

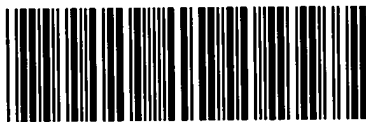
COMPANY NO: 06317279

REED ONLINE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

◆For the 45 week period to 10 May 2024◆

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REED ONLINE LIMITED

COMPANY INFORMATION

Directors

James Andrew Reed CBE, FCIPD, MBA, MA
Martin Warnes BA (Hons), appointed 4 November 2024
Mylène Neveu ACMA, CGMA, MSc, appointed 10 July 2023
Aileen Majella Kent BS
Rebecca Louise Sizer CIPD
Pierre Philippe Vangrevelinghe BA, resigned 20 September 2023
Timothy Lewis Crowther ACMA, BA, resigned 27 September 2023
Simon James Wingate BA (Hons), resigned on 24 October 2024

Registered office

Academy Court
94 Chancery Lane
London
WC2A 1DT

Company number 06317279

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London, UK
WC2N 6RH

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

REED ONLINE LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report on Reed Online Limited ("Company") for the 45 week period to 10 May 2024.

Review of the business

The Company's principal activity is the provision of internet recruitment and training services offering online vacancy advertising, curriculum vitae access and course advertising, delivered through reed.co.uk. The Company is a private limited company incorporated in the United Kingdom limited by shares.

Change in accounting reference date

The Reed Global Group decided in the current year to shorten its reporting period for all Group participants to 10 May from the previous reporting date of 30 June, hence comparative amounts presented in the financial statements are not entirely comparable. The Group took this decision as a part of the implementation of a new Enterprise Resource Planning system to simplify its reporting in the year of the system's adoption. The Group plans to revert to a 30 June reporting date for the next financial year.

Trading Results

The Company's trading results are set out in the Income Statement on page 13.

During the year, the business' turnover decreased to £35,482k (2023: £46,630k) and operating profit decreased to a £633k profit (2023: profit of £2,138k). The directors remain focused on providing the best user experience for jobseekers and recruiters in the UK market, and to invest substantially to support this long-term goal.

The balance sheet on pages 14-15 of the financial statements shows that the Company has net assets of £28,892k at the year-end (2023: £29,503k).

Future development and outlook

There were no significant changes to the Company's principal activities in the year under review, and the directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Key performance indicators

	45 weeks to 10 May 2024	Year ended 30 June 2023
Operating Profit Margin	1.8%	4.6%
Co-members	240	256
Co-members cost ratio	43.2%	39.7%
Current ratio	4.19	2.92

No other events took place post 10 May 2024 which require disclosure.

Notes to key performance indicators

- Operating profit margin calculated as operating profit as a percentage of turnover.
- Co-members represents the average number of permanent staff, referred to as co-members, employed during the year by the business.
- Co-member cost ratio represents the staff costs as a percentage of turnover.

REED ONLINE LIMITED

STRATEGIC REPORT (CONTINUED)

- Current ratio is derived by dividing current assets by current liabilities, and is a good indicator of a Company's ability to meet short-term debt obligations; the higher the ratio, the more liquid the Company is. The current ratio is in line with our expectations.

Principal risks and uncertainties facing the Company

The performance of the Company is closely linked to the underlying growth of the United Kingdom economy. The uncertain economic outlook is keeping businesses cautious as they consider permanent and temporary hiring decisions and candidate confidence may also reduce along with their propensity to change jobs.

Financial risks facing the Company

The directors have reviewed the nature of the Company's business and the assets and liabilities contained within the balance sheet and consider the only relevant financial risks to be credit and liquidity risk.

Credit risk is mitigated by credit checking clients and a strong credit control function. Where the risk posed by an individual client is too high the Company requests that the client pre-pay for its services. Bad debt exposure is minimised due to our diverse spread of clients. The Company also holds a significant receivable owing from a related group company at the balance sheet date. Reed Global Limited, the parent of the Company, has issued a letter of comfort to the Company assuring it of the recoverability of this debt.

Liquidity risk is managed through a combination of three factors. First, strong credit control procedures are in place, as addressed above. Second, the Company carefully manages costs and its credit terms with suppliers, balancing equitable treatment of suppliers with the need to conserve cash. Finally, the Company participates in cash pooling arrangements with the wider Reed group, ensuring that a cash balance sufficient to meet outgoings for approximately 60 days is always available.

The business has no external sources of borrowing and therefore is not exposed to interest rate risk.

Consideration of climate change

In preparing the financial statements we have considered the impact of climate change. There has not been a material impact on the financial reporting judgments and estimates from our considerations, consistent with our assessment that climate change is not expected to have a meaningful impact on the viability of the group in the medium term.

Section 172 Statement

This Statement sets out how the Board of Directors ("the Board", "we" or "us") of Reed Online Limited ("Reed Online" or "the Company") complies with the requirements of Section 172 of the Companies Act 2006 and how consideration of stakeholder interests has impacted the Board's activities and decision making during the 45 week period ending 10th May 2024 ("FY24").

Section 172 of the Companies Act 2006 states that directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of the members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the Company's employees,
- c) the need to foster the Company's business relationships with suppliers, customers, and others,
- d) the impact of the Company's operations on the community and the environment,
- e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly between members of the Company.

These duties are designed to ensure that directors act in such a way as to promote the long-term success of the Company by delivering and creating sustainable shareholder value as well as contributing to wider society. The Reed Group ("the Group") comprises Reed Global Limited and its subsidiaries, including Reed Online.

REED ONLINE LIMITED

STRATEGIC REPORT (CONTINUED)

Engaging with stakeholders to deliver long-term success has remained a priority for us during FY24. We are conscious of the environment in which the Company operates and the importance of engaging with key stakeholders including but not limited to employees ("co-members"), website users, suppliers, local communities, and customers. A Stakeholder Map, identifying the key internal and external stakeholders and how the Company interacts with them, has been created and may be found, along with other relevant statements, on the 'Corporate Governance' page on our website: <https://www.reed.co.uk/corporate-governance>.

The requirements of Section 172 are well understood and adhered to by Reed Online directors due to the nature, ethos, purpose, vision and values of the Group, which is further enhanced by its culture as a family business. In addition, all Reed Online directors have received formal training on their responsibilities and accountabilities, and principal decisions have been defined and formalised as part of company Board meetings.

As part of its role in the Group, the Company has been working towards implementing a new finance and HR platform to bring greater benefit for its co-members and support more effective management of financial and human resource activities. In doing so, the Board agreed, as part of a decision across the Group, to shorten the Company's financial reporting period to end on 10th May 2024, as opposed to the original date of 30th June 2024. This is a one-off decision taken following consultation with various stakeholders, to minimise the impact of implementing a critical new system on our financial reporting.

Principal decisions that we took shortly after the end of FY24 include the decision to approve the 2025 financial year ("FY25") Strategic Plan and Budget, setting out the Company's financial commitments to shareholders and our wider aims and objectives for stakeholders in general. In FY24, in preparation for this decision, we instructed the leadership teams across Reed Online to assess progress against the existing strategic plans, alongside both user and market feedback, and competitor analysis. Following this, we actively engaged co-members in setting the strategic direction of the Company for FY25, which in turn led the budget. Several rounds of discussion with senior co-members took place with adjustments made to the draft budget by the Board on this basis. Opportunities for development of the propositions and the methods to make impact in the market were identified through this engagement via a number of engagement methods (such as co-member feedback), with indicative implementation plans and recommended investments planned out. Following this stakeholder engagement, the final FY25 Strategic Plan and Budget was approved by the Board. The respective strategies have now been presented to co-members through both in-person and virtual sessions to ensure alignment and understanding.

In making this principal decision, our main objectives were to ensure continuing high standards of business conduct and to protect the long-term viability of the business to the benefit of all our stakeholders. Stakeholder engagement was demonstrated through various activities that the Board undertook during FY24.

The Board has supported the Company in the continuation of our tax strategy which is published on-line and can be found on the 'Corporate Governance' page of our website. HMRC has categorised Reed as low tax risk.

Finally, we also ensured several successful engagement schemes for our various stakeholder groups have been continued during FY24. Further detail on how we have engaged our stakeholders and considered their needs and interests while conducting our operations can be found in our Environment Statement in the Strategic Report and our Employee Engagement and Other Stakeholder Engagement Statements within the Director's Report.

Success with the Environment (Environment Statement)

The Board ensures that the Company operates in alignment with the Group's policy regarding the environment. We continue to adopt the Group's policy as it ensures that the Company understands and effectively manages the actual and potential environmental impact of our activities. We ensure that the Company operates in a way

REED ONLINE LIMITED

STRATEGIC REPORT (CONTINUED)

that complies with all legal requirements relating to the environment in all areas where the Company conducts business.

Previously, we engaged with the Group's participation in a consultancy process around our strategy for Environmental, Social and Governance ("ESG") matters. Following on from this, in FY24 we have remained engaged in the Group's move toward greater alignment of ESG across all the subsidiary companies, including approving of the Group's sustainability strategy. In approving our role in the Group's new sustainability strategy, we have aligned the Company's engagement with the environment, with the three pillars of said strategy:

- Improving people's lives
- Helping communities prosper
- Caring for our planet

We have been participating in the Group's new Sustainability Committee since its establishment in FY24, which is in place to ensure the effective management of environmental risk and opportunity for the Group. We have furthermore designated an 'ESG Lead' for the Company who is responsible for ensuring messages and activities relating to 'Caring for our planet' from the Group's sustainability strategy are communicated and acted upon.

The Board continues to champion for the environment by ensuring the Company remains CarbonNeutral® and complies with ISO 14001 standards. We have continued to move the Company forward with our targets in relation to the Group's overall Carbon Reduction Plan, which can be found on the 'Corporate Governance' page on our website.

During FY24, the Company did not incur any financial penalties or investigation for any breach of environmental regulations. The Company is captured in the Group's overall Streamlined Energy and Carbon Reporting (SECR), which may be found on the 'Corporate Governance' page of our website and in the financial statements of Reed Global Limited (10169598). Further details on our achievements and success with the environment can be found in the Group's Sustainability Impact Report available at <https://www.reed.com/esg-and-sustainability>.

Modern Slavery Statement

The Board has approved the Group's Modern Slavery Statement which can be found on the Company's website here: https://www.reed.co.uk/cdn/jobseeker/pdf/Reed_MSA_Statement.pdf.

Pensions

The Company provides access to the Group Personal Pension Plan (the Plan) which was introduced on 1 April 2013.

The strategic report on pages 2 to 5 were approved by the Board of Directors on 15 November 2024 and signed on its behalf by:

DocuSigned by:
Mylène Neveu
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Mylène Neveu ACMA, CGMA, MSc
Director

REED ONLINE LIMITED

DIRECTORS' REPORT

The directors present their report on the affairs of the Company, its audited financial statements and the auditors' report thereon for the 45 week period to 10 May 2024.

The methods for mitigating both financial risks and principal risk and uncertainties facing the Company are included in the Strategic Report.

Dividends

No dividend has been proposed or paid for the period (2023: £10m).

Directors

The current composition of the Board of Directors is given on page 1. The Statement of Directors' Responsibilities in respect of the financial statements may be found on page 9.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Acts 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Success with our Employees (Employee Engagement Statement)

The Board values input and feedback from our co-members and we have numerous processes in place to capture the thoughts and views of our workforce, including regular engagement sessions with the Senior Leadership Team, and cross-company communication tools such as Slack to engage with co-members. In addition, we conduct monthly anonymous co-member surveys with numeric results and qualitative feedback. These results are analysed, and actions are taken in response to trends or specific feedback.

At the end of FY24 the Company's Co-member Experience Score remained at a good level of 7.4 out of 10. This is due to successfully driving the Company's People Strategy which provides a renewed focus on co-member events, recognition, and internal communication to improve co-member engagement. We delegate collation and initial analysis of employee feedback to working groups, who present consolidated data to us to enable appropriate decisions to be made. This consolidated data and feedback enables the Board to make appropriate principal decisions.

The Board is committed to ensuring Reed Online is an inclusive employer of choice, ensuring co-members' wellbeing and voice are front of mind. Key initiatives that we facilitated in FY24 for our co-members include courses and learning programmes for co-member professional development, a dedicated wellbeing room in the office as well as access to a Co-member Assistant Programme which includes bereavement support.

The Board recognises the importance of inclusion and diversity for our co-members and for the success of the Company's strategy, and our Inclusion Strategy has been driven by Senior Sponsors within the organisation. Our Inclusion Strategy is aligned with the 'Improving people's lives' pillar of the Group's new sustainability strategy, and we encourage inclusion working groups dedicated to race and religion, inspiring women, engaging the LGBTQ+ community, as well as supporting co-members with their well-being and mental health. From these groups several initiatives have been implemented, including regular company-wide talks, and learning sessions on inclusive topics alongside celebrating events such as Eid and Pride. We have also invested in training for dedicated Mental Health First Aiders to support co-member wellbeing and mental health.

REED ONLINE LIMITED

DIRECTORS' REPORT (CONTINUED)

Further detail on how the Board pro-actively interacts and measures its engagement with co-members can be found within the Stakeholder Map on the 'Corporate Governance' page of our website. We have provided detail on how we captured the needs of our co-members in our decision making in FY24 within our Section 172 statement in the Strategic Report; and additional information on how we are supporting and engaging co-members through the 'Improving people's lives' pillar of the Group's new sustainability strategy, can be found in the Group's Sustainability Impact Report available at <https://www.reed.com/esg-and-sustainability>.

Success with Other Stakeholders (Other Stakeholder Engagement Statement)

The Company values input and feedback from all stakeholders and has various processes in place to capture the thoughts and views from a diverse set of stakeholders. Our full range of key stakeholders is captured in our Stakeholder Map, visible on the 'Corporate Governance' page of our website.

The stakeholder feedback we receive includes customer-based metrics on satisfaction levels, and information on the views of our local communities. The Board delegates specific responsibilities and actions to a customer excellence function, which engages with other stakeholders and provides targeted feedback to us so that we make informed decisions and ensure our strategy and policies are implemented with other stakeholders' needs at the forefront. The Board continues to advocate for improved standards in its industry for its users and customers, in line with the Group's purpose of 'Improving lives through work'. The Company takes the quality of its service provisions seriously and collaborates with the industry and its regulators to ensure that online harms do not impact its users or customers when engaging with reed.co.uk.

We recognise that the Company's long-term success is reliant on meeting and exceeding our customers' needs and expectations, and these remain a top priority for us. The Company's strategy for FY24 focused on continuing to develop our already excellent customer journey through the provision of additional services and digital infrastructure to benefit our customers, while upholding our expertise in the market. During FY24 we hosted events for our customers to attend to discuss our products, our vision and glean insight from productive conversations.

The Board ensures that Reed Online, as part of a family-run group of companies, maintains a strong emphasis on corporate responsibility and a track record of social impact, philanthropy and sustainability. In approving our role in the Group's new sustainability strategy, we have aligned the Company's engagement with its local communities with the 'Helping communities prosper' pillar of the strategy. This pillar will enable us to grow and better demonstrate the positive impact we have on our local communities whose needs remain a priority for us. In FY24, the Company supported its local communities via a number of charitable initiatives. We continued to support and promote through our relationships and channels, the Big Give's campaigns, such as the Christmas Challenge 2023, which ultimately raised a total of over £12m for 458 charities.

The Board ensures that the Company operates a compliant UK supply chain to deliver services to clients and users. To ensure a compliant supply chain, we support a due diligence process, which ensures the needs of suppliers are considered when making principal decisions and protects our customers and users. Across FY24, the Company averaged a 21-day payment period to suppliers, an improvement on the previous year and a demonstration of the Company's commitment to supporting its suppliers. In FY24 Reed Online continued to engage suppliers on their approach to tackling modern slavery and were able to ensure that our supply chain remains compliant with legislation on modern slavery.

Further detail on how we have captured the needs of our other stakeholders in our decision making in FY24 can be found within our Section 172 Statement in the Strategic Report; and additional information on how we are supporting and engaging our other stakeholders in alignment with the Group's new sustainability strategy, can be found in the Group's Sustainability Impact Report available at <https://www.reed.com/esg-and-sustainability>.

Inclusion and Belonging – Our commitment

The Company is committed to the Reed Group's policy of creating a diverse and inclusive workforce by recognising and understanding each individual's unique differences and celebrating these within the business.

REED ONLINE LIMITED

DIRECTORS' REPORT (CONTINUED)

By valuing inclusion, we hope to create a workplace where co-members can thrive and be the best they can be each day. Groups formed of co-members from around the company, each led by a champion from the leadership team, meet regularly to plan inclusion events aimed at promoting, celebrating, and sharing knowledge of the various inclusion groups represented within the Company and its wider community.

It is a policy of the Company to employ and train disabled people whenever appropriate and to actively promote equal opportunities by evaluating co-members solely based on merit, regardless of age, gender, marital status, sexual orientation, disability or dependants' considerations, and ethnic, racial or religious background.

Independent auditors

PricewaterhouseCoopers LLP were reappointed Reed Group independent auditors during the year.

Approval

The directors report on pages 6 to 8 were approved by the Board of Directors on 15 November 2024 and signed on its behalf by:

DocuSigned by:
Mylène Neveu 15/11/2024 | 12:52 GMT
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Mylène Neveu ACMA, CGMA, MSc
Director