

Registered number: 00206377

Times Newspapers Holdings Limited

Report and financial statements

for the year ended 3 July 2016



Times Newspapers Holdings Limited

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Times Newspapers Holdings Limited

Strategic report For the year ended 3 July 2016

The directors present their Strategic report and the financial statements of the company for the year ended 3 July 2016.

Principal activities and business review

The principal activity of the company is that of an investment holding company within the News Corp Investments UK & Ireland group ("News UK" group) and therefore it does not actively trade.

The company generated investment income for the year of £1,436,000 (2015 - £1,436,000) and incurred interest charges of £1,436,000 (2015 - £1,436,000). The company's profit on ordinary activities before taxation was £Nil (2015 - £Nil).

The company is the direct parent company of the Times Newspapers Limited, and therefore is subject to the Key Performance Indicators as disclosed in the Times Newspapers Limited financial statements.


Future developments

The directors expect the company to continue as an investment holding company for the foreseeable future.

Principal risks and uncertainties

The company's trade and activities are wholly dependent on other group entities; principally its direct subsidiary, Times Newspapers Limited. Therefore, the principal risks and uncertainties are borne by other group companies within the News UK group, including Times Newspaper Limited, and are disclosed in those companies' financial statements.

This report was approved by the board and signed on its behalf by:

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the bottom.

C. C. S. Longcroft
Director

Date:

Times Newspapers Holdings Limited

Directors' report For the year ended 3 July 2016

The directors present their report and the financial statements for the year ended 3 July 2016.

Going concern

News Corporation has committed to provide financial support until 30 November 2017 to News Corp Investments UK & Ireland which in turn supports News Corp UK & Ireland Limited and its subsidiary undertakings.

News Corp UK & Ireland Limited operates two collective facilities, in which News Corp UK & Ireland Limited has provided multilateral guarantees of up to £20 million in respect of each of these bank overdrafts of subsidiary undertakings. These facilities are ultimately guaranteed by News Corporation.

The News UK group has prepared a rolling three year forecast in which the cash flows of the group are assessed. These show the group to be cash generative and a letter of support has also been received from News Corp UK & Ireland Limited.

The above factors lead the directors to conclude that they have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £Nil (2015 - £Nil).

The directors do not recommend a dividend (2015 - £Nil).

Directors

The directors who served during the year were:

S. J. Bagnall *	
S. A. L. Baxter	
R. M. Brooks	(appointed 4 December 2015)
M. W. Darcey	(ceased 14 September 2015)
K. Diekmann	
Lady Eccles of Moulton *	(resigned 1 December 2015)
S. Grabiner *	
Lord Griffiths of Fforestfach	
A. A. L. Healy	
Baroness S. E. M. Hogg	
A. S. B. Knight (Chairman)	
Sir J. A. Likierman	(appointed 1 December 2015)
C. C. S. Longcroft	(appointed 14 September 2015)
P. Macleod	
R. Pennant-Rea *	
J. B. Reed	
Sir John Scarlett	
R. H. Searby Q C	
Sir Peter Stothard	
C. S. J. Tregurtha	
V. J. C. Wadley *	

* Independent National Directors as at 3 July 2016.

Except as noted above, all directors served throughout the year and are still directors at the date of this report.

The Articles of Association require one third of the Independent National Directors and all other directors to retire and be nominated for reappointment at the Annual General Meeting.

Times Newspapers Holdings Limited

Directors' report (continued) For the year ended 3 July 2016

Directors' indemnity provision

News Corporation has indemnified all directors of the company against liability in respect of proceedings brought by third parties, except that, in accordance with the Companies Act 2006, no indemnity is provided against: any liability incurred by the director in defending civil proceedings brought by the company, or an associated company, in which the final judgement is given against the director; and liability of the director to pay a fine imposed by criminal proceedings; any liability incurred by the director in defending criminal proceedings in which the director is convicted; any liability of the director to pay a penalty sum to a regulatory authority in respect of non-compliance with any requirement of a regulatory nature, howsoever arising; or any liability of the director in connection with an application for relief in which the court refuses to grant him relief. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' report.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

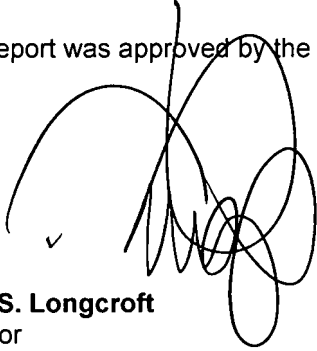
Times Newspapers Holdings Limited

Directors' report (continued)
For the year ended 3 July 2016

Auditor

The directors have passed a resolution to dispense with the requirement to reappoint auditors annually. Ernst & Young LLP are deemed to be reappointed as auditor in the absence of a notice that the appointment is to be terminated.

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above the printed name of the director.

C. C. S. Longcroft
Director

Date:

1 London Bridge Street
London
SE1 9GF

Independent auditor's report to the members of Times Newspapers Holdings Limited

We have audited the financial statements of Times Newspapers Holdings Limited for the year ended 3 July 2016, which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 July 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

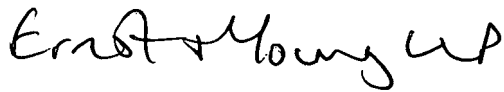
In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those accounts.

Independent auditor's report to the members of Times Newspapers Holdings Limited (continued)

Matters on which we are required to report by exception

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

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



Neil Cullum (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor

Date: 6/12/2016

Times Newspapers Holdings Limited

Profit and loss account For the year ended 3 July 2016

	Note	2016 £000	2015 £000
Interest receivable and similar income	6	1,436	1,436
Interest payable and similar charges	7	(1,436)	(1,436)
Profit before tax		-	-
Tax on profit.		-	-
Profit for the financial year		-	-

Statement of comprehensive income For the year ended 3 July 2016

	2016 £000	2015 £000
Profit for the financial year	-	-
Total comprehensive income for the year	-	-

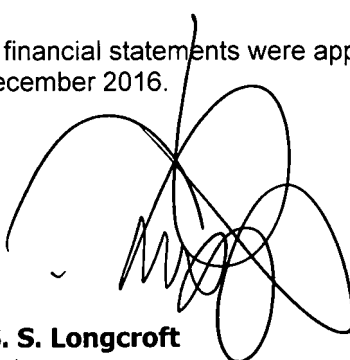
The notes on pages 10 to 16 form part of these financial statements.

Times Newspapers Holdings Limited
Registered number: 00206377

Balance sheet
As at 3 July 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	8	5,066	5,066
		<u>5,066</u>	<u>5,066</u>
Current assets			
Debtors: amounts falling due after more than one year	9	28,721	28,721
Debtors: amounts falling due within one year	9	1,436	1,436
		<u>30,157</u>	<u>30,157</u>
Creditors: amounts falling due within one year	11	(4,159)	(4,159)
Net current assets		<u>25,998</u>	<u>25,998</u>
Total assets less current liabilities		<u>31,064</u>	<u>31,064</u>
Creditors: amounts falling due after more than one year	12	(28,721)	(28,721)
Net assets		<u><u>2,343</u></u>	<u><u>2,343</u></u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account		<u>1,343</u>	<u>1,343</u>
Shareholders' funds		<u><u>2,343</u></u>	<u><u>2,343</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 December 2016.


C. S. S. Longcroft
 Director

The notes on pages 10 to 16 form part of these financial statements.

Times Newspapers Holdings Limited

Statement of changes in equity For the year ended 3 July 2016

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 29 June 2015	1,000	1,343	2,343
At 3 July 2016	1,000	1,343	2,343

Statement of changes in equity For the year ended 28 June 2015

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 30 June 2014	1,000	1,343	2,343
At 28 June 2015	1,000	1,343	2,343

The notes on pages 10 to 16 form part of these financial statements.

Times Newspapers Holdings Limited

Notes to the financial statements For the year ended 3 July 2016

1. Accounting policies

1.1 General information

Times Newspapers Holdings Limited is a limited liability company incorporated in the United Kingdom under the Companies Act. The address of the registered office is 1 London Bridge Street, London, SE1 9GF. The nature of the company's operations and its principal activities are set out in the Strategic report on page 1.

1.2 Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.3 Basis of preparation of financial statements

The financial statements of Times Newspapers Holdings Limited were approved for issue by the Board of Directors on 6 December 2016. The financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. 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 2.

The financial statements are made up to the Sunday closest to 30 June each year. Consequently, the financial statements for the current period cover 53 weeks ended 3 July 2016. The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest £'000.

The company transitioned from previously extant UK GAAP to FRS 102 as at 30 June 2014. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 15.

1.4 FRS 102 reduced disclosure exemptions

FRS 102 paragraph 1.12 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to the use of exemptions by the company's shareholders. The equivalent disclosures are included in the consolidated financial statements of News Corporation, the ultimate parent undertaking.

The company has taken advantage of the following exemptions:

- (a) From preparing a statement of cash flows and related notes as required by Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (b) From disclosing key management personnel compensation, as required by FRS 102 paragraph 33.7.
- (c) From the financial instruments disclosures as required by FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, including:
 - Categories of financial instruments,
 - Items of income, expenses, gains or losses relating to financial instruments, and
 - Exposure to and management of financial risks.

Times Newspapers Holdings Limited

Notes to the financial statements For the year ended 3 July 2016

1. Accounting policies (continued)

1.5 Going concern

News Corporation has committed to provide financial support until 30 November 2017 to News Corp Investments UK & Ireland which in turn supports News Corp UK & Ireland Limited and its subsidiary undertakings.

News Corp UK & Ireland Limited operates two collective facilities, in which News Corp UK & Ireland Limited has provided multilateral guarantees of up to £20 million in respect of each of these bank overdrafts of subsidiary undertakings. These facilities are ultimately guaranteed by News Corporation.

The News UK group has prepared a rolling three-year forecast in which the cash flows of the group are assessed. These show the group to be cash generative and a letter of support has also been received News Corp UK & Ireland Limited.

The above factors lead the directors to conclude that they have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future.

1.6 Consolidated financial statements

Under Section 401 of the Companies Act 2006 the company is exempt from the requirement to prepare and deliver group financial statements since it is a wholly owned subsidiary of News Corporation which is incorporated in the United States of America and prepares consolidated financial statements. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

1.7 Interest receivable and payable

Interest receivable and payable is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

1.8 Related party transactions

As a wholly owned subsidiary undertaking of News Corporation whose financial statements are publicly available, the company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

1.9 Investments

Investments in subsidiaries are recorded at cost and adjusted for any impairment provisions. When impairment has been identified it is reflected in the profit and loss account.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at present value of future payments, discounted at a market rate of interest, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at present value of future payments discounted at a market rate of interest, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Times Newspapers Holdings Limited

Notes to the financial statements For the year ended 3 July 2016

2. Critical accounting judgements and key sources of estimation uncertainty

No critical judgements or key sources of estimation uncertainty in applying the company's accounting policies have been identified in the current or preceding year.

3. Auditor's remuneration

	2016 £000	2015 £000
Audit of financial statements	22	22

Auditor's remuneration is borne by another group undertaking.

4. Employees

The company has no employees (2015 - None).

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2016 £000	2015 £000
Aggregate remuneration	8,413	3,106
Value of company pension contributions to money purchase schemes	70	35
	8,483	3,141

The number of directors who accrued benefits under company pension schemes was as follows:

	2016 No	2015 No
Defined benefit schemes	-	1

Times Newspapers Holdings Limited

Notes to the financial statements For the year ended 3 July 2016

5. Directors' remuneration (continued)

The number of directors who through participating in News Corporation's long term incentive plan were remunerated in News Corporation Common A stock were as follows:

	2016 No	2015 No
Long term incentive plan	4	4

The highest paid director received remuneration (excluding pension contributions) of £3,581,000 (2015 £2,148,000).

Two of the directors of the company are also directors of the holding company and fellow UK subsidiaries. The directors do not believe that it is practicable to apportion the remuneration of these directors between their services as a director of the company and their services as a director of the subsidiary companies. Therefore the total remuneration for these directors for the year has been included in the value above.

Those directors who are not also directors of the holding company or fellow UK subsidiaries received total remuneration for the year of £277,000 (2015 - £279,000).

During the year £2,682,000 was payable to former directors as compensation for loss of office (2015 - £1,121,000).

6. Interest receivable

	2016 £000	2015 £000
Interest on amounts receivable from group undertakings	1,436	1,436

7. Interest payable

	2016 £000	2015 £000
Interest on loan stock held by News Corp UK & Ireland Limited	1,436	1,436

Times Newspapers Holdings Limited

Notes to the financial statements For the year ended 3 July 2016

8. Fixed asset investments

	Investments in subsidiary companies £000
Cost and net book value	
At 29 June 2015	5,066
At 3 July 2016	<u>5,066</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Times Newspapers Limited	UK	Ordinary	100 %	Newspaper publisher

In the opinion of the directors the value of the interest in subsidiary undertakings comprising shares is not less than the amount at which this asset is stated in the balance sheet.

9. Debtors

	2016 £000	2015 £000
Due after more than one year		
Amounts owed by group undertakings	28,721	28,721
	<u>28,721</u>	<u>28,721</u>
Due within one year		
Amounts owed by group undertakings	1,436	1,436
	<u>1,436</u>	<u>1,436</u>

Included within amounts owed by group undertakings is 5% unsecured loan stock due from Times Newspapers Limited in 2021 of £28,721,000 (2015 - £28,721,000).

Notes to the financial statements
For the year ended 3 July 2016

10. Group banking arrangements

News Corp UK & Ireland Limited, operate two collective overdraft facilities with its bankers, which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, for each facility, not being exceeded in aggregate. The overdraft facilities are also guaranteed by News Corporation.

11. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Bank overdrafts	2,723	2,723
Amounts owed to group undertakings	1,436	1,436
	<u>4,159</u>	<u>4,159</u>

12. Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Amounts owed to group undertakings	28,721	28,721
	<u>28,721</u>	<u>28,721</u>

Included within amounts owed to group undertakings is 5% unsecured loan stock due to News Corp UK & Ireland Limited in 2021 of £28,721,000 (2015 - £28,721,000).

13. Share capital

	2016 £000	2015 £000
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1,000,004 - Ordinary shares of £1 each	1,000	1,000
96 - Ordinary 'B' shares of £1 each	-	-
	<u>1,000</u>	<u>1,000</u>

The company's Articles of Association provide that the "B" shares do not rank for dividends. In the event of a winding up, available assets shall be applied first in payment to the holders of all shares in the company of the capital paid thereon, and thereafter any remainder shall be distributed to the holders of the "A" shares.

**Notes to the financial statements
For the year ended 3 July 2016**

14. Ultimate parent company

The company's immediate parent company is News Corp UK & Ireland Limited, a company incorporated in England.

The ultimate parent company is News Corporation, a company incorporated in Delaware in the United States.

The largest and smallest group in which the results of the company are consolidated are is that headed by News Corporation, whose principal place of business is at 1211 Avenue of the Americas, New York, NY 10036. The consolidated financial statements of this group are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF.

15. First time adoption of FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 28 June 2015.

The date of transition to FRS 102 was 30 June 2014.

The transition had no impact on the profit or loss for the financial year ended 28 June 2015 and the total equity as at 30 June 2014 and 28 June 2015, hence no reconciliation between UK GAAP as previously reported and FRS 102 is presented.