PA Media Group Limited

Company Number 00004197

Annual Report - 31 December 2023

PA Media Group Limited
CONTENTS
31 December 2023

PA Media Group Limited
CORPORATE DIRECTORY
31 December 2023

Executive		
	C P Marshall	Chief Executive
	A J Dowsett	Chief Operating Officer
	J R Goode	Chief Financial Officer
	E J A Shelley	Managing Director - Alamy
Non - Executive		
	M MacLennan	Chairman, Nominations Committee
	G R P Allinson	Nominations Committee, Audit Committee
	R M Brooks	Nominations Committee, Remuneration Committee
	S A Carter	Nominations Committee, Audit Committee
	P M Dacre	Nominations Committee
	D J Fitzpatrick	Nominations Committee, Remuneration Committee
	J J Mullen	Nominations Committee
Company secretary	L Irwin	
Registered Office	The Point 37 North Wharf Road Paddington London, England W2 1AF	
Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG	
Solicitors	Taylor Wessing LLP DX 41 London 5 New Street Square London EC4A 3TW	
Bankers	Lloyds Banking Group plc 25 Gresham Street London EC2V 7HN	

PA Media Group Limited
STRATEGIC REPORT
31 December 2023

The directors present their strategic report on the Group for the year ended 31 December 2023.

Review of Business

PA Media Group Limited (the "Group") celebrated another successful year in 2023, with the highest revenues recorded in the Group's history, and there was growth across each of the Group's core business units.

During the year, the Group continued to invest to grow, with a focus on technology, products and people, and the Group maintained its strategy of delivering growth through revenue diversification.

Group revenues grew 6% to £112.1m (2022: £105.7m), and EBITDA was £17.4m (2022: £15.0m). Profit before tax was £9.0m (2022: £5.5m).

2023 marked the first full year of the news agency's fact checking service, underpinned by our core values of being fast, fair and accurate. In October, the Group received accreditation by the International Fact-Checking Network at the Poynter Institute, and topics investigated during the year included Covid vaccines, food shortages, public spending and AI-generated images. Our fact checking service will provide an important service for the UK General Election, which is expected to take place in 2024.

The advancement of Artificial Intelligence ("AI") was a major theme during the year. A team of senior leaders from across the Group were tasked with identifying AI opportunities and threats, setting guidelines for use of AI across the Group and establishing technology knowledge and best practice to share across business units. The focus has been on identifying options for efficiencies and for developing new services and products.

PA's live news video service became fully operational and a core part of the news agency's output, covering news stories and set-piece events across the UK and Ireland. More than 100 live event broadcasts are carried out each month, serving clients across broadcast, digital, social and radio.

The coronation of His Majesty King Charles III in May was one of the major global news event of the year, and a significant operation for the Group's editorial teams. More than 50 PA reporters, photographers and videographers were involved on the ground in London and other parts of the UK.

In October, the Group completed the acquisition of 85% of the share capital of iRace Media PTE Ltd ("iRace"). iRace is an Asian racing data specialist, based in Singapore. The acquisition complements the specialised racing knowledge provided by PA Betting Services and together, the businesses will offer a wider proposition and enhanced value for customers, creating a global racing database and an expanded distribution network.

In December, reflecting the Group's strong financial performance and cash generation, the directors recommended a dividend of 94.17 pence per share. This comprised of an ordinary dividend of 46.62 pence per share and an extraordinary dividend of 47.55 pence per share. This reflects confidence in the Group's growth prospects and cash flow generation.

Business Outlook

Our focus is to remain a market-leading, diversified news, information and services business with the news agency at its core. This includes:

- protect the news agency through continuing to diversify and grow revenues from outside of the traditional media market;
- capitalise on market opportunities through services and product innovation;
- identify acquisitions that are value enhancing and complementary to our existing businesses; and
- deliver continuous shareholder value.

In October 2023, Chief Executive Clive Marshall announced that he would retire in 2024, following 14 years leading the Group. On 22 March 2024 Emily Shelley, Managing Director of Alamy, was appointed as the Group's new Chief Executive. Emily will take up her new role in April 2024.

Key performance indicators

The Group considers revenue and operating profit before adjusting items to be its key performance indicators ("KPIs").

	2023 £m	Group 2022 £m
Group revenue	112.1	105.7
Group operating profit	8.3	5.4
Group EBITDA	17.4	15.0
Profit before tax	9.0	5.5
Net assets	56.8	58.8
Cash and cash equivalents	21.0	25.3

The directors also monitor other KPIs including capital expenditure, cash flow and employee turnover. The Group is tracking within the parameters set for reviewing its performance against the KPIs set.

Principal risks and uncertainties

The risks and uncertainties below represent those that the directors believe are material. Other factors not presently known to the directors or which are not presently deemed material could also affect the Group's future business and operations.

The traditional media landscape faces significant challenges through declining print circulation and audience fragmentation. The shift towards digital consumption is accelerating. Our strategy is to continue diversifying revenue streams as well as utilising analytics to steer resource towards stories that generate our customers value.

Rapid advancements in AI technologies, including the proliferation of AI-generated content and AI-driven platforms introduce inherent uncertainties. Failure to adapt to emerging trends or capitalise on new opportunities will reduce competitiveness. The Group continues to focus on the opportunities associated with the development of AI through enhancing efficiencies, utilising our vast image and word datasets and a shifting demand for authentic content.

A key risk to the Group is reputational damage, particularly relating to news services. The integrity of our brand and the trust of our stakeholders hinge on our ability to uphold and project the highest editorial standards. To manage this exposure effectively, we have instituted rigorous workflow and approval processes that are embedded in our daily operations.

The news agency subscribes to the principles set forth by the Independent Press Standards Organisation and adhered to the Editors' Code of Practice. All editorial employees are expected to be familiar with the Code, ensuring its principles guide their work. Regular training, including from the regulator itself, is provided.

The PA Trust (the "Trust") monitors the editorial standards of the news agency to ensure that they are maintained at the highest level. Throughout 2023, the Trust engaged closely with our editorial team, led by the Editor-in-Chief. The trustees received detailed reports on various editorial matters, including content generation and distribution, staffing, training, technical development, and legal and regulatory issues.

A significant portion of revenue is generated through recurring, subscription-based arrangements and sporting rights licenses. The arrangements typically have a term of one to three years, featuring staggered renewal periods across the financial year. The directors actively monitor the exposure of these contracts, prioritising the advancement of renewal negotiations well ahead of their termination.

The Group's strategic emphasis on demonstrating continuous value to our customers underpins our approach to not only renew existing contracts but also to expand and diversify our customer base. This commitment to value creation is central to our revenue sustainability and growth strategy.

The dynamic markets which we serve are characterised by intense competition, rapid technological advancements and evolving customer preferences. To remain competitive and responsive, we are committed to ongoing investment in our product and service offerings. This includes expanding our content and functionalities, developing new products and services, investing in cutting-edge technology, pursuing strategic acquisitions, and forging partnerships in key sectors. These initiatives are designed to ensure that our offerings meet the changing needs of our customers, thereby securing our market position and fostering long-term growth.

Technical failures pose a significant risk to our service delivery and overall customer satisfaction. In response, we conduct regular assessments of our technological infrastructure to identify and mitigate potential vulnerabilities. Our strategy includes continuous investment in software development and technical hardware upgrades to maintain a robust technical platform. This enables the Group to deliver superior products and services to the market, ensuring our technological resilience and operational continuity.

In the face of increasing cybersecurity threats, we recognise the importance of safeguarding our digital assets and customer data. Our approach includes significant investments in IT security, bolstered by a team of experienced information security and data protection professionals. We maintain robust policies, systems, and procedures, complemented by well-developed incident management plans, to pre-empt and respond effectively to any security incidents. This comprehensive security framework is essential for minimizing the risk of business interruption and maintaining the trust of our customers and stakeholders.

The persistent high levels of inflation experienced through 2023 posed a challenge to our cost management strategies. However, given the Bank of England's commitment to inflation reduction, the directors do not foresee this as a significant long-term risk. Our strategy to mitigate inflationary impacts include implementing inflation-linked price adjustments permitted in many of our sales contracts, coupled with considered cost management practices. These measures provide us with a flexible toolkit to navigate inflationary pressures effectively.

Directors' duties

The directors of the Group, in line with all UK companies, must act in accordance with a set of general duties as outlined in the Companies Act 2006. Central to these is the mandate under Section 172 that a director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its stakeholders.

In doing this, the directors must have regard, amongst other matters, to:

- the likely consequences of any decisions in the long term;
- the interest of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the company's reputation for high standards of business conduct; and
- the need to act fairly between members of the company.

The Group is committed to being a responsible business and ensuring that its business practices have positive impacts on the community and the environment.

The directors are openly engaged with the Group's shareholders. It is important to the Group that shareholders understand the Group's strategy and objectives, so these must be explained clearly, feedback heard and any issues or questions properly considered.

The core values which underpin our strategy and objectives are integrity, collaboration, accountability and respect. This is demonstrated and actively encouraged in dealings with our employees, including through the annual objective setting process, and with customers, suppliers and other stakeholders in the wider community.

Regular engagement with employees is facilitated through various forums. Senior executives meet employees on a regular basis, including a bi-annual staff address by the CEO. Many of our businesses also hold monthly all-hands meetings, keeping employees well informed on business unit specific matters.

Diversity and inclusion are important priorities for the Group and our employees. The Group has working groups, with specific focus on equality, diversity and inclusion respectively, which comprise representatives from each part of the business to help develop and implement strategies to strengthen our diversity and inclusion agenda. The working group meets regularly and presents recommendations to the Group's executive team.

Our engagement with local communities and support for charitable causes reflect our commitment to social responsibility. The introduction of a new volunteering policy, continued support for the Journalism Diversity Fund, and partnership with education charity Future Frontiers, are examples of our efforts to make a meaningful difference. These initiatives are aligned with our core values and enhance our corporate social responsibility.

On behalf of the Board

C P Marshall
Chief Executive

28 March 2024

PA Media Group Limited
REPORT OF THE DIRECTORS
31 December 2023

The directors present their annual report, together with the audited financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of PA Media Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

Discussion of review of business, key performance indicators, business relationships, principal risks and uncertainties are presented in the strategic report as they are of strategic importance and form part of this report by cross reference.

Principal activities
PA Media Group is a market leader in the provision of news, sport and entertainment information to the media and other customers. The Group is organised in four business units: content, data services, Alamy and other media-related services. Further details of the activities of the business can be found on the Group's website at: https://pamediagroup.com.

Results and dividends
Net assets at 31 December 2023 were £56.8m (2022: £58.8m). Profit before tax was £9.0m (2022: £5.5m). Profit for the financial year was £5.5m (2022: £6.9m). Dividends of £7.5m were approved in the year (2022: £10.0m).

Total dividends of £7.6m paid in the year, comprises of £0.2m relating to the 2022 declared dividend, and £7.4m relating to the 2023 declared dividend.

Future developments
The Group enters 2024 well placed for further growth while maintaining a focus on providing customers with high quality and relevant content. The Group will continue its strategy of seeking opportunities to invest in areas that aligned with the Group's strategic goals and help drive further growth and diversification of the revenue base.

Directors
The directors of PA Media Group Limited, who served throughout the year and subsequently except as noted, were as follows:

G R P Allinson
R M Brooks
S A Carter
P M Dacre
A J Dowsett
D J Fitzpatrick
J R Goode
M MacLennan
C P Marshall
J J Mullen
E J A Shelley

Going concern
The Group has performed financial modelling, including applying sensitivities and stress testing various scenarios, which show that the Group continues to be cash positive as a result of its diversified businesses and core subscription model.

The directors take confidence from the Group's strong cash flow position through 2023 and post year end, that the Group is able to effectively manage and mitigate these risks over the long term.

After reviewing the Group's forecasts and projections for the period to April 2025, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Employee engagement
Our core operational message is that we are all stronger together, and we believe in the power of transparency and open communication.

To this end, the annual report is made available to all employees, ensuring that everyone is informed about the Group's financial performance, strategic direction, and achievements. This practice not only fosters a sense of shared purpose and alignment but also encourages feedback and dialogue, reinforcing our commitment to inclusivity and shared success.

Under our guiding principle of decentralised management, we entrust divisional and subsidiary management teams with the crucial task of fostering employee engagement and participation. This approach ensures that those closest to the operational realities are empowered to make decisions and drive innovation.

Our employees have a voice in shaping their work environment and strategies, facilitated through their elected representatives. Together with senior management, they contribute to works committees at each of the Group's main sites, creating a collaborative platform for continuous improvement and innovation.

We have implemented a comprehensive programme of professional development that develops our employees expertise and confidence. This investment in our people has been instrumental in enabling the Group to deliver sophisticated products and services with professionalism and excellence. We extend our gratitude to all our employees for their dedication and resilience in meeting the opportunities and challenges presented to them, driving our collective success forward.

The Group is steadfast in its dedication to fostering an inclusive environment that actively combats discrimination, harassment, and victimisation. Our goal is to ensure that every employee and applicant is treated fairly and with respect, without exception. This commitment to fairness extends to all, irrespective of age, gender reassignment, marital or civil partner status, pregnancy or maternity leave status, disability, race, religion or belief, sex, or sexual orientation.

Employees with disabilities

It continues to be Group policy to provide equal opportunities for employment, training and career development for all employees. The policy for the employment of people with health conditions, both visible and non-visible, is that full and fair consideration should be given to their aptitudes and abilities. For employees who become disabled during employment, adjustments are made where possible in order for them to continue in their current role. Where this is not possible the Group will try to find an alternative solution and employees are also assisted in applying for other suitable alternative roles within the Group.

For employees who become disabled during employment, adjustments are made where possible in order for them to continue in their current role. Where this is not possible the Group will try to find an alternative solution and employees are also assisted in applying for other suitable alternative roles within the Group.

Directors' indemnities

The Group maintains directors’ and officers’ liability insurance which provides appropriate cover for legal action brought against its directors. The Group has also granted indemnities to each of its directors and the Company Secretary to the extent permitted by law.

Qualifying third-party indemnity provisions (as defined by Section 234 of the Companies Act 2006) were in force during the year ended 31 December 2023 and remain in force in relation to certain losses and liabilities which the directors (or Company Secretary) may incur to third parties in the course of acting as directors or Company Secretary or employees of the Group or any associated company.

Charitable donations

During the year, the Group made charitable donations of £16,000 (2022: £6,000), principally to the Journalism Diversity Fund, Future Frontiers and other local charities servicing the communities in which the Group operates.

Financial risk management

The Group’s financial risk management objectives and policies are actively managed by the directors on a Group basis.

Credit risk

The Group’s principal financial assets are cash, trade and other receivables and investments. The Group’s credit risk is primarily attributable to its trade receivables to the extent that a customer may be unable to pay the debt on the specified due date. The amounts presented in the statement of financial position are net of allowances for doubtful receivables.

An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cashflows. This risk is further mitigated by the strong on-going customer relationships and for many customers there is a dependency on an ongoing service.

Liquidity risk

The Group mitigates liquidity risk by ensuring that sufficient funds are available for ongoing operations and future developments. The Group holds cash on deposit and has ensured that the funds are held in a spread of institutions.

Market risk

The markets in which the Group operates are susceptible to both structural and cyclical risk. The Group mitigates market risk through continued diversification and investment in product and platform innovation to ensure customers receive high quality content, data and other services. Furthermore, the Group fosters both strong relationships with its customers and comprehensive sector knowledge. This enables the Group to anticipate changes in market conditions.

Streamlined energy and carbon reporting

Whilst the Group’s environmental impact is relatively low, the Group is committed to do more to minimise the impact of our operations and support our customers, suppliers and partners to reduce our carbon footprint.

PA Media Group Limited
REPORT OF THE DIRECTORS
31 December 2023

The table below includes the Group's mandatory reporting of greenhouse gas emissions based on the energy and carbon reporting framework. This is based on the Group's greenhouse gas emissions for the year 1 January to 31 December 2023.

	2023	2022
Scope 1: Emissions from combustion of fuel for transport purposes	222	226
Scope 2: Emissions from purchased electricity	178	192
Scope 3: Emissions from business travel	40	54
Total gross CO_2e	**440**	**472**
Intensity Ratio: Tonnes CO_2e emissions divided by total £1m revenue	3.9	4.5
Energy consumption (kWh)	**868,444**	**994,768**

Energy efficiency is a focus for the Group and we are pleased to see the progress made, evidenced by our greenhouse gas emissions data. The Group has undertaken a number of initiatives to optimise our office space and improve energy efficiency across our estate. This included reconfiguring office layouts to minimise energy consumption, modernising infrastructure, and maximising the use of natural light. The Group have also installed LED lighting in all of our key offices, being energy efficient and more longer lasting than conventional lighting, thereby decreasing both our environmental impact and operational costs.

A significant portion of the Group's emissions derive from fuel use by company cars and other business travel. Throughout 2023 the Group has continued to utilise online meeting and collaboration technologies to seamlessly deliver exceptional service to our clients without the need for travel where possible. In order to lessen our carbon footprint and reduce urban air pollution, we have introduced a fleet of electric vehicles for our London-based reporters. For those who do the most mileage in their private vehicles, we also introduced an electric car allowance to encourage these drivers to transition to an electric vehicle.

The methodology used to calculate the Group's emissions is based on the 'Environmental Guidelines: including mandatory greenhouse gas emissions reporting guidance' (March 2019) issued by the Department for Business, Energy and Industrial Strategy, and with reference to 'Greenhouse gas reporting: conversion factors 2023' (June 2023) issued by the Department for Energy Security and Net Zero. In 2023, the Group has amended its approach to include electricity from our leased offices, where the Group do not purchase directly but have identified control over the level of consumption. The Group has refreshed the 2022 figures for comparability.

Statement of Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit and loss of the Company and Group, for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, each director has taken all the steps that they are obliged to take as a director in order to made themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Matters subsequent to the end of the financial year

In October 2023, Chief Executive Clive Marshall announced that he would retire in 2024, following 14 years leading the Group. On 22 March 2024 Emily Shelley, Managing Director of Alamy, was appointed as the Group's new Chief Executive. Emily will take up her new role in April 2024.

Apart from the above and the Dividend declared as disclosed in note 25, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Apart from the Dividend declared as discussed above, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Independent Auditor

The auditor Grant Thornton UK LLP have expressed their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

On behalf of the directors

C P Marshall
Chief Executive

28 March 2024

PA Media Group Limited
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PA MEDIA GROUP LIMITED
31 December 2023

Opinion

We have audited the financial statements of PA Media Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the group statement of comprehensive income, the group and company statement of financial position, the group statement of cash flows, the group and company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as the crisis in Ukraine, the cost of living crisis and rising inflation, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- The company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation related to reporting frameworks (FRS102 and Companies Act 2006), distributable profits legislation, tax legislation, anti-bribery and corruption legislation, health and safety, data protection, and employment law.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit;
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes, and correspondence received from regulatory bodies;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussions with management to understand where management considered there is a susceptibility to fraud. Audit procedures performed by the engagement team included:
  - evaluation of the controls established to address the risks related to irregularities and fraud;
  - testing manual journal entries, in particular journal entries relating to the year-end consolidation and entries determined to be large or relating to unusual transactions based on our understanding of the business;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - identifying and testing related party transactions;
  - completion of audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team including the consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation and knowledge of the industry in which the company operates.

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

Use of our report

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

GT UK LLP

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

28 March 2024

PA Media Group Limited
GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Note	2023 £'000	Group 2022 £'000
Revenue	4	112,117	105,699
Other income		166	-
Staff costs	5	(51,494)	(47,720)
Depreciation and other amounts written off tangible and intangible assets		(9,129)	(9,565)
Other operating expenses (including exceptional items)	6	(43,341)	(42,973)
Total operating profit before amortisation and other exceptional items		15,217	13,917
Amortisation and impairment of goodwill and other intangibles	14	(7,630)	(8,200)
Other exceptional items	8	732	(276)
Operating profit		8,319	5,441
Other interest receivable and similar income	9	796	95
Interest payable and similar expenses	10	(105)	(68)
Profit before income tax (expense)/benefit		9,010	5,468
Tax on profit on ordinary activities	13	(3,525)	1,419
Profit after income tax (expense)/benefit for the year		5,485	6,887
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences		(117)	62
Other comprehensive income for the year, net of tax		(117)	62
Total comprehensive income for the year		5,368	6,949
Profit for the year is attributable to:			
Non-controlling interest		26	-
Owners of the parent company	27	5,459	6,887
Profit for the year		5,485	6,887
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	-
Owners of the parent company		5,368	6,949
Total comprehensive income for the year		5,368	6,949

The above group statement of comprehensive income should be read in conjunction with the accompanying notes

PA Media Group Limited
GROUP AND COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Fixed assets					
Intangible assets	14	45,523	46,133	-	-
Tangible assets	15	6,165	6,100	2,319	2,446
Investments	16	115	115	36,622	36,622
Total fixed assets		51,803	52,348	38,941	39,068
Current assets					
Debtors - amounts falling due within one year	17	28,475	22,199	585	686
Cash at bank and in hand		20,970	25,260	22	22
Total current assets		49,445	47,459	607	708
Current liabilities					
Creditors - amounts falling due within one year	18	(35,567)	(31,474)	(14,590)	(2,408)
Finance lease	19	(707)	(935)	(8)	(6)
Income tax	20	(1,547)	(572)	-	-
Deferred consideration	21	(825)	(1,387)	-	-
Total current liabilities		(38,646)	(34,368)	(14,598)	(2,414)
Net current assets/(liabilities)		10,799	13,091	(13,991)	(1,706)
Total assets less current liabilities		62,602	65,439	24,950	37,362
Non-current liabilities					
Provisions for liabilities	22	(3,156)	(6,131)	(2,171)	(2,749)
Total non-current liabilities		(3,156)	(6,131)	(2,171)	(2,749)
Net assets before deferred tax liability		59,446	59,308	22,779	34,613
Deferred tax	23	(2,635)	(500)	-	-
Net assets		56,811	58,808	22,779	34,613
Equity					
Called up share capital	26	7,965	7,965	7,965	7,965
Translation reserve		(167)	(50)	-	-
Retained profits	27	48,851	50,893	14,814	26,648
Equity attributable to the owners of PA Media Group Limited		56,649	58,808	22,779	34,613
Non-controlling interest	28	162	-	-	-
Total equity		56,811	58,808	22,779	34,613

PA Media Group Limited's company number is 00004197.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Comprehensive Income and related notes in these financial statements. The parent company's loss for the year was £4.3m (2022: £3.8m).

These financial statements were approved by the Board and are signed on their behalf by:

C P Marshall
Chief Executive

28 March 2024

PA Media Group Limited
GROUP AND COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

Group	Issued capital £'000	Reserves £'000	Retained profits £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2022	7,965	(112)	54,006	-	61,859
Profit after income tax benefit for the year	-	-	6,887	-	6,887
Other comprehensive income for the year, net of tax	-	62	-	-	62
Total comprehensive income for the year	-	62	6,887	-	6,949
Transactions with owners in their capacity as owners:					
Dividends paid (note 25)	-	-	(10,000)	-	(10,000)
Balance at 31 December 2022	7,965	(50)	50,893	-	58,808

Group	Issued capital £'000	Reserves £'000	Retained profits £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2023	7,965	(50)	50,893	-	58,808
Profit after income tax expense for the year	-	-	5,459	26	5,485
Other comprehensive income for the year, net of tax	-	(117)	-	-	(117)
Total comprehensive income for the year	-	(117)	5,459	26	5,368
NCI share of net assets on acquisition	-	-	-	136	136
Transactions with owners in their capacity as owners:					
Dividends paid (note 25)	-	-	(7,501)	-	(7,501)
Balance at 31 December 2023	7,965	(167)	48,851	162	56,811

PA Media Group Limited
GROUP AND COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

Company	Issued capital £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2022	7,965	-	40,459	48,424
Loss after income tax benefit for the year	-	-	(3,811)	(3,811)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,811)	(3,811)
Transactions with owners in their capacity as owners:				
Dividends paid (note 25)	-	-	(10,000)	(10,000)
Balance at 31 December 2022	7,965	-	26,648	34,613

Company	Issued capital £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2023	7,965	-	26,648	34,613
Loss after income tax expense for the year	-	-	(4,333)	(4,333)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(4,333)	(4,333)
Transactions with owners in their capacity as owners:				
Dividends paid (note 25)	-	-	(7,501)	(7,501)
Balance at 31 December 2023	7,965	-	14,814	22,779

PA Media Group Limited
GROUP STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Note	2023 £'000	Group 2022 £'000
Cash flows from operating activities			
Operating profit		8,319	5,441
Adjustments for:			
Depreciation and amortisation	14,15	9,129	9,564
Net loss on disposal of fixed assets		-	1
Foreign exchange differences	11	(121)	67
Release of contingent consideration	8	(1,676)	-
Release of deferred consideration	8	(87)	-
		15,564	15,073
Change in operating assets and liabilities:			
Increase in debtors - amounts falling due within one year		(5,489)	(2,021)
Decrease in stock		-	38
Increase in creditors - amounts falling due within one year		4,220	4,146
Increase/(decrease) in other provisions		(494)	1,365
		13,801	18,601
Income taxes (paid)/refunded		(487)	1,108
Net cash from operating activities		13,314	19,709
Cash flows from investing activities			
Payment for purchase of subsidiary	29	(6,343)	(6,727)
Payments for tangible assets	15	(1,501)	(1,634)
Payments for intangible assets	14	(1,428)	(1,335)
Payment of deferred consideration of prior acquisition		(1,328)	-
Proceeds from disposal of investments		73	2
Proceeds from disposal of tangible assets		-	15
Interest received	9	712	93
Cash acquired with subsidiaries	29	203	673
Net cash used in investing activities		(9,612)	(8,913)
Cash flows from financing activities			
Interest and other finance costs paid	10	(45)	(39)
Dividends paid	25	(7,686)	(13,888)
Repayment of lease liabilities		(307)	(338)
Net cash used in financing activities		(8,038)	(14,265)
Net decrease in cash and cash equivalents		(4,336)	(3,469)
Cash and cash equivalents at the beginning of the financial year		25,260	28,736
Effects of exchange rate changes on cash and cash equivalents		46	(7)
Cash and cash equivalents at the end of the financial year		20,970	25,260

The above group statement of cash flows should be read in conjunction with the accompanying notes

1. General Information

The financial statements cover both PA Media Group Limited ("the Company") as an individual entity and the Group consisting of PA Media Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Pound sterling, which is PA Media Group Limited's functional and presentation currency.

PA Media Group Limited is a company limited by shares, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is:

Registered office and principal place of business

The Point
37 North Wharf Road,
Paddington,
London, England
W2 1AF

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 March 2024. The directors have the power to amend and reissue the financial statements.

2. Significant Accounting Policies

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

Going concern

The Group has performed financial modelling, which show that the Group continues to be cash positive as a result of its diversified businesses and core subscription model. The directors take confidence from the Group's strong cash flow position through 2023 and post year end, that the Group is able to effectively manage and mitigate these risks over the long term.

After reviewing the Group's forecasts and projections for the period to April 2025, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Basis of preparation

These financial statements were prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The company has not taken advantage of any of the disclosure exemptions available to it.

The Group and Company accounting policies are the same.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all material subsidiaries of PA Media Group Limited ('company' or 'parent entity') as at 31 December 2023 and the results of all material subsidiaries for the year then ended. PA Media Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

The Scottish Press Association Limited and Social Media Training School Limited, dormant companies registered in Scotland, and PAPF Trustee Limited and Omrind Limited, dormant companies registered in England, are not consolidated as they are not considered material to the financial statements.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and company statements of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

The individual accounts of the Company also adopted the following disclosure exemptions:

(a) the requirement to present a statement of cash flows and related notes
(b) financial instrument disclosures, including:
  - categories of financial instruments
  - items of income, expenses, gains or losses relating to financial instruments
  - exposure to and management of financial risks
(c) remuneration of key management personnel.

Foreign currency translation

The financial statements are presented in Pound sterling, which is PA Media Group Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Pound sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. Significant Accounting Policies (continued)

Foreign operations

The assets and liabilities (monetary assets) of foreign operations are translated into Pound sterling using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Pound sterling using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of estimated discounts, value-added or other sales taxes, and after eliminating intercompany sales within the Group. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable that future economic benefits will flow to the Group. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Content

Content income relates primarily to subscriptions to the Group's News Wire, Sports Wire, Features and Puzzles services. Content also includes income from Video and Page Production. The majority of Video income is on a subscription basis, with a small number of revenue share arrangements. Page Production services are provided over a specified contract period, based on the provision of shifts per week.

Revenue is recognised over each subscription period or over the course of the total contract period. Any content monies received in advance of the subscription or contract commencing are recognised in current liabilities as deferred income. Revenue from revenue share arrangements is accrued based on estimated usage over the contract period.

Data Services

Data services income relates primarily to subscription revenue from the Group's Racing Services, Sports Data, Arts and Entertainment and TV products, including EBS and iRACE.
Revenue is recognised in line with the service delivery to the customer, which is usually evenly over the contract period with reference to contract terms.
Revenue from the recharge of sports distribution rights is recognised to the extent that the Group obtains the right to consideration in exchange for its performance.

Services

Services relates to revenue from the Group's businesses including Sticky, Globelynx, PA Media Assignments, PA Media Training, Images, Alamy and StreamAMG platforms.

Mediapoint and PA Training

Revenue generated from the provision of Mediapoint and PA Training is recognised in line with the service delivery to the customer, which is usually evenly over the contract period with reference to contract terms.

Sticky and PA Media Assignments

Revenue generated from the provision of bespoke training, consultancy and marketing content is recognised in line with costs that have been incurred, generally based on hours incurred relative to the total hours expected to be incurred.

Hydrogen

Revenue is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Alamy and Images

Revenue generated from the sale of images is recognised in line with the terms of sale.
The amount of Revenue recognised depends on whether the Group acts as an agent or a principal. The Group acts as a principal when it has primary responsibility for delivering images to the end user and has significant risks and rewards associated with the transaction. When the Group acts as principal, the revenue is recorded as the gross amount billed. Costs associated with images sold are also recognised at the gross amount within other operating expenditure.

Globelynx

Arrangements include the sale and installation of camera equipment and the associated ongoing broadcasting service provided on an annual subscription basis.
Where an arrangement includes the sale of camera equipment, revenue is recognised when the goods have been received by the customer, reflecting the transfer of the associated risks and rewards.
Revenue relating to the provision of ongoing broadcasting and support services is recognised over the contract period. Any monies received in advance of the subscription or contract commencing are recognised in current liabilities as deferred income.

StreamAMG

Arrangements include fees relating to the production, webcasting, support and hosting of video content.
Where an arrangement includes the recharge of set up costs, revenue associated with this is recognised in line with completion of work.

Revenue relating to the provision of services including webcasting, production, platforms and support is recognised in line with the service delivery to the customer, which is usually spread evenly over the contract period with reference to contract terms.

2. Significant Accounting Policies (continued)

The Group also holds a number of revenue share arrangements. Revenue from sales of third party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and is recorded gross when the Group is a principal to the transaction. Revenue is recognised over the subscription period, usually monthly or annually.

Multiple component arrangements
When a single sales transaction requires the delivery of more than one product or service (multiple components), the revenue recognition criteria are applied to separately identifiable components. A component is considered separately identifiable if the product or service delivered has a stand-alone value to that customer and the fair value associated with the product or service can be measured reliably. The amount recognised as revenue for each component is the fair value of the element in relation to the fair value of the arrangement as a whole. If the goods or services provided do not qualify for separate accounting, they are recognised together with the related ongoing service fees, in line with the service delivery to the customer.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Other income relates to rental receipts from short-term rental arrangements. Income is recognised net of any incentives given to the lessees and is recognised on a straight-line basis over the term of the arrangement.

Income tax
Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and non-current classification
Assets and liabilities are presented in the group and company statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash at bank and at hand
Cash at bank and in hand includes cash on hand, cash pool assets, deposits held at call financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Debtors
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets
Investments comprise investments in unquoted equity instruments.

2. Significant Accounting Policies (continued)

a) Subsidiaries
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

b) *Associates*
Investments in associates are recognised initially in the consolidated statement of financial position at the transaction price and, if material, subsequently adjusted to reflect the Group's share of total comprehensive income and equity of the associate, less any impairment.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

The Group's share of the Baize Group Limited profit in 2023 was £0.1m. This has not been recognised in the Group financial statements as it is not considered material to the financial statements.

c) *Joint ventures*
Investments in joint ventures are accounted for at cost less impairment in the individual financial statements.

The Group's share of the RADAR AI Limited loss in 2023 was £0.1m. This has not been recognised in the Group financial statements as it is not considered material to the financial statements and the investment carrying value is £Nil.

Tangible assets

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and any impairment losses.

The cost of tangible fixed assets includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation of tangible fixed assets is provided, from the date assets are acquired, on a straight-line basis calculated to write off the cost of each asset over the term of its useful life, at the following rates. This is revisited on an annual basis to ensure that the useful economic life remains reasonable.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of tangible assets (excluding land) over their expected useful lives as follows:

Freehold property	2%
Long leasehold property	lease period
Motor vehicles	25%
IT and equipment	5%-50%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of tangible assets is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Finite life intangible assets are amortised on a straight-line basis over its useful economic life which is judged to be:

2. Significant Accounting Policies (continued)

Brands	20 years
Software	4-5 years
Trademarks	registration period

Goodwill
Goodwill arises on the acquisition of a business. Goodwill arising on consolidation represents the excess of the fair value of consideration paid over the fair value of the identifiable net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and impairment loss. Goodwill is considered to have a finite useful life and is amortised through the profit and loss account over its useful economic life. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

The directors have assessed the estimated useful economic life of goodwill to be between 3 and 20 years, based upon their assessment of durability of the underlying business. The directors review the level of goodwill for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstance indicate that the carrying value may not be recovered.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are also written off, except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life which is usually between 3 and five years.

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.
If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Defined contribution pension expense
Contributions to defined contribution pension plans are expensed in the period in which they are incurred.

Called up share capital
Ordinary shares are classified as equity.

Dividends
Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

Business combinations
Acquisitions of subsidiaries are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed in exchange for control of the acquiree plus costs directly attributable to the business combination.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

2. Significant Accounting Policies (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Value-added tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the group and company statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Exceptional items

Exceptional items are transactions that fall outside the regular, ordinary activities of the Group and are presented separately due to their size or incidence.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, Group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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 Group after deducting all of its liabilities.

Trade, Group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

The following are key judgements made in the financial statements:

Valuation of goodwill, intangibles and investments
The Group regularly reviews goodwill, intangibles and fixed asset investments for new indicators of impairment, where none are found no impairment testing is undertaken. Where such indicators are found the Group undertakes an estimation of the value in use of the respective cash-generating units using cash flow projections based on financial forecasts for a period of three years and thereafter extrapolated using estimated growth rates.

The outcome of these tests is highly dependent on management's latest estimates and assumptions regarding cash flow projections, economic risk and discount rate applied. If future events or results differ adversely from the estimates or assumptions used, the Group could record increased amortisation or impairment charges in the future.

The carrying amount of goodwill at 31 December 2023 was £22.3m (2022: £21.4m). The carrying amount of other intangibles at 31 December 2023 was £23.2m (2022: £24.7m). The carrying amount of investments was £0.1m (2022: £0.1m).

Classification of funds held by payment platforms
The Group utilises Electronic Money Institutions (EMIs) to facilitate payments with clients. The EMIs providing the service are regulated by the Financial Conduct Authority (FCA) and monies held by the EMIs is protected under the FCA's safeguarding regulations. The assessment of whether the monies held by the EMIs should be classified as cash or a receivable is an area of judgement and dependent on the specific terms and conditions of the EMI agreement.

Management have assessed the characteristics of electronic money ("e-money") and the terms and conditions for accessing the e-money held by the EMIs and concluded that e-money is a cash equivalent. As more information becomes available about e-money and EMIs, management may reassess their position. The risk to the financial statements of misclassifying the e-money held by the EMIs as a cash equivalent would be a decrease to the cash and an increase to debtor balances. There would be no impact to net current assets, net assets or the income statement.

PA Media Group Limited
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

4. Revenue

Market analysis

		Group
	2023 £'000	2022 £'000
Rendering of services	73,284	69,402
Sale of goods	36,465	34,440
Commission income	2,368	1,857
Total	112,117	105,699

Geographical analysis

		Group
	2023 £'000	2022 £'000
UK and Ireland	81,438	74,430
Rest of Europe	11,465	11,241
Rest of World	19,214	20,028
Total	112,117	105,699

5. Staff costs

		Group		Company
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Wages and salaries	45,579	42,219	3,000	2,453
Social security costs	4,443	4,122	273	334
Pension costs	1,472	1,379	114	95
	51,494	47,720	3,387	2,882

		Group		Company
	2023 Number	2022 Number	2023 Number	2022 Number
Average monthly number of directors and staff employed during the year were:				
Operations	658	618	-	-
Sales	81	81	-	-
Administration	248	248	-	-
Central management	5	5	5	5
	992	952	5	5

6. Other operating expenses

		Group
	2023 £'000	2022 £'000
Transformation costs	130	249
Other legal and professional costs	243	27
Restructuring costs	658	-
Other operating expenses	42,310	42,697
	43,341	42,973

6. Other operating expenses (continued)

Transformation costs in the current year relate to Group strategic review projects. Other legal and professional costs primarily comprise one-off charges relating to one-off legal, consultancy and financing work. Other operating expenses includes exceptional costs and gains. Further details can be found at note 8.

7. Directors' emoluments

Group emoluments of the Company's directors:

	2023	Group 2022
Aggregate emoluments all relating to continuing activities	1,798	1,546
Aggregate amounts receivable under long-term incentive schemes	790	1,066
Defined contribution pension payments	26	15
Sums paid to third parties for directors' services	210	194
	2,824	2,821

Amounts in respect of the highest paid director:

	2023 £'000	Group 2022 £'000
Aggregate emoluments all relating to continuing activities	742	701
Amounts receivable under long-term incentive schemes	372	588

Retirement benefits were accruing to two directors (2022: two) under defined contribution schemes. Four directors were members of long-term incentive plans (2022: four). See note 21 for details of amounts paid and accruing to directors. There are no Key Management Personnel other than the Group directors. The total remuneration paid to Key Management Personnel in the year was £3.2m.

8. Exceptional items

	2023 £'000	Group 2022 £'000
Exceptional costs		
Transformation costs	130	249
Other legal and professional costs	243	27
Restructuring costs	658	-
	1,031	276

Transformation costs in the current year relate to Group strategic review projects.

Other legal and professional costs primarily comprise one-off charges relating to one-off legal, consultancy and financing work.

	2023	Group 2022
Exceptional gains		
Release of contingent consideration	1,676	-
Release of deferred consideration	87	-
	1,763	-

Exceptional gains is the release of contingent consideration relating to Hydrogen during 2023.

PA Media Group Limited
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

9. Interest receivable and similar items

		Group
	2023	2022
	£'000	£'000
Investment income	73	2
Interest receivable on bank deposits	712	93
Unwinding of discounted contingent consideration	11	-
Total finance income	796	95

10. Interest payable and similar expenses

		Group
	2023	2022
	£'000	£'000
Finance lease interest	45	39
Unwinding of discounted deferred consideration	60	29
	105	68

11. Profit on ordinary activities before tax

		Group
	2023	2022
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Operating lease rentals - land and buildings	1,910	1,584
- plant and machinery	76	84
Exchange losses	(121)	67
Amortisation of goodwill	4,626	5,147
Amortisation of other intangibles	3,004	3,053
Depreciation of tangible fixed assets	1,499	1,364
Profit on disposal of other fixed assets	(1)	-
Expenditure on research and development activities	8,691	7,526
Property income	(166)	-

12. Auditor remuneration

During the financial year the following fees were paid or payable for services provided by Grant Thornton UK LLP, the auditor of the company, and its associates:

		Group		Company
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Audit services				
Audit of the financial statements	101	85	54	55

The amount paid for subsidiary audit of Alamy was 2023: £21,000 (2022: £21,000).

13. Tax on profit on ordinary activities

		Group
	2023	2022
	£'000	£'000
Income tax expense/(benefit)		
Current tax - UK Corporation tax at hybrid rate 23.52% (2022:19.00%)	731	214
Current tax - Adjustment recognised for prior periods	31	(1)
Current overseas tax	644	349
Deferred tax - origination and reversal of temporary differences	2,119	(1,981)
Aggregate income tax expense/(benefit) on profit on ordinary activities	3,525	(1,419)
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets	2,119	(1,981)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit before income tax (expense)/benefit	9,010	5,468
Tax at hybrid rate of corporation tax of 23.52% (2022: 19%)	2,120	1,039
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not tax deductible	1,225	978
Fixed asset differences	-	(114)
Income not taxable for tax purposes	(17)	63
Difference in foreign tax rates	85	89
Movement in deferred tax not recognised	-	(2,984)
Effects of rates on changes on deferred tax	129	468
	3,542	(461)
Current tax - Adjustment recognised for prior periods	31	(1)
Deferred tax - Adjustment recognised for prior periods	(48)	(957)
Income tax expense/(benefit)	3,525	(1,419)

The tax for the year is lower (2022: lower) than the standard rate of corporation tax in the UK. The differences are explained in the reconciliation table above.

Factors that may affect future tax charges

The standard rate of corporation tax was increased from April 2023 to 25%. The corporation tax rate was 19% for 2022. Accordingly, the Group's profits for this accounting period are taxed at an effective rate of 23.52% (2022: 19.00%).

The deferred tax assets and liabilities reflect these rates.

		Group
	2023	2022
	£'000	£'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tangible assets timing differences	(5,177)	(5,451)
Tax losses	1,964	-
Other timing differences	578	4,951
Deferred tax liability	(2,635)	(500)
Movements:		
Opening balance	(500)	(2,477)
Credited/(charged) to profit or loss	(2,119)	1,981
Additions through business combinations (note 29)	(10)	-
Pension scheme asset movements	-	(3)
Prior period adjustment	(6)	(1)
Closing balance	(2,635)	(500)

13. Tax on profit on ordinary activities (continued)

The amount of the net reversal of deferred tax expected to occur in the next 12 months in respect of fixed asset timing differences is £0.2m. Other timing differences include LTIP provisions. The timing differences in relation to the LTIP provision are not expected to reverse to any significant extent in the next 12 months.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on jurisdictional tax laws and rates that have been enacted or substantively enacted at the balance sheet date. A deferred tax asset resulting from UK tax losses carried forward has been recognised in the year which is expected to be utilised over the next 2 years. The total amount unprovided for is £Nil (2022: £Nil).

PA Media Group Limited
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

14. Fixed assets - intangible assets

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Goodwill - at cost	74,737	69,163	-	-
Less: Accumulated amortisation	(52,392)	(47,766)	-	-
Net book value	22,345	21,397	-	-
Brands - at cost	25,762	25,762	-	-
Less: Accumulated amortisation	(5,045)	(3,757)	-	-
Net book value	20,717	22,005	-	-
Trademarks - at cost	243	28	-	-
Less: Accumulated amortisation	(212)	(15)	-	-
Net book value	31	13	-	-
Software - at cost	8,841	7,415	117	117
Less: Accumulated amortisation	(6,411)	(4,697)	(117)	(94)
Less: Impairment	-	-	-	(23)
Net book value	2,430	2,718	-	-
Total net book value	45,523	46,133	-	-

Group	Goodwill £'000	Brands £'000	Software £'000	Trademarks £'000	Total £'000
Net book value at 1 January 2022	21,249	23,293	3,152	11	47,705
Additions	5,295	-	1,329	6	6,630
Disposals	-	-	-	(2)	(2)
Impairment of assets	(209)	-	-	-	(209)
Amortisation expense	(4,938)	(1,288)	(1,763)	(2)	(7,991)
Net book value at 31 December 2022	21,397	22,005	2,718	13	46,133
Additions	-	-	1,428	-	1,428
Additions through business combinations (note 29)	5,573	-	-	19	5,592
Amortisation expense	(4,626)	(1,288)	(1,714)	(2)	(7,630)
Net book value at 31 December 2023	22,344	20,717	2,432	30	45,523

The amortisation of goodwill and other intangibles is presented separately in the statement of comprehensive income and is included within other operating expenses.
As at 31 December 2023, the carrying value of brands was £20.7m (2022: £22.0m), with an estimated remaining useful life of 16 years.

15. Fixed assets - tangible assets

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Freehold property - at cost	5,531	5,530	5,531	5,531
Less: Accumulated depreciation	(3,097)	(2,946)	(3,098)	(2,947)
Less: Depreciation	(124)	(151)	(124)	(151)
Net book value	2,310	2,433	2,309	2,433
Leasehold improvements - at cost	353	298	-	-
Less: Accumulated depreciation	(44)	(42)	-	-
Less: Depreciation	(43)	(10)	-	-
Net book value	266	246	-	-
Computer equipment - at cost	34,455	32,434	102	100
Less: Accumulated depreciation	(29,060)	(27,804)	(87)	(84)
Less: Depreciation	(1,806)	(1,209)	(5)	(3)
Net book value	3,589	3,421	10	13
Total net book value	6,165	6,100	2,319	2,446

Group	Freehold property £'000	Leasehold improvements £'000	IT & equipment £'000	Total £'000
Net book value at 1 January 2022	2,584	-	3,246	5,830
Additions	-	250	1,384	1,634
Additions through business combinations (note 29)	-	-	14	14
Disposals	-	-	(14)	(14)
Depreciation expense	(151)	(4)	(1,209)	(1,364)
Net book value at 31 December 2022	2,433	246	3,421	6,100
Additions	-	-	1,501	1,501
Additions through business combinations (note 29)	-	44	56	100
Disposals	-	-	(15)	(15)
Exchange differences	-	-	(22)	(22)
Depreciation expense	(124)	(32)	(1,343)	(1,499)
Net book value at 31 December 2023	2,309	258	3,598	6,165

Computers and other office equipment with a carrying value of £0.5m (2022: £0.5m) are held under finance leases.

Company	Freehold property £'000	IT & equipment £'000	Total £'000
Balance at 1 January 2022	2,584	13	2,597
Additions	-	7	7
Depreciation expense	(151)	(7)	(158)
Balance at 31 December 2022	2,433	13	2,446
Additions	-	5	5
Depreciation expense	(124)	(8)	(132)
Balance at 31 December 2023	2,309	10	2,319

16. Fixed assets - Investments

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Cost	115	115	36,622	36,622

The directors believe that the carrying values of all other investments are supported by their underlying net assets or discounted future cash flows.

Interests in subsidiaries

Company	Activity	Proportion of Ordinary shares held Direct %	Indirect %	Address
The Press Association Limited	News, sport and entertainment information	100%	-	(a)
Sticky Content Limited	Digital copywriting and content strategy agency	100%	-	(a)
PA News Investments Limited	Non-trading investment holding company	100%	-	(a)
PAPF Trustee Limited	Dormant	100%	-	(a)
PA Photos Limited	Photo syndication	-	100%	(a)
PA Media Limited	Non-trading holding company	-	100%	(a)
The Scottish Press Association Limited	Dormant	-	100%	(b)
Globelynx Limited	TV camera network	-	100%	(a)
The Press Association of Ireland Limited	News and sport information	-	100%	(c)
Stream UK Media Services Limited	Online video solutions	-	100%	(a)
Stream Malta Limited	Online video solutions	-	100%	(d)
Stream Benelux B.V.	Online video solutions	-	100%	(e)
Stream España Sucursal en España	Online video solutions	-	100%	(f)
The Press Association of Australia Pty Limited	Overnight news and sport information	-	100%	(g)
EBS New Media Limited	Television data services	-	100%	(a)
Gipsymedia Limited	Non-trading	-	100%	(a)
Alamy Limited	Images distribution	-	100%	(a)
Alamy Images India Private Limited	Images distribution	-	100%	(h)
Alamy Inc	Images distribution	-	100%	(i)
Alamy Australia Pty Limited	Images distribution	-	100%	(j)
Omrind Limited	Images distribution	-	100%	(a)
Wearehydrogen Limited	Social media agency	-	100%	(k)
Social Media Training School Limited	Dormant	-	100%	(k)
iRACE Media PTE Ltd	Racing data and information	-	85%	(o)

The following subsidiaries have taken advantage of exemption from audit by virtue of s. 479A of the Companies Act 2006:

The Press Association Limited
Sticky Content Limited
PA News Investments Limited
PAPF Trustee Limited
PA Photos Limited
PA Media Limited
Stream UK Media Services Limited
The Scottish Press Association
Globelynx Limited
EBS New Media Limited
Gipsymedia Limited
Omrind Limited
Social Media Training School Limited

The associate and joint venture undertakings of the Group are as follows:

Company	Activity	Group interest in ordinary shares and voting rights %	Registered office address
Baize Group Limited	Motoring editorial, events and PR services	25%	(l)
Blackball Media Limited	Motoring editorial, events and PR services	25%	(l)
On-Cue Communications Limited	Motoring editorial, events and PR services	25%	(m)
RADAR AI Limited	Automated news services	50%	(n)

16. Fixed assets - Investments (continued)

(a) The Point 37 North Wharf Road, Paddington, London, England, W2 1AF.
(b) 223 West George Street, Glasgow, Scotland, G2 2ND.
(c) 38 Upper Mount Street, Dublin 2, Dublin, DO2 PR89, Republic of Ireland.
(d) SOHO The Strand, Fawwara building, Triq l-Msida, Gzira, GZR 1401, Malta.
(e) Quirinegang 183, 2719 CH Zoetemeer, The Netherlands.
(f) Paseo de la Castellana 135, 7th Planta, 28046, Madrid, Spain.
(g) PWC Level 17, One International Towers, Watermans Quay, Barangaroo, NSW 2000, Australia.
(h) C-16, Gayatri Building, Technopark Campus, Thiruvanthapuram, Kerala, India.
(i) 49 Flatbush Avenue, 130 Brooklyn, New York 11217, USA.
(j) Level 6, 200 Adelaide Street, Brisbane, QLD 4000, Australia.
(k) 223 West George Street, Glasgow, Scotland, G2 2ND.
(l) Units1-2 Warrior Court, 9-11 Mumby Road, Gosport, Hampshire, United Kingdom, PO12 1BS.
(m) Wood, Hicks & Co. Units 1-2 Warrior Court, 9-11 Mumby Road, Gosport, Hampshire, PO12 1BS.
(n) 3rd Floor 37 North Wharf Road, London, England, W2 1AF.
(o) 321 Orchard Road, #06-03, Orchard Shopping Centre, Singapore (238866)

17. Current assets - debtors - amounts falling due within one year

		Group		Company
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	20,139	15,402	-	-
Other debtors	2,126	1,686	-	4
Prepayments and accrued income	6,210	5,111	230	184
Corporation Tax	-	-	-	24
Deferred tax asset	-	-	355	474
	28,475	22,199	585	686

During the year, an impairment credit of £nil (2022: credit of £0.1m) was recognised. Debtor provisions of £0.5m (2022: £0.3m) were held at 31 December 2023.

18. Current liabilities - creditors - amounts falling due within one year

		Group		Company
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade payables	10,577	7,737	13	-
Other taxation and social security	2,516	3,275	58	-
Other creditors	556	881	57	242
Accruals and deferred income	21,918	19,581	1,047	977
Amount owed to subsidiary undertakings	-	-	13,415	1,189
	35,567	31,474	14,590	2,408

Other creditors include £0.06m of interim dividends which were unpaid at December 2023 (2022: £0.1m).

Amounts owed to subsidiary undertakings are unsecured, interest free and have no fixed repayment date.

19. Current liabilities - lease

		Group		Company
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Lease liability	707	935	8	6

Refer to note 30 for further information on financial instruments.

20. Current liabilities - income tax

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Provision for income tax	1,547	572	-	-

21. Current liabilities - provisions for liabilities

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Deferred consideration	825	1,387	-	-

Deferred consideration
Deferred consideration reflects the present value of amounts payable in respect of the Hydrogen acquisition which are to be paid in or around October 2024.

22. Non-current liabilities - provisions for liabilities

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Deferred consideration	-	793	-	-
Leasehold dilapidations	445	435	-	-
Legal claims	96	127	-	-
Management incentive plans	2,615	3,089	2,171	2,749
Contingent consideration	-	1,687	-	-
	3,156	6,131	2,171	2,749

Deferred consideration reflects the present value of amounts payable in respect of the Hydrogen acquisition which are due to be paid in or around October 2024. This balance have now been reclassified as current.

Contingent consideration was in relation to the Hydrogen acquisition based on management's best estimate of likely cash outflows. Following the review of Hydrogen's performance it isn't expected that the trading will reach the required level to trigger the payment of the contingent consideration. The provision has therefore been released in full in 2023.

Provisions for legal and other costs relate principally to claims based on management's best estimate of the likely cash outflows. The transfer of economic benefit is expected to be made within one year. Leasehold dilapidations relate to contractual obligations to reinstate leasehold properties to their original state of repair. The transfer of economic benefit will be made at the end of the leases as set out in note 24.

A long-term incentive plan was set up in 2021 to reward PA Media Group Limited Executive Directors by paying them a bonus related to the cumulative performance over the period from 1 January 2020 to 31 December 2022. A payment relating to this scheme was made in 2023 and a further payment is expected to be made in 2024. The provision at the 31 December 2023 in respect of this arrangement was £2.2m (2022: £2.7m). On expiry of this scheme, a new long-term incentive plan was set up covering the period of 1 January 2023 to 31 December 2025.

Provisions are also held in relation to incentive plans for other senior management personnel. These are expected to be paid in one to three years.

22. Non-current liabilities - provisions for liabilities (continued)

Movements in provisions
Movements in each class of provision (current and non-current) during the current financial year, other than employee benefits, are set out below:

Group - 2023	Management incentive plans £'000	Contingent consideration £'000	Leasehold dilapidations £'000	Legal claims £'000	Deferred consideration £'000
Carrying amount at the start of the year	3,089	1,687	435	127	2,180
Additional provisions recognised	959	-	-	-	(87)
Amounts used	(1,433)	-	10	(31)	-
Payments	-	-	-	-	(1,328)
Unwinding of discount	-	(11)	-	-	60
Unused amounts reversed	-	(1,676)	-	-	-
Carrying amount at the end of the year	2,615	-	445	96	825

23. Non-current liabilities - deferred tax

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Deferred tax liability	2,635	500	-	-

24. Financial Commitments - leases

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Lease commitments - operating				
Committed at the reporting date but not recognised as liabilities, payable:				
Within one year	1,676	1,438	1,055	1,075
One to five years	4,406	4,118	3,671	3,808
More than five year	5,506	5,506	5,506	5,506
	11,588	11,062	10,232	10,389

	Group 2023 £'000	Group 2022 £'000
Finance lease and hire purchase contracts		
The total future minimum lease payments are payable:		
Less than one year	455	425
Between one and five years	252	510
	707	935

Obligations under finance leases are secured by the related assets and bear finance charges at a rate of 9.56% per annum (2022: 9.56% per annum). Finance lease payments represent rentals payable by the Group for certain items of computer equipment. Leases include no purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The Group's obligations under finance leases are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in note 15.

25. Equity - Dividends

Dividends approved and recognised during the financial year were as follows:

	2023 £'000	2022 £'000
Dividend of 94.17 pence (2022: 125.55 pence) per ordinary share	7,501	10,000

Total dividends of £7.6m paid in the year, comprises of £0.2m relating to the 2022 declared dividend, and £7.4m relating to the 2023 declared dividend.

26. Equity - called up share capital

			Group	
	2023 Shares	2022 Shares	2023 £'000	2022 £'000
Ordinary shares of £1 each allotted and fully paid	7,965,000	7,965,000	7,965	7,965

Called up share capital: The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company. Authorised share capital in both years was £8,000,000 ordinary shares of £1 each.

27. Equity - retained profits

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Retained profits at the beginning of the financial year	50,893	54,006	26,648	40,459
Profit/(loss) after income tax (expense)/benefit for the year	5,459	6,887	(4,333)	(3,811)
Dividends paid (note 25)	(7,501)	(10,000)	(7,501)	(10,000)
Retained profits at the end of the financial year	48,851	50,893	14,814	26,648

28. Equity - non-controlling interest

	Group	
	2023 £'000	2022 £'000
Reserves	136	-
Retained profits	26	-
	162	-

	Group	
	2023 £'000	2022 £'000
Movement in NCI		
Additions	136	-
Profit for the financial year	26	-
	162	-

29. Business combinations - Acquisition in year

In September 2023, the Group acquired 85% of the issued share capital of iRACE Media PTE Ltd ("iRACE") for total consideration of £6.3m (comprising cash consideration of £5.97m and acquisition costs of £0.37m). iRACE is a company incorporated in Singapore and is specialist data and racing company.

Details of the acquisition are as follows:

	Fair value £'000
Cash at bank and in hand	203
Trade receivables	291
Other receivables	495
Intangible assets	19
Tangible fixed assets	100
Trade payables	(29)
Other payables	(47)
Provision for income tax	(77)
Accruals and Deferred revenue	(49)
Net assets acquired	906
Goodwill	5,573
NCI share of net assets	(136)
Acquisition-date fair value of the total consideration transferred	6,343

30. Financial instruments

The Group has the following financial instruments:

	2023 £'000	Group 2022 £'000
Financial instruments that are debt instruments measured at amortised cost:		
Trade debtors	20,139	15,402
Other debtors	2,126	1,686
Accrued income and prepayments	6,210	5,111
	28,475	22,199
Financial liabilities measured at amortised cost:		
Finance leases	707	935
Trade creditors	10,577	7,737
Accruals	9,178	8,019
Deferred consideration	825	2,180
Other creditors	556	881
	21,843	19,752

31. Related party transactions

The Company has taken advantage of the exemption under FRS 102 Related Party Transactions, not to disclose transactions with other Group companies.

The Group made sales of £15.1m (2022: £14.6m) with a number of its shareholders in the year and as at 31 December 2023, the Group was owed a total of £2.9m (2022: £2.1m) from its shareholders relating to trading activities in the normal course of business.

See note 7 for information relating to remuneration of key management personnel.

PA Media Group Limited is the parent entity.

32. Events after the reporting period

In October 2023, Chief Executive Clive Marshall announced that he would retire in 2024, following 14 years leading the Group. On 22 March 2024 Emily Shelley, Managing Director of Alamy, was appointed as the Group's new Chief Executive. Emily will take up her new role in April 2024.

Apart from the above and the Dividend declared as disclosed in note 25, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.