

# INVESTIGATION DOSSIER

## THE DAILY RECORD

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|----------------|--------------------------------------------------------------------------------|
| DOCUMENT ID    | IR-DR-2026-MGN                                                                 |
| CLASSIFICATION | INTERNAL INVESTIGATION SUMMARY                                                 |
| SUBJECT        | OPERATIONAL, EDITORIAL, AND FINANCIAL ANALYSIS OF THE DAILY RECORD (REACH PLC) |
| DATE COMPILED  | 13 July 2026                                                                   |
| STATUS         | ACTIVE — RESTRICTED DISTRIBUTION                                               |

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# 1. EDITORIAL CONTROVERSIES & LEGAL FAILURES

## 1.1 High Court Contempt of Court Judgment (£80,000 Fine)

The publication was severely penalized by the High Court of Justiciary for "blatant" and "glaringly flagrant" contempt of court across two separate active criminal proceedings. The judicial findings exposed critical failures in internal editorial oversight:

Case 1 (Pre-Trial Prejudice): The paper published a front-page story identifying an accused individual, labeling him a "gang boss," and detailing his past criminal record while his trial was pending. In court, the publication's defense stated the article had been approved by an in-house solicitor who was heavily sedated on medication and incapable of rational thought at the time.

Case 2 (Suspect Photograph): Editorial staff ignored explicit legal warnings and published high-impact photos of an abduction suspect pinned to the ground in handcuffs with the caption "GOT HIM," heavily implying guilt before a jury could be empaneled.

## 1.2 Mirror Group Newspapers Phone Hacking Litigation

As a subsidiary of Reach plc (formerly Mirror Group Newspapers), The Daily Record and its sister title, the Sunday Mail, were implicated in the wider UK phone-hacking litigation. While major operations were centered in London titles (Daily Mirror, Sunday Mirror), substantial financial settlements were paid to Scottish public figures and celebrities targeted by journalists operating under the broader MGN umbrella.

## 1.3 Political Polarization: "The Vow" (2014)

Days prior to the 2014 Scottish Independence Referendum, the Daily Record published a joint front-page feature known as "The Vow." Signed by David Cameron, Ed Miliband, and Nick Clegg, it promised extensive new powers for Holyrood in the event of a "No" vote. Post-referendum, this caused a permanent alienation of pro-independence readers, leading to sustained circulation boycotts and a rapid migration toward alternative media platforms.

## 1.4 Institutional Football Bias & Structural Bans

The publication operates under permanent scrutiny from Scotland's major football clubs:

Rangers FC: The publication and its chief sports writers have faced multiple press-box bans from Ibrox Stadium due to controversial framing of the club's financial administration, ownership disputes, and boardroom transitions.

Celtic FC: The title has been the target of organized fan boycotts over alleged pro-Ibrox framing, specifically regarding the reporting of historical sectarian incidents and refereeing decisions.

## 2. SOCIAL MEDIA CONTROVERSIES & INTERNAL INVESTIGATIONS

### 2.1 The September 2021 Social Media Dossier

In September 2021, an online pushback within the Scottish football community led to the compilation of historical public social media posts from Daily Record staff. A dossier identifying nine journalists, freelancers, and content editors was circulated across platforms like X and dedicated football forums. The unearthed posts contained explicitly sectarian slurs, racist language, ableist comments, and homophobic tropes.

### 2.2 Key Named Individuals

| NAME            | ROLE                                             | VIOLATION SUMMARY                                                                       |
|-----------------|--------------------------------------------------|-----------------------------------------------------------------------------------------|
| Jonny McFarlane | Digital sports journalist / content editor       | Severe sectarian language (including "Fenian") and homophobic slurs in historical posts |
| Scott McDermott | Senior sports writer, Sunday Mail & Daily Record | Exposed for historical tweets utilizing highly derogatory and offensive language        |
| Mark Pirie      | Digital sports reporter                          | Older posts utilizing offensive slang terms targeting minority demographics             |
| Gavin Berry     | Football reporter and sports writer              | Historical account history utilizing sectarian and offensive language                   |

### 2.3 Investigation Outcome and Corporate Handling

Parent company Reach plc initiated an internal disciplinary HR investigation, implementing a strict corporate containment strategy:

**The Silent Wall Strategy:** Citing employment law and personnel privacy protocols, Reach plc refused to publish public findings or confirm individual disciplinary actions.

**Digital Deletion:** All named individuals immediately deactivated or permanently deleted their personal social media accounts. Their author profile pages and historical bylines were quietly deactivated or scrubbed from the Daily Record website.

**The Alan Clark Precedent (2017):** This structural silence contrasted with a 2017 incident where digital sports journalist Alan Clark was publicly exposed for writing anti-Catholic and sectarian posts prior to his hiring. In that instance, the evidence was clear-cut, and the paper issued a public statement confirming his immediate termination. In 2021, to avoid branding the entire newsroom as having an institutional culture problem, the corporate decision was made to handle terminations and non-renewals entirely behind closed doors.

## 3. FINANCIAL PERFORMANCE & OPERATIONAL STATUS

### 3.1 Group Revenue Trends (Reach plc)

The financial reality of the publication reflects a broader structural decline across legacy print media. In recent full-year financial disclosures, parent company Reach plc reported overall revenues of £518.4 million.

| REVENUE STREAM    | PERFORMANCE METRICS                                                   | STATUS                                                        |
|-------------------|-----------------------------------------------------------------------|---------------------------------------------------------------|
| Print Revenue     | ~75% (£388.1m) of total group revenue. YoY print revenue dropped 3.4% | Sustained via aggressive cover price increases                |
| Print Advertising | Declined by 14% in a single financial year                            | Rapid brand migration to digital alternatives                 |
| Digital Traffic   | Page views dropped 8% year-on-year                                    | Severely impacted by search engine and Meta algorithm changes |

### 3.2 Operational Restructuring & Capital Preservation

To remain profitable, Reach plc reported an adjusted operating profit of £104.7 million (a 2.4% increase) achieved strictly via aggressive cost-reduction and structural downsizing:

**Editorial Redundancies:** Restructuring cycles resulted in the net loss of nearly 200 editorial roles across the wider group, creating heavily consolidated regional newsrooms.

**Closure of Scottish Print Infrastructure:** Reach announced the complete closure of its major printing site in Saltire, Scotland. Physical printing operations for the Scottish titles were entirely consolidated or outsourced to third-party providers, impacting roughly 240 jobs across the print and logistics network.

## 4. ADVERTISING MODEL & USER DATA MONETIZATION

### 4.1 Primary Advertising Verticals

Commercial operations through Reach Solutions rely on three primary high-value revenue pillars:

[Print & Digital Ad Engine]

- 1. National Retail & Leaflet Inserts (Aldi, Lidl, Tesco, DFS)
- 2. Public Sector Campaigns (Scottish Government, NHS Health Drives)
- 3. High-Value Niche Sectors (Ladbroke's, Bet365, Trust Deed/Debt Services)

### 4.2 The First-Party Data Pivot

The implementation of digital registration barriers and premium subscription prompts is a direct commercial response to structural shifts in global tech architecture, rather than external censorship:

The Mitigation of Cookie Deprecation: Major web browsers have phased out third-party cookies, rendering traditional anonymous programmatic ad space low-value.

First-Party Identity Capture: By requiring users to register an email address to bypass article limits, the Daily Record converts anonymous traffic into "authenticated users."

Premium Ad Yields: This first-party data is mapped to identity networks (such as LiveRamp ATS), allowing Reach plc to sell highly targeted Scottish demographic data directly to major brands at premium CPM (Cost Per Mille) rates, often yielding a revenue increase of over 40% compared to unauthenticated impressions.

### 4.3 Regulatory Compliance Frameworks

The publication's commercial data collection operates under tight regulatory constraints:

Data Protection Watchdogs: Operational practices are strictly bound by the UK Information Commissioner's Office (ICO) and current data statutes, requiring rigid cookie compliance and explicit user opt-out mechanisms.

Advertising & Statutory Bans: The ad model faces ongoing pressure from compliance bodies like the Advertising Standards Authority (ASA), alongside statutory legislative actions—such as restrictions on gambling promotions and the complete ban on alternative sectors via the Tobacco and Vapes Act 2026—forcing an aggressive pursuit of direct consumer monetization.

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