details of the performance conditions relating to the DMGT schemes are explained in the Remuneration Report.

The charge to the Consolidated Income Statement is as follows:

Segment	Scheme	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
DMGT Board and Corporate Costs	Executive Share Option Scheme	**–**	0.1
	Equity-Settled Executive Bonuses	**0.7**	0.7
	Long-Term Incentive Plan	**19.7**	8.6
	Option Plan	**0.2**	0.2
Insurance Risk	Option Plan	**11.0**	24.0
Property Information	Option Plan	**1.2**	1.5
Consumer Media	Long-Term Incentive Plan	**5.8**	4.9
	Option Plan	**1.5**	2.2
Social security costs		**7.4**	1.7
		47.5	43.9

The fair value of share options for each of these schemes was determined using a Black-Scholes model. Full details of inputs to the models, particular to each scheme, are set out below. With respect to all schemes, expected volatility has been estimated, based upon relevant historic data in respect of the DMGT A Ordinary Non-Voting Share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability.

The Group did not reprice any of its outstanding options during the year.

Further details of the Group's significant schemes are set out below:

DMGT 2006 Executive Share Option Scheme

Under the DMGT 2006 Executive Share Option Scheme, each award of options has a maximum life of 10 years. The maximum award limit is 100.0% of salary in any year in normal circumstances and 200.0% of salary in exceptional circumstances. Awards will not normally vest until three years after the award and the performance conditions have been met. No options were outstanding to Directors during the year.

	Year ended 30 September 2021 Number of share options	Year ended 30 September 2021 Weighted average exercise price £	Year ended 30 September 2020 Number of share options	Year ended 30 September 2020 Weighted average exercise price £
Outstanding at 1 October	**531,576**	**5.62**	661,105	5.87
Granted during the period	**100,000**	**7.09**	–	–
Exercised during the period	**(251,800)**	**5.54**	(77,718)	7.59
Expired during the period	**(10,362)**	**5.69**	(51,811)	5.89
Modified during the period	**–**	**–**	–	–
Outstanding at 30 September	**369,414**	**6.07**	531,576	5.62
Exercisable at 30 September	**–**	**–**	168,903	5.23
Exercisable at 1 October	**168,903**	**5.23**	178,314	5.12

The aggregate of the estimated fair values of the options granted during the year is £0.1 million (2020 £nil). The options outstanding at 30 September 2021 had a weighted average remaining contractual life of 6.0 years (2020 6.9 years).

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The inputs into the Black-Scholes model are as follows:

Date of grant	25 January 2019	24 November 2020
Market value of shares at date of grant (£)	5.69	7.09
Option price (£)	5.69	7.09
Number of share options outstanding	269,414	100,000
Term of option (years)	10	3
Assumed period of exercise after vesting (years)	7	–
Exercise price (£)	5.69	7.09
Risk-free rate (%)	0.81	1.28
Expected dividend yield (%)	3.59	2.61
Volatility (%)	27.95	24.00
Fair value per option (£)	0.84	0.99

Nil-cost options under the DMGT Executive Bonus Scheme

Since December 2009 a portion of the bonus earned by Executive Directors under the Executive Bonus Scheme has been deferred into shares in the form of nil-cost options. These options are to the value of the equity portion of the bonus and are fully expensed in the year in which they are earned. Further details are shown in the Remuneration Report.

	Year ended 30 September 2021 Number of share options	Year ended 30 September 2021 Weighted average exercise price £	Year ended 30 September 2020 Number of share options	Year ended 30 September 2020 Weighted average exercise price £
Outstanding at 1 October	**191,243**	–	120,436	–
Granted during the period	–	–	85,899	–
Exercised during the period	–	–	(15,092)	–
Outstanding at 30 September	**191,243**	–	191,243	–
Exercisable at 30 September	**105,344**	–	–	–
Exercisable at 1 October	–	–	252,903	–

The aggregate of the estimated fair values of the awards granted during the year is £nil (2020 £0.7 million). The awards outstanding at 30 September 2021 had a weighted average remaining contractual life of 4.6 years (2020 5.6 years).

DMGT Long-Term Incentive Plan

Details of the terms and conditions relating to this scheme are set out in the Remuneration Report.

	Year ended 30 September 2021 Number of share options	Year ended 30 September 2021 Weighted average exercise price £	Year ended 30 September 2020 Number of share options	Year ended 30 September 2020 Weighted average exercise price £
Outstanding at 1 October	**2,603,313**	–	1,946,598	–
Granted during the period	**5,117,940**	–	1,319,412	–
Exercised during the period	**(1,116,459)**	–	(649,744)	–
Expired during the period	–	–	(12,953)	–
Outstanding at 30 September	**6,604,794**	–	2,603,313	–
Exercisable at 30 September	–	–	–	–
Exercisable at 1 October	–	–	–	–

The number of awards granted in the prior year were based on estimates with the actual number being finalised in the current year.

The aggregate of the estimated fair values of the awards granted during the year is £26.8 million (2020 £3.3 million).

The awards outstanding at 30 September 2021 had a weighted average remaining contractual life of 7.4 years (2020 1.5 years).

Options under the DMGT Long-Term Incentive Scheme

The inputs into the Black-Scholes model are as follows:

Date of grant	3 February 2021	3 February 2021
Market value of shares at date of grant (£)	6.82	7.39
Number of share options outstanding	2,740,694	2,530,728
Term of option (years)	10	10
Risk-free rate (%)	0.9	0.9
Expected dividend yield (%)	3.0	3.0
Volatility (%)	24.0	24.0
Fair value per option (£)	5.96	5.78

The above table represents the two Executive Director Long Term Incentive Plan awards with accrual schedules from 2019 to 2029 and 2020 to 2030 respectively.

2018 LTIP awards

The third and final award under the Executive Incentive Plan (EIP) over the period was based on participants receiving a percentage of the growth in profit above a defined threshold over the three-year performance period converted into shares. The performance targets were exceeded and therefore all participants are entitled to receive maximum target awards. The calculated result reflects exceptional performance during the year including the successful flotation of Cazoo and the sale of RMS which delivered significant returns to shareholders.

The fair value of each award was £5.63 and the charge for the year was £17.4 million (2020 £5.1 million).

DMGT Long-Term Executive Incentive Plan Awards 2019 and 2020

These awards entitle participants (who are not Executive Directors) to a set number of shares further to a three-year restricted period. Awards are based on financial and individual performance for the previous financial year.

The awards are settled in A Ordinary Non-Voting Shares based on the average share price for the first three days following release of the annual financial results or the date of employment.

DMGT Long-Term Executive Director Incentive Plan Awards 2019 and 2020

The Executive Director LTIP (Executive Director LTIP) was formally approved by shareholders at the February 2021 AGM. The planned awards for the current Executive Directors will span 12 years – three awards pursuant to which shares will accrue and be delivered at the end of a different ten year period. The Executive Directors will therefore be strongly incentivised to deliver value creation through share price appreciation and dividend payments over that period.

The first two Awards to the Executive Directors under the Executive Director LTIP were made on 31 March 2021 covering the following periods: 1 October 2019 to 30 September 2029 and 1 October 2020 to 30 September 2030. The third Executive Director LTIP Award covering the period: 1 October 2021 to 30 September 2031 will be made on 23 November 2021. This award will be calculated by reference to the Volume Weighted Average of DMGT's share price (VWAP) in the twelve months period up to and including 22 November 2021, three days after DMGT's financial results for 2021 are announced.

Each award vests on a graded vesting rather than straight line basis as a result of service conditions associated with each award. This results in a higher charge in the earlier years of the award. The charge for the year was £3.0 million (2020 £3.7 million).

No further Awards are intended to be made to the current Executive Directors until after 30 September 2029.

Insurance Risk (RMS) Option Plans

RMS maintains the 2014 Equity Award Plan (2014 Plan) and the 2015 Equity Incentive Plan (2015 Plan).

The 2014 Plan was introduced during the year ended 30 September 2014. The 2014 Plan allows grants of options and Restricted Stock Units (RSUs), both time and performance based, to employees, officers, directors and consultants of RMS.

The 2015 Plan was introduced during the year ended 30 September 2016. The 2015 Plan allows grants of options to employees, officers, directors and consultants of RMS. Options granted under this plan had two vesting conditions – a service period and the occurrence of an initial public offering of RMS or an event in which the Group ceases to hold at least 50.0% of the voting rights of RMS.

On 20 July 2020, the Group modified the 2015 Plan such that vesting now occurs only on the satisfaction of the service period. In addition, the modified plan allows for the granting of RSUs.

RMS options under the 2014 and 2015 Plans were granted at market value and are settled in equity upon exercise.

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RMS share options

	Note	Year ended 30 September 2021 Number of share options	Year ended 30 September 2021 Weighted average exercise price US$	Year ended 30 September 2020 Number of share options	Year ended 30 September 2020 Weighted average exercise price US$
Outstanding at 1 October		**11,858,235**	**10.35**	10,487,464	9.46
Granted during the period		**473,885**	**14.08**	3,870,108	12.33
Forfeited during the period		**(686,003)**	**10.83**	(2,373,009)	9.60
Exercised during the period		**(421,606)**	**9.80**	(126,328)	10.00
On disposal	(i)	**(11,224,511)**	**10.50**	–	–
Outstanding at 30 September		**–**	**–**	11,858,235	10.35
Exercisable at 30 September		**–**	**–**	9,718,471	9.53
Exercisable at 1 October		**9,718,471**	**9.53**	453,824	10.16

The weighted average share price at the date of exercise for share options exercised during the year was US$14.1 (2020 US$14.1).

The options outstanding at 30 September 2020 had a weighted average remaining contractual life of 7.4 years.

The inputs into the Black-Scholes model are as follows:

Date of grant	During 2015	During 2016	During 2017	During 2018	During 2019	During 2020	During 2021
Market value of shares at date of grant (US$)	10.00	9.04	9.52	9.62	9.63	12.33	14.08
Option price (US$)	10.00	9.04	9.52	9.62	9.63	12.33	14.08
Number of share options outstanding	184,292	2,423,546	1,395,899	1,564,207	1,997,188	3,185,494	473,885
Term of option (years)	7	10	10	10	10	10	10
Assumed period of exercise after vesting (years)	4-5	6.25	6.25	6.25	6.25	6.25	6.13
Exercise price (US$)	10.00	9.04	9.52	9.62	9.63	12.33	14.08
Risk-free rate (%)	1.25	1.64	2.17	2.45	2.80	1.00	1.06
Expected dividend yield (%)	3.63	Nil	Nil	Nil	Nil	Nil	Nil
Volatility (%)	25.63	30.85	30.62	29.55	28.88	30.17	33.33
Fair value per option (US$)	1.44	3.04	3.30	3.31	3.34	3.89	4.82

Expected volatility was determined by calculating the historical volatility of comparable companies.

RMS RSU awards

	Note	Year ended 30 September 2021 Number of RSUs	Year ended 30 September 2021 Weighted average exercise price US$	Year ended 30 September 2020 Number of RSUs	Year ended 30 September 2020 Weighted average exercise price US$
Outstanding at 1 October		**377,593**	**–**	–	–
Granted during the period		**202,418**	**–**	377,593	–
Forfeited during the period		**(48,223)**	**–**	–	–
On disposal	(i)	**(531,788)**	**–**	–	–
Outstanding at 30 September		**–**	**–**	377,593	–

(i) Following the Group’s disposal of RMS to Moody’s Corporation (Moody’s) during the year, all vested RMS options were cancelled in exchange for cash payment equal to the market value of these options less the option cost; all unvested RMS options were cancelled in exchange for RSU awards in Moody’s; and all RMS RSUs were converted into RSUs in Moody’s.

43 Ultimate holding company

The Company's immediate parent company is Rothermere Continuation Limited (RCL), a company incorporated in Jersey, in the Channel Islands.

Daily Mail and General Trust plc is the only company in the Group to prepare consolidated financial statements.

44 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures and associates are disclosed below.

For the purposes of IAS 24, Related Party Disclosures, executives below the level of the Company's Board are not regarded as related parties.

The remuneration of the Directors at the year end, who are the key management personnel of the Group, is set out in aggregate in the audited part of the Directors' Remuneration Report.

Ultimate controlling party

Rothermere Continuation Limited (RCL) is a holding company incorporated in Jersey, in the Channel Islands. The main asset of RCL is its controlling shareholding in DMGT, being its 100% holding of DMGT's issued Ordinary Shares and the largest single holding of DMGT A Ordinary Shares. RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family. The Trust is the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey. RCL and its directors, and the Trust are related parties of the Company.

Transactions with Directors

During the year, Forsters LLP in which Mr A Lane, a Non-Executive Director of the Company, is a partner, provided legal services to the Company amounting to £90,752 (2020 £26,687). During the year, Dixon Wilson Chartered Accountants and H.W. Wood Ltd., in which Mr D Nelson, a Non-Executive Director of the Company, is a partner and director respectively, provided professional services to the Company amounting to £30,500 (2020 £nil).

Transactions with joint ventures and associates

Details of the Group's principal joint ventures and associates are set out in Note 25.

Associated Newspapers Ltd (ANL) has a 50.0% (2020 50.0%) shareholding in Northprint Manchester Ltd, a joint venture. The net amount due to ANL of £5.8 million (2020 £5.8 million) has been fully provided.

DMGV Ltd (DMGV) has a 23.9% (2020 23.9%) shareholding in Excalibur Holdco Ltd (Excalibur), an associate. During the year, services provided to Excalibur amounted to £0.3 million (2020 £0.5 million). At 30 September 2021, amounts due from Excalibur amounted to £nil (2020 £0.1 million), together with loan notes of £17.3 million (2020 £17.3 million). The loan notes carry an annual coupon of 10.0% and £10.3 million (2020 £8.9 million) was outstanding in relation to this coupon at 30 September 2021. An expected lifetime impairment allowance of £12.0 million (2020 £12.0 million) has been made against the loan note and unpaid coupon balance.

DMGV has a 45.3% (2020 45.3%) shareholding in Yopa Property Ltd (Yopa), an associate. During the year, the Consumer Media segment provided services to Yopa amounting to £0.1 million (2020 £0.5 million). Also, during the year, the Property Information segment paid referral fees of £2.9 million (2020 £0.9 million) and made sales of £0.1 million (2020 £0.1 million) to Yopa.

DMGV has a 21.4% (2020 22.4%) shareholding in Quick Move Ltd, an associate. DMGV provided funding amounting to £nil cash and £nil of media credits (2020 £2.0 million cash and £1.0 million of media credits) during the year.

DMGV has a 20.1% shareholding in Factory 14 S.a.r.l, an associate acquired during the year. DMGV provided cash funding amounting to £8.6 million during the year (which includes a loan note of US$4.3 million).

DMGV has a 20.0% shareholding in Bloobloom Ltd, an associate acquired during the year. DMGV provided funding amounting to £0.8 million cash and £0.2 million of media credits during the year.

DMGV has a 22.0% (2020 10.5%) shareholding in Kortext Ltd, an associate. DMGV provided cash funding amounting to £16.6 million (2020 £nil) during the year.

DMG Events (USA), Inc. has a 19.5% shareholding (2020 19.5%) in Whereoware, LLC., an associate. During the year, DMG Events (USA), Inc. received dividends of £0.1 million (2020 £0.4 million) from Whereoware, LLC.

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DMGI Land & Property Europe Ltd (DMGILP), of which Landmark Information Group Ltd (Landmark) is a subsidiary undertaking, has a 50.0% (2020 50.0%) shareholding in PointX Ltd (PointX), a joint venture. During the year, Landmark charged management fees of £0.3 million (2020 £0.3 million) and recharged costs of £0.1 million (2020 £0.1 million) to PointX. DMGILP received dividends of £0.1 million (2020 £nil) from PointX. At 30 September 2021, £nil (2020 £0.1 million) was owed to Landmark by PointX.

Decision Insight Information Group (UK) Ltd (DIIG UK) has a 50.0% (2020 50.0%) shareholding in Decision First Ltd (DF), a joint venture. During the year, DIIG UK recharged costs to DF amounting to £0.2 million (2020 £0.2million) and charged management fees of £0.1 million (2020 £0.1 million).

On 15 December 2020, the Group disposed of its shareholding in TreppPort, LLC (TreppPort), a joint venture. During the year, Trepp, LLC received dividends of £0.3 million (2020 £0.2 million).

On 31 August 2021, the Group disposed of its shareholding in Mercatus, Inc., an associate. During the year, Trepp, LLC received dividends of £0.5 million (2020 £nil).

Other related party disclosures

Under an agreement to guarantee the income generated from certain property assets held by the Harmsworth Pension Scheme which were purchased from the Group during a prior year, the Group was charged for rent and service charges in relation to the current year amounting to £0.2 million (2020 £0.2 million).

At 30 September 2021, the Group owed £1.0 million (2020 £1.0 million) to the pension schemes which it operates. This amount comprised employees' and employer's contributions in respect of September 2021 payrolls.

The Group recharges its principal pension schemes with costs of investment management fees. The total amount recharged during the year was £0.3 million (2020 £0.3 million).

Contributions made during the year to the Group's retirement benefit plans are set out in Note 35, along with details of the Group's future funding commitments.

ANL paid contributions to DMGT Healthcare Trustees totalling £0.9 million (2020 £0.9 million). At 30 September 2021, a total of £1.2 million (2020 £1.2 million) was owed to the scheme by ANL.

45 Post balance sheet events

Offer by Rothermere Continuation Limited (RCL) to acquire all the issued and to be issued DMGT A Shares not already owned by RCL

On 3 November 2021, it was announced (the Offer Announcement) that Rothermere Continuation Limited (RCL) and the Non-conflicted DMGT Directors had reached agreement on the definitive terms of a cash offer (the Offer) by RCL of £2.55 per DMGT A Share to acquire all the issued and to be issued DMGT A Shares not already owned by RCL (the Offer Shares). The Non-conflicted DMGT Directors are those that are considered independent in respect of the Offer. The Offer Announcement followed DMGT's announcement on 12 July 2021 of a possible major reorganisation of the Group and, subject to pre-conditions, a possible offer by RCL for the Offer Shares.

Conditional upon the Offer becoming or being declared unconditional (Offer Acceptance), DMGT intends to declare a special dividend payable to all DMGT shareholders, including RCL. The special dividend would comprise cash of £5.68 per DMGT Share and shares in Cazoo Group Ltd (Cazoo). The Cazoo share component would be approximately 0.5749 Cazoo shares per DMGT Share, subject to rounding for each DMGT shareholder and a reduction in the event of the sterling equivalent market value of each Cazoo share exceeding c.£7.38 on the date that the settlement is calculated. The Non-conflicted DMGT Directors are Kevin Beatty, Tim Collier, Kevin Parry, JP Rangaswami, Heidi Roizen, Dominique Trempont and Filippa Wallestam and they have recommended the Offer to DMGT's A shareholders. Shareholders have until 1:00 p.m. GMT on 16 December 2021 to decide whether or not they will accept the Offer. The Offer is conditional upon RCL having received valid acceptances in respect of not less than 90.0% of the Offer Shares, or a lower percentage as RCL may decide, provided that this condition shall not be satisfied unless RCL has acquired or agreed to acquire more than 50.0% of all DMGT shares, including those already owned by RCL.

Following the offer becoming or being declared unconditional, it is expected that DMGT would cease to be listed in due course and be re-registered as a private company.

The proposed special dividend highlighted above would constitute a significant portion of the current value of DMGT. The Pension Scheme Trustees must therefore reconsider the schemes' funding requirements, including DMGT's ability to fund any further emerging deficits that could arise from investment and other risks. DMGT must also consider the powers of the Pensions Regulator in the context of recent changes to pension laws. The surplus on an accounting basis is not relevant in these circumstances and the significantly higher funding obligations and solvency protections under UK pension laws and Pensions Regulator guidance are relevant.

Against this background, a number of significant payments and protections have been required to be agreed between the Trustees, DMGT and RCL. These payments and protections would take effect in the event of Offer Acceptance and the special dividend being declared. They include the payment of £402.0 million in cash, including the release of current escrow arrangements.

In the event of Offer Acceptance and the special dividend being declared, the terms outlined above would replace the existing funding plan agreed with the Trustees other than the agreement for a further £10.0 million of funding if two of the schemes are merged as currently planned. Even after the above terms have been implemented, including the total cash payment of £412.0 million, the pension schemes' remaining aggregate solvency deficit estimated by pension advisers is £380.0 million as at 31 March 2021.

Disposals

Following the year end the Group disposed of Landmark Insurance, a division of Landmark Information Group Ltd within the Group's Property Information segment. Total cash consideration received amounted to £5.4 million.

46 Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ending 30 September 2021:

Subsidiary name	Company registration number	Subsidiary name	Company registration number
Daily Mail International Ltd	01966438	DMGRH Finance Ltd	03191181
DMG Asset Finance Ltd	05528329	DMGZ Ltd	00272225
DMG Atlantic Ltd	04521108	Northcliffe Media Ltd	03403993
DMG Events International Ltd	04118004	Ralph US Holdings	06341444
DMG Information Ltd	03708142	Young Street Holdings Ltd	04485808

The Directors of Daily Mail and General Trust plc have confirmed that the Company will provide a guarantee under Section 479C in relation to the subsidiaries listed above.

No dormant subsidiaries have taken the exemption from preparing individual accounts by virtue of Section 394A of Companies Act 2006.

No dormant subsidiaries have taken the exemption from filing with the registrar individual accounts by virtue of Section 448A of Companies Act 2006.

The following UK subsidiaries will take advantage of the audit exemption set out within Section 480 of the Companies Act 2006, exemption from audit for dormant companies for the year ended 30 September 2021:

Subsidiary name	Company registration number	Subsidiary name	Company registration number
A&N Media Finance Services Ltd	03709742	Mail Finance Services Ltd	04282263
Abbey Newco Ltd	13550497	MailLife Financial Services Ltd	01063950
Central Independent News and Media Ltd	03015855	Northcliffe Trustees Ltd	03394992
Daily Mail Ltd	01160542	OnSearch Direct Group Ltd	SC202596
DMG Loanco Ltd	03125581	OneSearch Direct Property Information Ltd	SC212922
Harmsworth Printing (Didcot) Ltd	05539456	OneSearch Direct Property Ltd	SC155319
Harmsworth Printing Ltd	02208579	Pico Information Ltd	11149692
Harmsworth Quays Printing Ltd	02208582	Richards Gray Ltd	03209331
Iona Trading Ltd	13467549	Surveys Online Ltd	SC191569
JPIMedia Publications Ltd	11575526	The Mail on Sunday Ltd	01160545
Justice for Sgt Blackman Ltd	09761390	Watervale Ltd	05231066
Lincolnshire Media Ltd	00037928		

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47 Full list of Group undertakings

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
A&N Media Finance Services Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Abbey Newco Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
AN Mauritius Ltd	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebène, Republic Of Mauritius	Mauritius	Ordinary	100%
Argyll Environmental Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary A, Ordinary B, Ordinary C, Ordinary D	100%
Associated Newspapers (Ireland) Ltd	Top Floor, Two Haddington Buildings, 20-38 Haddington Road, Dublin 4, D04 HE94	Ireland	Ordinary	100%
Associated Newspapers Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Associated Newspapers North America, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Common	100%
Associated Print Holdings Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Associated Printing (Carn) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Associated Printing (Dinnington) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Associated Printing (Portsmouth) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Central Independent News and Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Coral Mint Ltd	Top Floor, Two Haddington Buildings, 20-38 Haddington Road, Dublin 4, D04 HE94	Ireland	Ordinary	100%
Daily Mail and General Holdings Ltd*	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail and General Investments Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail and General Trust plc	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary and A ordinary non voting	N/A
Daily Mail International Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail On-Air, LLC	CSC Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833	USA	Ordinary	100%
Dailymail.com Australia Pty Ltd	Level 12, 207 Kent Street, Sydney, NSW 2000	Australia	Ordinary	100%
Decision Insight Hub Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Decision Insight Information Group (UK) Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
DMG Angex Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Asset Finance Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Atlantic Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Carbon Group Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Carbon Holdings Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Conference & Exhibition Services (Shanghai) Ltd	Room 428, Level 4, No 55 Xiya Road (Plot 5 Of Zone F), Shanghai	China	Ordinary	100%
DMG Connect, Inc	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Common	100%
DMG Consolidated Holdings Pty Ltd	Level 2, 452 Flinders Street, Melbourne VIC 3000	Australia	Ordinary	100%

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
DMG Events (Canada), Inc.	#1510 – 140 10 Avenue SE, Calgary, Alberta T2G 0R1	Canada	Ordinary	100%
DMG Events (Conferences) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events (Doha), LLC	Office 706, Palm Tower B, PO Box 3601, West Bay, Doha	Qatar	Ordinary	100%
DMG Events (MEA) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events (PNG) Ltd	Level 3, Pacific Mmi Building, Port Moresby, National Capital District	Papua New Guinea	Ordinary	100%
DMG Events (UK) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events (USA), Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Common	100%
DMG Events Asia Pacific Pte Ltd	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	Singapore	Ordinary	100%
DMG Events Egypt Ltd	Office 1, Mezzanine Floor, Hall 2, Egypt International Exhibition Centre, Elmoushir Tantawy Axis, New Cairo	Egypt	Ordinary	100%
DMG Events India Private Ltd	Level 4, Dynasty A Wing, Andheri Kurla Road, Mumbai- 400 059, Maharashtra	India	Ordinary	100%
DMG Events International Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events, LLC	Office 408, Salama Tower, Al Madinah, Al Munawarah Road, As Salamah District, PO Box 3650, Jeddah	Saudi Arabia	Ordinary	100%
DMG Exhibition Management Services (PTY) Ltd	76 Eleventh Street, Parkmore, Johannesburg, 2196	South Africa	Ordinary	100%
DMG Information Asia Pacific Pte Ltd	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	Singapore	Ordinary	100%
DMG Information Hong Kong Company Ltd	27/F, 248 Queen's Road East, Wanchai	Hong Kong	Ordinary	100%
DMG Information Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Loanco Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Nigeria Events Limited	Plot E, Ikosi Road, Oregun Industrial Estate, Ikeja, Lagos	Nigeria	Ordinary	49.0%
DMG World Media Abu Dhabi Ltd (i)	15 Esplanade, St Helier, Jersey, JE1 1RB, Channel Islands	Jersey	Ordinary	100%
DMG World Media Dubai (2006) Ltd (i)	15 Esplanade, St Helier, Jersey, JE1 1RB, Channel Islands	Jersey	Ordinary	100%
DMGB Ltd*	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
dmgi Land & Property Europe Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
DMGK Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary, Preference	75.0%
DMGRH Finance Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMGT US Employee Services, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Common	100%
DMGV Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMGZ Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
EDR Landmark Management Services Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Estate Technical Solutions Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary A, Ordinary B, Ordinary C, Ordinary D, Ordinary E	100%

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Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
Guildford Zoot, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Common	100%
Harmsworth Printing (Didcot) Ltd (in liq'n)	C/O Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
Harmsworth Printing Ltd (in liq'n)	C/O Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
Harmsworth Quays Printing Ltd (in liq'n)	C/O Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
Iona Trading Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
JPIMedia Publications Ltd (in liq'n)	C/O Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
Justice for Sgt Blackman Ltd (in liq'n)	C/O Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London E14 5NR	UK	Limited by Guarantee	100%
Kingston Midco 1 Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Kingston Midco 2 Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Landmark Analytics Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Landmark FAS Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Landmark Information Group Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary, Ordinary A, Redeemable Preference	100%
Landmark International Holdings Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Landmark Optimus Ltd	5-7 Abbey Court Eagle Way, Sowton Industrial Estate, Exeter, Devon EX2 7HY	UK	Ordinary A	100%
Landmark Valuation Services Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Lincolnshire Media Ltd	C/O Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
Mail Finance Services Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Mail Media, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Ordinary	100%
MailLife Financial Services Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Millar & Bryce Ltd	10th Floor 133 Finnieston Street, Glasgow, G3 8HB Scotland	UK	Ordinary	100%
New Scientist Group Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	A1 Ordinary, A2 Ordinary, B1 Ordinary, B2 Ordinary, Priority Preference, Subordinated Preference	100%
New Scientist Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Northcliffe Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Northcliffe Trustees Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary A, Ordinary B	100%

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
Ochresoft Technologies Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Deferred, Ordinary, Ordinary A, Preference	100%
OneSearch Direct Group Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary	100%
OneSearch Direct Holdings Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary A, Ordinary B	100%
OneSearch Direct Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary	100%
OneSearch Direct Property Information Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary	100%
OneSearch Direct Property Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary	100%
Pico Information Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Ralph US Holdings	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
RCoaster.ie Ltd (in liq'n)	4A Broomhill Business Complex, Broomhill Road, Tallaght, Dublin 24	Ireland	Ordinary	100%
Richards Gray Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
SearchFlow Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Springthorpe Drake, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Ordinary	100%
Surveys Online Ltd	Skypark Sp1, 8 Elliot Place, Glasgow, G3 8EP, Scotland	UK	Ordinary, Ordinary A, Ordinary B	100%
The Mail on Sunday Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Trepp, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Common	100%
Trepp UK Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Watervale Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Xceligent Inc (in liq'n)	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Common, Series A preferred	86.8%
Young Street Holdings Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%

All subsidiaries are included in the consolidated financial statements of the Group.

* Direct investment held by the parent Company Daily Mail and General Trust plc (DMGT). All other subsidiaries are held indirectly through subsidiaries of DMGT.

(i) Principal place of business in the UAE.

Joint Venture name	Address of principal place of business	Classes of shares held	Financial year end	% capital included in consolidation
Decision First Ltd	Cardinal House, 9 Manor Road, Leeds, West Yorkshire, LS11 9AH	Ordinary B	31 December	50.0%
Northprint Manchester Ltd	PO Box 68164, Kings Place, 90 York Way, London N1P 2 AP	Ordinary	30 September	50.0%
PointX Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	Ordinary B	31 March	50.0%

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Notes to the accounts

The Group has joint control over all of the joint ventures listed above, because key operating decisions require the unanimous consent of the Group and the other investor(s).

Associate name	Address of principal place of business	Country of incorporation or registration	Classes of shares held	% shareholding
Bloobloom Ltd	242 Acklam Road, Westbourne Studios Unit 209, London W10 5JJ	UK	Preference	20.0%
Conveyancing Information Executive Ltd	Alpha House, 4 Greek Street, Stockport, Cheshire SK3 8AB	UK	Limited by Guarantee	23.0%
Entale Media Ltd	C/O Founders Factory Limited, Northcliffe House, Young Street, London W8 5EH	UK	Preference	36.8%
ES London Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	33.5%
Excalibur Holdco Ltd	Wowcher Limited, Dalston Works, 69 Dalston Lane, London E8 2NG	UK	B Ordinary	23.9%
Factory 14 S.a.r.l	53 boulevard Royale, L-2449	Luxembourg	Preference	20.1%
Funcent DMG Information Technology Hong Kong Company Ltd	27/F 248 Queen's Road East, Wanchai	Hong Kong	Ordinary	22.6%
Independent Television News Ltd	200 Grays Inn Road, London WC1X 8XZ	UK	Ordinary	20.0%
iProf Learning Solutions India Pte Ltd	91 Springboard E-43 /1, Okhla Industrial Area Phase-2 Delhi South Delhi DL 110020	India	Equity, CCPS	10.8%
Kortext Ltd	26-32 Oxford Road, Suite B, 6th Floor, Avalon House, Bournemouth, Dorset, BH8 8EZ	UK	Ordinary, Preference	22.0%
Liases Foras Real Estate Rating and Research Private Ltd	S6, 2nd Floor, Pinnacle Business Park, Mahakali Cave Road, Andheri East, Mumbai, 400093	India	Equity, Series A Compulsory Cumulative Convertible Preference	30.5%
LineVision, Inc.	501 Boylston St, Suite 4102, Boston, MA 02116	USA	Series A1	41.0%
Propstack Services Private Ltd	1st & 2nd Floor, Nyay Sagar Bdlg, Kalanagar, Bandra (East), Mumbai – 400 051	India	Equity, Preference	22.7%
Quick Move Ltd	86-90 Paul Street, London EC2A 4NE	UK	Ordinary, Preference	21.4%
RLTO Ltd	Office 7 35-37 Ludgate Hill, London EC4M 7JN	UK	Ordinary	20.0%
Skymet Weather Services Private Ltd	109, Kushal Bazar, Nehru Place, New Delhi, 110019	India	Ordinary	15.9%
WellAware Holdings, Inc.	3424 Paesanos Parkway, Suite 200, San Antonio, Texas 78231	USA	Preference	8.2%
Whereoware, LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	Membership Interests	19.5%
Yopa Property Ltd	Suite 4, Building 4, Hatters Lane, Watford WD18 8YF	UK	Preference	45.3%

Investment name	Address of principal place of business	Country of incorporation or registration	Classes of shares held	% shareholding
Air Mail, LLC	Registered Agent Solutions, 9.E Loockerman Street, Suite 311, Dover, Kent, Delaware 19901, United States	USA	Preference	5.0%
BDG Media, Inc.	559 Driggs Avenue, Suite 2, Brooklyn, NY 11211, United States	USA	Common, Preference	3.4%
Bricklane Technologies Ltd	20 Baltic Street, London, United Kingdom, EC1Y 0UL	UK	Preference	14.7%
Cazoo Group Ltd	667 Madison Avenue, New York, NY 10065, United States	Cayman	Ordinary	16.9%
Compstak, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	2.0%
Cue Ball Capital LP	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, United States	USA	Partnership Units	2.5%
Evening Standard Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	5.0%
Farewill Ltd	1st Floor, 27 Downham Road, London N1 5AA	UK	Preference	5.4%
Financial Network Analytics Ltd	Albert House, 256-260 Old Street, London EC1V 9DD	UK	Ordinary	4.5%
Global Event Partners Ltd	Suite 1, 3rd Floor, 11-12 St. James's Square, London SW1Y 4LB	UK	Ordinary	15.0%
GPNutrition Ltd	24 Hills Road, Cambridge CB2 1JP	UK	Ordinary	13.9%
Hambro Perks Ltd	111 Buckingham Palace Road, London SW1W 0SR	UK	Ordinary	3.1%
IPSX Group Ltd	15 Stratton Street, London W1J 8LQ	UK	Ordinary	2.5%
Laundrapp Ltd (in liq'n)	2nd Floor 110 Cannon Street, LondonEC4N 6EU	UK	Ordinary, Preference	1.7%
LDR Realisations 2019 Ltd (in liq'n)	66 Prescot Street, London E1 8NN	UK	Ordinary	8.6%
Lindentor 226. V V GmbH	Charlottenstraße 4, Berlin, 10969, Germany	Germany	Common	0.1%
Live Better With Ltd	70 White Lion Street, Islington, London N1 9PP	UK	Ordinary B	4.6%
Media Investors 17, LLC	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, United States	USA	Ordinary	12.8%
OceanSaver Ltd	3 Park Square East, Leeds LS1 2NE	UK	Ordinary	5.0%
PA Media Group Ltd	The Point, 37 North Wharf Road, Paddington, London W2 1AF	UK	Ordinary	19.1%
Pascal Metrics, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	4.4%
Pembroke Holdings, LLC	485 West Putham Avenue, Greenwich, CT, 06830, United States	USA	Membership Interests	10.0%
Plandek Ltd	C/O Praxis, 1 Poultry, London EC2R 8EJ	UK	Ordinary B	2.5%
Taboola.com Ltd	7 Totseret Haaretz St., Tel-Aviv Israel	Israel	Ordinary	0.4%
Upstream Group, Inc.	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, United States	USA	Ordinary	3.6%
Workana, LLC	1732 1st Ave, Number 28490, 10128 New York, United States	Argentina	Membership interests	4.0%
Zilch Technology Ltd	123 Buckingham Palace Road, London SW1W 9SH	UK	Ordinary	1.2%

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Unaudited Five Year Financial Summary

Consolidated Income Statement

For the year ended 30 September	Year ended 30 September 2017 £m	Year ended 30 September 2018 £m	Year ended 30 September 2019 £m	Year ended 30 September 2020 £m	Year ended 30 September 2021 £m
Revenue	1,564.3	1,340.9	1,337.0	870.2	**885.3**
Adjusted operating profit	179.0	144.6	135.8	48.7	**65.5**
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property, amortisation and impairment of acquired intangible assets arising on business combinations and impairment of goodwill	(324.4)	(94.8)	(41.2)	(40.9)	**(61.6)**
Operating profit/(loss) before share of results from joint ventures and associates	(145.4)	49.8	94.6	7.8	**3.9**
Share of results of joint ventures and associates	16.9	118.4	(28.1)	(10.7)	**(9.8)**
Total operating profit/(loss)	(128.5)	168.2	66.5	(2.9)	**(5.9)**
Other gains and losses	14.0	565.5	73.7	42.1	**14.3**
Profit/(loss) before investment revenue, net finance costs and tax	(114.5)	733.7	140.2	39.2	**8.4**
Investment revenue	2.5	4.8	11.5	7.0	**2.3**
Net finance costs	(0.3)	(32.0)	(17.4)	(12.5)	**(13.1)**
Profit/(loss) before tax	(112.3)	706.5	134.3	33.7	**(2.4)**
Tax	(64.7)	(7.6)	(20.4)	2.0	**62.2**
Profit/(loss) for the year after tax	(177.0)	698.9	113.9	35.7	**59.8**
Discontinued operations	519.3	(10.7)	(22.6)	153.3	**1,480.1**
Non-controlling interests	3.0	1.2	(0.4)	0.3	**2.4**
Profit for the year	345.3	689.4	90.9	189.3	**1,542.3**
Adjusted profit before tax and non-controlling interests	226.1	182.3	144.7	72.1	**88.1**
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	350.4	287.7	205.6	142.5	**154.0**
Adjusted profit after taxation and non-controlling interests	196.3	149.3	114.5	59.4	**71.3**
Earnings/(loss) per share					
Number of shares for basic	353.1	354.1	296.4	227.8	**228.1**
Number of shares for diluted	358.6	358.4	300.2	233.0	**237.3**
Profit effect of dilutive shares	(0.1)	–	–	–	**–**
From continuing operations					
Basic	(49.3)p	197.7p	38.3p	15.8p	**27.3p**
Diluted	(48.5)p	196.0p	37.8p	15.4p	**26.2p**
From discontinued operations					
Basic	147.1p	(3.0)p	(7.6)p	67.3p	**648.9p**
Diluted	144.8p	(3.6)p	(7.5)p	65.8p	**623.7p**
From continuing and discontinued operations					
Basic	97.8p	194.7p	30.7p	83.1p	**676.2p**
Diluted	96.3p	192.4p	30.3p	81.2p	**649.9p**
Adjusted earnings per share					
Basic	55.6p	42.2p	38.6p	26.1p	**31.3p**
Diluted	54.7p	41.7p	38.1p	25.5p	**30.0p**

Consolidated Cash Flow Statement

For the year ended 30 September	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m
Net cash inflow from operating activities	219.5	115.0	154.8	142.5	**106.2**
Investing activities	138.6	481.3	221.1	173.2	**1,274.0**
Financing activities	(368.4)	(169.4)	(533.3)	(114.1)	**(102.1)**
Net increase/(decrease) in cash and cash equivalents	(10.3)	426.9	(157.4)	201.6	**1,278.1**
Cash and cash equivalents at beginning of year	17.5	7.4	435.9	289.2	**479.9**
Exchange (loss)/gain on cash and cash equivalents	0.2	1.6	10.7	(10.9)	**(12.8)**
Cash and cash equivalents at end of year	7.4	435.9	289.2	479.9	**1,745.2**
Net increase/(decrease) in cash and cash equivalents	(10.3)	426.9	(157.4)	201.6	**1,278.1**
Cash inflow/(outflow) from change in debt and finance leases	217.0	268.4	2.5	32.3	**14.0**
Change in net debt from cash flows	206.7	695.3	(154.9)	233.9	**1,292.1**
Other non-cash items	7.7	1.7	4.1	(130.9)	**28.1**
Decrease/(increase) in net debt in the year	214.4	697.0	(150.8)	103.0	**1,320.2**
Net cash/(debt) at start of year	(678.7)	(464.3)	232.7	81.9	**184.9**
Net cash/(debt) at end of year	(464.3)	232.7	81.9	184.9	**1,505.1**

Consolidated Statement of Financial Position

At 30 September	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m
Goodwill and intangible assets	576.1	464.4	321.1	350.3	**301.1**
Property, plant and equipment	103.3	99.7	74.4	63.0	**55.4**
Right of use assets	–	–	–	89.8	**34.7**
Other investments including joint ventures and associates	766.0	790.9	132.8	467.7	**876.9**
Other non-current assets	189.9	353.3	322.8	239.0	**452.0**
Non-current assets	1,635.3	1,708.3	851.1	1,209.8	**1,720.1**
Net current assets/(liabilities)	(174.5)	217.7	155.0	260.5	**1,615.4**
Non-current liabilities	(541.6)	(250.6)	(231.8)	(324.1)	**(253.4)**
Net assets	919.2	1,675.4	774.3	1,146.2	**3,082.1**
Shareholders' equity					
Called-up share capital	45.3	45.3	29.3	29.3	**29.3**
Share premium account	17.8	17.8	17.8	17.8	**17.8**
Other reserves	15.6	1.3	24.4	28.2	**(7.6)**
Non-controlling interests	11.0	13.5	–	1.0	**(1.5)**
Retained earnings	829.5	1,597.5	702.8	1,069.9	**3,044.1**
Total equity	919.2	1,675.4	774.3	1,146.2	**3,082.1**

Shareholder information

At 30 September	2017	2018	2019	2020	2021
Dividend per share *	22.70p	23.30p	23.90p	24.10p	**24.90p**
Price of A Ordinary Non-Voting Shares:					
Lowest	£6.06	£5.00	£5.42	£5.38	**£6.20**
Highest	£8.36	£7.81	£8.54	£8.97	**£11.46**

* Represents the dividends declared by the Directors in respect of the above years excluding the Euromoney cash distributions and Euromoney dividend in specie.

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Company Statement of Financial Position

At 30 September 2021

	Note	At 30 September 2021 £m	At 30 September 2020 £m
ASSETS			
Fixed assets			
Property, plant and equipment	7	**–**	0.3
Shares in Group undertakings	8	**2,914.4**	3,168.4
Financial assets at fair value through Other Comprehensive Income	9	**–**	1.0
Other financial assets	11	**120.7**	–
Trade and other receivables	10	**0.4**	3.2
		3,035.5	3,172.9
Current assets			
Trade and other receivables	10	**42.8**	40.2
Cash at bank and in hand	12	**1,246.4**	155.8
Deferred tax	13	**12.2**	6.7
		1,301.4	202.7
Total assets		**4,336.9**	3,375.6
LIABILITIES			
Creditors: amounts falling due within one year			
Trade and other payables	14	**(296.2)**	(470.8)
Borrowings	14	**(1.0)**	(1.4)
Provisions	16	**(23.1)**	–
		(320.3)	(472.2)
Creditors: amounts falling due after more than one year			
Borrowings	15	**(199.5)**	(202.7)
Derivative financial liabilities	15	**(17.2)**	(23.1)
		(216.7)	(225.8)
Total liabilities		**(537.0)**	(698.0)
Net assets		**3,799.9**	2,677.6
CAPITAL AND RESERVES			
Called-up share capital		**29.3**	29.3
Share premium account	17	**17.8**	17.8
Share capital		**47.1**	47.1
Reserve for own shares	17	**(35.5)**	(59.3)
Capital redemption reserve	18	**21.2**	21.2
Profit and loss account	19	**3,767.1**	2,668.6
Equity shareholders' funds		**3,799.9**	2,677.6

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company income statement. The profit for the Company for the year was £1,134.7 million (2020 £106.1 million).

The financial statements on pages 204 to 214 were approved by the Directors and authorised for issue on 17 November 2021. They were signed on their behalf by:

The Viscount Rothermere
P Zwillenberg
Directors

Company Statement of Changes in Equity

For the year ended 30 September 2021

	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Reserve for own shares £m	Profit and loss account £m	Total £m
At 1 October 2019	**29.3**	**17.8**	**21.2**	**(49.1)**	**2,817.1**	**2,836.3**
Loss for the year	–	–	–	–	(106.1)	(106.1)
Total comprehensive expense for the year	**–**	**–**	**–**	**–**	**(106.1)**	**(106.1)**
Dividends paid	–	–	–	–	(54.9)	(54.9)
Credit to equity for share-based payments	–	–	–	–	11.7	11.7
Deferred tax on share-based payments	–	–	–	–	(0.6)	(0.6)
Own shares acquired in the year	–	–	–	(19.7)	–	(19.7)
Settlement of exercised share options	–	–	–	–	(0.2)	(0.2)
Own shares released on vesting of share options	–	–	–	9.5	1.6	11.1
At 30 September 2020	**29.3**	**17.8**	**21.2**	**(59.3)**	**2,668.6**	**2,677.6**
Profit for the year	–	–	–	–	1,134.7	1,134.7
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**1,134.7**	**1,134.7**
Dividends paid	–	–	–	–	(55.0)	(55.0)
Fair value movement of financial assets at fair value through Other Comprehensive Income	–	–	–	–	0.4	0.4
Credit to equity for share-based payments	–	–	–	–	25.5	25.5
Deferred tax on share-based payments	–	–	–	–	3.6	3.6
Own shares acquired in the year	–	–	–	(1.0)	–	(1.0)
Settlement of exercised share options	–	–	–	–	(16.0)	(16.0)
Own shares released on vesting of share options	–	–	–	24.8	5.3	30.1
At 30 September 2021	**29.3**	**17.8**	**21.2**	**(35.5)**	**3,767.1**	**3,799.9**

Financial Statements

Notes to the Company Statement of Financial Performance

1 Basis of preparation

Daily Mail and General Trust plc (DMGT) is a public limited company incorporated and domiciled in the United Kingdom. The address of the registered office is Northcliffe House, 2 Derry Street, London, W8 5TT, England.

The financial statements of DMGT 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 or historic cost modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss, and in accordance with the Companies Act 2006 and on a going concern basis. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. See Note 2 for further detail.

All amounts presented have been rounded to the nearest £0.1 million.

Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account for the Company has not been included in these accounts. The Company's profit after tax for the year was £1,134.7 million (2020 loss £106.1 million). This includes dividends receivable from subsidiary undertakings amounting to £1,565.9 million (2020 £nil).

Impact of amendments to accounting standards

The Company has applied the exemption available under FRS 101 in relation to paragraphs 30 and 31 of IAS 8, Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued and is not yet effective).

2 Significant accounting policies

The significant 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.

Foreign exchange

Transactions in currencies other than the Company's reporting currency are recorded at the exchange rate prevailing on the date of the transaction. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit and loss account for the year.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less any provision for impairment.

Financial assets at fair value through Other Comprehensive Income

Financial assets are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

As permitted by IFRS 9, the Group classifies its equity investments at Fair Value through Other Comprehensive Income. All fair value movements are recorded in Other Comprehensive Income and gains and losses are not recycled to the Income Statement on disposal.

Dividend income from Financial assets held at fair value through other comprehensive income is recorded in the Income Statement.

Unlisted equity investments are valued using a variety of approaches including comparable company valuation multiples and discounted cashflow techniques. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

The fair value of listed equity investments is determined based on quoted market prices.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is provided in full on timing differences that result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not discounted.

Financial instruments disclosures

Financial assets

Trade and other receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The majority of other receivables relate to amounts owed by subsidiary undertakings. Further information concerning interest charged on these receivables is set out in Note 10.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade and other payables

Trade payables are non-interest bearing and are stated at their nominal value.

Capital market and bank borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Company's bonds are subject to fair value hedge accounting and this portion of the carrying value is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously.

Derivative financial instruments and hedge accounting

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses various derivative financial instruments to manage its exposure to these risks.

The use of financial derivatives is set out in Note 34 of the Group's Annual Report. The Company does not use derivative financial instruments for speculative purposes.

The Company does not apply hedge accounting except for fair value hedges. Gains and losses arising on derivatives that form part of net investment hedge or cash flow hedge relationships in the consolidated financial statements are recorded in the profit and loss account in the Company.

Financial instruments – disclosures

The Company has taken advantage of the exemption provided in IFRS 7, Financial Instruments: Disclosures and included disclosures relating to financial instruments in Note 34 of the Group's Annual Report.

Cash flow statement

The Company has utilised the exemptions provided under IAS 7, Statement of Cash Flows and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group's Annual Report.

Related party transactions

The Company has taken advantage of the exemptions of IAS 24, Related Party Disclosures and included disclosures relating to related parties in Note 44 of the Group's Annual Report.

Share-based payments

The Company operates the Group's LTIP and other Group share-based payment schemes, details of which can be found in Note 42 of the Group's Annual Report.

Financial Statements

Notes to the Company Statement of Financial Performance

Retirement benefits

The defined benefit pension schemes' surpluses/deficits have been allocated to Group companies on a buy-out basis – that is of an estimate of the liabilities and assets of the defined benefit schemes as at 30 September 2021. Accordingly the Company has not recorded an asset or liability in relation to the Group's defined benefit scheme.

Further information can be found in Note 35 of the Group's Annual Report.

Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Company 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 period end date and are discounted to present value where the effect is material.

Critical accounting judgements and key sources of estimation uncertainty

The following represents the key source of estimation uncertainty that has the most significant effect on the amounts recognised in the financial statements:

Impairment

Impairment reviews are performed when there is an indicator that the carrying value of the shares in Group undertakings could exceed their recoverable values based on their value in use or fair value less costs to sell. Value in use is calculated by discounting future expected cash flows. These calculations use cash flow projections based on Board-approved budgets and forecasts which reflect management's current experience and future expectations of the markets in which the Group undertaking operates.

Risk adjusted pre-tax discount rates used by the Company in its impairment tests range from 10.9% to 30.0%, the choice of rates depending on the risks specific to that cash generating unit (CGU). The cash flow projections consist of a Board-approved budget for the following year, outlooks for the proceeding four years with nominal long-term growth rates beyond these periods. The nominal long-term (decline)/growth rates range from –3.0% to 4.0% and vary with management's view of the CGU's market position, maturity of the relevant market and do not exceed the long-term average growth rate for the industry in which the CGU operates.

The carrying value of the investment in Group undertakings is £2,914.4 million (2020 £3,168.4 million).

Using the criteria above the Company has provided a sensitivity analysis of the key assumptions used to support the carrying value of its investments in Group undertakings.

If the growth rate assumptions above were reduced by 1.0% this would increase the impairment by £123.9 million. If the growth rate assumptions above were increased by 1.0% this would reduce the impairment by £182.9 million.

If the discount rate assumptions above were reduced by 1.0% this would reduce the impairment by £179.0 million. If the discount rate assumptions above were increased by 1.0% this would increase the impairment by £128.8 million.

Legal claim provision

DMGT and certain of its subsidiaries are involved in various lawsuits and claims which arise in the course of business. The Group records a provision for these matters when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated.

The amounts accrued for legal contingencies often result from complex judgements about future events and uncertainties that rely heavily on estimates and assumptions.

As disclosed in Note 19 discontinued operations, Genscape has been involved in a dispute with the US Environmental Protection Agency (EPA) since 2016. In 2017 Genscape voluntarily paid a 2.0% liability cap associated with invalid Renewable Identification Numbers (RINs) at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. However, during 2019 the EPA ordered Genscape to replace 69.2 million additional RINs it had verified.

DMGT continues to cooperate with the EPA and settlement discussions are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, made a provision for the total cost of replacing RINs as at 30 September 2019.

At each period end IAS 37 requires DMGT to review this provision and make appropriate adjustments to reflect the current status of the claim. The Group's closing provision includes the cost of replacement RINs, estimated purchase costs, associated legal fees and currency fluctuations. The final settlement amount may be different than the provision made, however, it is not possible for the Group to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution. Accordingly, the provision could change substantially over time as the dispute progresses and new facts emerge.

RINs trade in a volatile range, using the period end price of US$1.46 compared to the estimated future forecast price of US$1.22 would increase the provision by approximately US$6.1 million (£4.5 million).

3 Auditor's remuneration

Statutory audit fees relating to the Company amounted to £1.1 million (2020 £0.7 million).

4 Employees

	Year ended 30 September 2021 Number	Year ended 30 September 2020 Number
Average number of persons employed by the Company:		
Administration	**7**	8
Directors	**3**	3
	10	11

	Year ended 30 September 2021 £m	Year ended 30 September 2020 £m
Total staff costs comprised:		
Wages and salaries	**10.7**	3.3
Share-based payments	**15.7**	10.9
Social security costs	**4.5**	2.4
Pension costs	**0.1**	0.1
	31.0	16.7

The remuneration of the Directors of the Company during the year are disclosed in the Remuneration Report of the Group's Annual Report.

5 Tax

There was a current tax credit for the year of £12.6 million (2020 £7.5 million).

6 Dividends

During the year, the Company paid a final dividend for the year ended 30 September 2020 of 16.6 pence per share and an interim dividend for the year ended 30 September 2021 of 7.6 pence to Ordinary and A Ordinary shareholders amounting to £55.0 million (2020 £54.9 million).

The Board has declared a final dividend of 17.3 pence per Ordinary/A Ordinary Non-Voting Share (2020 16.6 pence) which will absorb an estimated £39.8 million (2020 £37.6 million) of shareholders' equity for which no liability has been recognised in these financial statements. This will make a total for the year of 24.9 pence per share (2020 24.1 pence). The final dividend will be paid on 4 February 2022 to shareholders on the register at the close of business on 26 November 2021.

On 3 November 2021, it was announced that Rothermere Continuation Limited (RCL) and the Non-conflicted DMGT Directors had reached an agreement on the terms of a special distribution and on a recommended cash offer (the Offer) by RCL to acquire all the issued and to be issued DMGT A shares not already owned by RCL. See Note 12 of the Group's Annual Report for further details.

Financial Statements

Notes to the Company Statement of Financial Performance

7 Property, plant and equipment

	Fixtures, fittings and artwork £m
Cost	
At 1 October 2019 and 30 September 2020	0.9
Additions	–
At 30 September 2021	**0.9**
Accumulated depreciation	
At 1 October 2019	(0.3)
Charge for the year	(0.3)
At 30 September 2020	**(0.6)**
Charge for the year	(0.3)
At 30 September 2021	**(0.9)**
Net book value – 2019	0.6
Net book value – 2020	0.3
Net book value – 2021	**–**

8 Shares in Group undertakings (listed on pages 196 to 199)

	Cost £m	Provision £m	Net book value £m
At 1 October 2019	3,572.7	(335.1)	3,237.6
Additions	9.2	–	9.2
Disposals	(0.9)	0.9	–
Impairment charge	–	(78.4)	(78.4)
At 30 September 2020	**3,581.0**	**(412.6)**	**3,168.4**
Additions	110.4	–	110.4
Impairment charge	–	(364.4)	(364.4)
At 30 September 2021	**3,691.4**	**(777.0)**	**2,914.4**

	Cost £m	Provision £m	Total £m
Analysis of movements in the year:			
Daily Mail and General Holdings Ltd	110.4	350.4	460.8
DMGB Ltd	–	(714.8)	(714.8)
	110.4	**(364.4)**	**(254.0)**

9 Financial assets at fair value through Other Comprehensive Income

	Note	£m
At 1 October 2019		1.0
Movement		–
At 30 September 2020		**1.0**
Disposal	(i)	(1.4)
Fair value movement in the year		0.4
At 30 September 2021		**–**

(i) The disposal above relates to the Company's investment in Financial Network Analytics Ltd which was transferred to DMGV Ltd, a subsidiary undertaking, during the year.

Details of the Company's financial assets at fair value through Other Comprehensive Income are set out in Note 26 and the financial instruments disclosures are set out in Note 34 of the Group's Annual Report.

10 Trade and other receivables

	Note	At 30 September 2021 £m	At 30 September 2020 £m
Amounts falling due after more than one year			
Derivative financial assets	(i)	**0.4**	3.2
		0.4	3.2

	Note	At 30 September 2021 £m	At 30 September 2020 £m
Amounts falling due within one year			
Amounts owed by Group undertakings		**11.2**	9.7
Other financial assets	(ii)	**9.2**	21.7
Prepayments and accrued income		**0.5**	0.6
Other receivables		**9.0**	0.1
Corporation tax		**12.5**	7.5
Derivative financial assets	(i)	**0.4**	0.6
		42.8	40.2

(i) Details of the Company's derivative financial assets are set out in Note 34 of the Group's Annual Report.

(ii) The Company deposits collateral with its bank counterparties with whom it has entered into a credit support annex to an ISDA (International Swaps and Derivatives Association) Master Agreement. This represents cash that cannot be readily used in operations.

11 Other financial assets

	Note	At 30 September 2021 £m	At 30 September 2020 £m
Escrow	(i)	**120.7**	–

(i) See Note 29 of the Group's Annual Report for further details.

12 Cash at bank and in hand

	At 30 September 2021 £m	At 30 September 2020 £m
Cash at bank and in hand	**1,246.4**	155.8

Financial Statements

Notes to the Company Statement of Financial Performance

13 Deferred tax

Movements on the deferred tax asset were as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
At start of year	**6.7**	5.6
Share-based payments	**3.6**	(0.6)
Tax charge for the year	**1.9**	1.7
At end of year	**12.2**	6.7

In the opinion of the Directors, it is more likely than not that the Company will be able to recover the deferred tax asset against suitable future taxable profits generated by its subsidiary undertakings.

14 Creditors: amounts falling due within one year

	Note	At 30 September 2021 £m	At 30 September 2020 £m
10.00 % Bonds 2021		**–**	0.8
Bank overdrafts		**1.0**	0.6
Interest payable		**3.6**	3.6
Amounts owing to Group undertakings	(i)	**254.1**	461.6
Accruals and deferred income		**38.3**	5.4
Other payables		**0.2**	0.2
		297.2	472.2

(i) Amounts owing to Group undertakings are repayable on demand and bear interest of UK bank base rate plus 0.5%.

15 Creditors: amounts falling due after more than one year

	Note	At 30 September 2021 £m	At 30 September 2020 £m
6.375 % Bonds 2027		**199.5**	202.7
Derivative financial liabilities	(i)	**17.2**	23.1
		216.7	225.8

The nominal values of the bonds are as follows:

	At 30 September 2021 £m	At 30 September 2020 £m
10.00 % Bonds 2021	**–**	0.8
6.375 % Bonds 2027	**200.0**	200.0
	200.0	200.8

(i) Details of the Company's derivative financial liabilities are set out in Note 34 of the Group's Annual Report.

The Company's 2021 bonds matured during the year and were repaid in full.

The Company's bonds have been adjusted from their nominal values to take account of direct issue costs, discounts and movements in hedged risks. The issue costs and discounts are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £0.3 million (2020 £0.4 million) and the unamortised discount amounts to £0.6 million (2020 £0.6 million).

Details of the fair value of the Company's bonds are set out in Note 33 of the Group's Annual Report.

The bonds are subject to fair value hedging using derivatives as set out in Note 34 of the Group's Annual Report. Consequently, their carrying value is also adjusted to take into account the effects of this hedging activity.

The book value of the Company's other borrowings equates to fair value.

The maturity profile of the Company's borrowings is as follows:

	Overdrafts £m	Bonds £m	Owed to group undertakings £m	Total £m
Year ended 30 September 2021				
Within one year	**1.0**	**–**	**254.1**	**255.1**
Over five years	**–**	**199.5**	**–**	**199.5**
	–	**199.5**	**–**	**199.5**
	1.0	**199.5**	**254.1**	**454.6**
Year ended 30 September 2020				
Within one year	0.6	0.8	461.6	463.0
Over five years	–	202.7	–	202.7
	–	202.7	–	202.7
	0.6	203.5	461.6	665.7

16 Provisions

	Note	At 30 September 2021 £m	At 30 September 2020 £m
Other provisions	(i)	**23.1**	–
		23.1	–
Movements on other provisions were as follows :			
At start of year		**–**	–
Additions		**23.1**	–
At end of year		**23.1**	–

(i) The provision above relates to the EPA claim against the Group's Energy Information segment (Genscape). Notwithstanding the sale of Genscape to Verisk during 2019, DMGT plc is responsible for any costs, claims or awards and all settlement negotiations with the EPA. See Note 19 of the Group's Annual report for further details.

17 Capital and Reserves

Share premium account:

	At 30 September 2021 £m	At 30 September 2020 £m
At start and end of year	**17.8**	17.8

Reserve for own shares:

	At 30 September 2021 £m	At 30 September 2020 £m
At start of year	**(59.3)**	(49.1)
Additions	**(1.0)**	(19.7)
Own shares released on vesting of share options	**24.8**	9.5
At end of year	**(35.5)**	(59.3)

Financial Statements

Notes to the Company Statement of Financial Performance

The Company's investment in its own shares represents shares held in treasury or shares held by an employee benefit trust to satisfy incentive schemes. At 30 September 2021, this investment comprised the cost of 4,115,021 A Ordinary Non-Voting Shares (2020 4,455,593 shares) held in treasury and 875,450 A Ordinary Non-Voting Shares (2020 3,705,104 shares) held in the employee benefit trust. The market value of the Treasury Shares at 30 September 2021 was £44.1 million (2020 £29.0 million) and the market value of the shares held in the employee benefit trust at 30 September 2021 was £9.4 million (2020 £24.1 million).

The employee benefit trust is independently managed and has purchased shares in order to satisfy outstanding share options and potential awards under the long-term incentive plan.

The Treasury Shares are considered to be a realised loss for the purposes of calculating distributable reserves.

18 Capital redemption reserve

	At 30 September 2021 £m	At 30 September 2020 £m
At start and end of year	**21.2**	21.2

19 Profit and loss account

	At 30 September 2021 £m	At 30 September 2020 £m
At start of year	**2,668.6**	2,817.1
Net profit/(loss) for the year	**1,134.7**	(106.1)
Dividends paid	**(55.0)**	(54.9)
Fair value movement of financial assets at fair value through Other Comprehensive Income	**0.4**	–
Other movements on share option schemes	**18.4**	12.5
At end of year	**3,767.1**	2,668.6
Total reserves	**3,770.6**	2,648.3

The Directors estimate that £1,807.3 million of the Company's profit and loss account reserve is not distributable (2020 £1,532.9 million).

20 Contingent liabilities and guarantees

At 30 September 2021 the Company had guaranteed subsidiaries' outstanding derivatives which had a mark to market liability valuation of £nil (2020 £nil) and letters of credit with a principal value of £2.3 million (2020 £2.3 million).

21 Ultimate holding company

The Company's immediate parent company is Rothermere Continuation Limited (RCL), a company incorporated in Jersey, in the Channel Islands.

Ultimate controlling party

Rothermere Continuation Limited (RCL) is a holding company incorporated in Jersey, in the Channel Islands. The main asset of RCL is its controlling shareholding in DMGT, being its 100% holding of DMGT's issued Ordinary Shares and the largest single holding of DMGT A Ordinary Shares. RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family. The Trust is the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey. RCL and its directors, and the Trust are related parties of the Company.

22 Post balance sheet events

Details of the Company's post balance sheet events can be found within Note 45 of the Group's Annual Report.

Shareholder Information

Company Secretary and Registered Office

Fran Sallas
Northcliffe House
2 Derry Street
London
W8 5TT
Telephone: +44 (0)20 3615 0000
Email: enquiries@dmgt.com
England Registered Number: 184594

Website

The Group's website (www.dmgt.com) gives information on the Company and its operating companies and includes details of significant Group announcements.

Financial calendar 2022

Elements of the calendar will be subject to review should DMGT remain a publicly listed company.

2 February	Annual General Meeting
4 February	Payment of final dividend
31 March	Half year end
21 June	Payment of interest on bonds
30 September	Year end

Capital gains tax

The market value of the A Ordinary Non-Voting Shares (A Shares) in the Company on 31 March 1982 (adjusted for the 1994 bonus issue of A Shares and for the four-for-one share split in 2000) was 9.75 pence.

Distribution of Euromoney shares

The distribution to DMGT's shareholders of shares in Euromoney Institutional Investor PLC (Euromoney) on 2 April 2019 was treated as income for UK tax purposes, in the same way as DMGT's usual dividend payments. For the purposes of UK individual shareholders calculating dividend income and the base cost of Euromoney shares for capital gains tax purposes, the value per Euromoney share was £13.00. The 'Retail Investor Tax FAQs' document in the 'Investors/Recommended offer for DMGT' section of www.dmgt.com contains further information about the tax implications for UK individual shareholders, including the base cost for capital gains tax purposes of their remaining shares in DMGT.

Recommended Offer for DMGT by RCL

On 3 November, it was announced that the Non-conflicted DMGT Directors and Rothermere Continuation Limited (RCL), had reached agreement on the terms of a recommended cash offer for DMGT by RCL, and a conditional special distribution to all shareholders of substantially all of the cash in the Group and its stake in Cazoo Group. The 'Investors/Recommended Offer for DMGT' section of www.dmgt.com contains further information about the transaction.

Registrars

All enquiries regarding shareholdings, dividends, lost share certificates, or changes of address should be directed to EQ Limited, the Company's Registrars, at the address set out on the following page.

Electronic communications

EQ operates Shareview, a free online service which enables shareholders to check their shareholdings and other related information and to register to receive notification by email of the release of the Annual Report. It also offers practical help on matters such as transferring shares or updating contact details. Shareholders may register for the service at www.shareview.co.uk.

This Annual Report is available electronically on the Company's website, which contains a link to Shareview to enable shareholders to register for electronic mailings. Notification by email has been given of the availability of this Annual Report on the Company's website to those shareholders who have registered.

Shareholder Information

Low-cost share dealing service
EQ provides a simple low-cost dealing service for the Company's A Shares, details of which are available at www.shareview.co.uk/dealing or by calling +44 (0)3456 037 037. Details of this and other low-cost dealing services can be found on the Company's website at www.dmgt.com.

Share price information
The current price of the Company's A Shares can be found on the home page of the Company's website at www.dmgt.com.

Eurobond paying agent
The paying agent for the Company's 6.375% Bonds due 2027 is Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB. Enquiries should be directed to John Donegan, Group Financial Controller, whose email address is john.donegan@dmgt.com.

CREST
Shareholders have the choice of either holding their shares in electronic form in an account on the CREST system or in the physical form of share certificates.

Investor relations
Investor relations are the responsibility of Adam Webster, whose email address is adam.webster@dmgt.com.

ShareGift
In the UK, DMGT supports ShareGift, which is administered by the Orr Mackintosh Foundation (registered charity number 1052686) and which operates a charity share donation scheme for shareholders wishing to give small holdings of shares to benefit charitable causes. It may be especially useful for those who wish to dispose of a small parcel of shares which would cost more to sell than they are worth. There are no capital gains tax implications (i.e. no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. If you would like to use ShareGift or receive more information about the scheme, ShareGift can be contacted by visiting its website at www.sharegift.org or by writing to ShareGift, 4th Floor Rear, 67/68 Jermyn Street, London SW1Y 6NY.

Shareholdings at 30 September 2021

Ordinary Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–500,000	0	0.00	0	0.00
500,001 and over	2	100.00	19,890,364	100.00
Totals	**2**	**100.00**	**19,890,364**	**100.00**

A Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–1,000	847	57.19%	220,850	0.10%
1,001–5,000	352	23.77%	825,566	0.38%
5,001–10,000	97	6.55%	685,658	0.32%
10,001–20,000	31	2.09%	425,015	0.20%
20,001–50,000	42	2.84%	1,317,662	0.61%
50,001–100,000	26	1.76%	1,872,134	0.87%
100,001–500,000	52	3.51%	12,883,941	5.99%
500,001 and over	34	2.30%	196,682,501	91.52%
Totals	1,481	**100.00%**	214,913,327	**100.00%**

Advisers
Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
Telephone: +44 (0)20 7888 8888

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
Telephone: +44 (0)20 7777 2000

Auditor
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH
Telephone: +44 (0)20 7583 5000

Registrars
EQ Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: +44 (0)371 384 2302

Visit www.dmgt.com to see what is happening across our business and the marketplaces in which we operate.

Contact Details

DMGT Head Office
Northcliffe House
2 Derry Street
London W8 5TT
UK

Tel +44 (0)20 7938 6000
enquiries@dmgt.com
www.dmgt.com

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