

# **Times Newspapers Holdings Limited**

**Report and financial statements**

**29 June 2014**

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# **Times Newspapers Holdings Limited**

## **Report and financial statements**

**Year ended 29 June 2014**

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# **Times Newspapers Holdings Limited**

## **Strategic report**

**Year ended 29 June 2014**

### **Review of business**

The company generated investment income for the year of £1,436,000 (2013 - £1,436,000) and incurred interest charges of £1,436,000 (2013 - £1,436,000) The company's profit on ordinary activities before taxation was £Nil (2013 - £Nil)

The subsidiary undertaking primarily affecting the results and net assets of the company in the year is listed in note 8 to the financial statements

The company is part of the News Corp Investments UK & Ireland group ("News UK") and therefore is subject to the KPIs as disclosed in the News Corp Investments UK & Ireland consolidated accounts

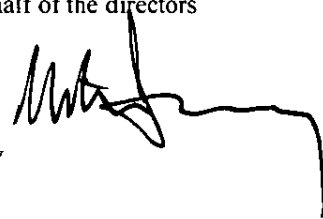
### **Future developments**

The directors expect the general level of activity to continue for the foreseeable future

### **Principal risks and uncertainties**

The company's trade and activities are wholly dependent on other group companies within the News UK group Therefore, the principal risks and uncertainties are borne by other group companies within the News UK group

Signed on behalf of the directors



M W Darcey

Director

Approved by the directors on 2<sup>nd</sup> December 2014

# **Times Newspapers Holdings Limited**

## **Directors' report**

**Year ended 29 June 2014**

The directors present their report and the financial statements of the company for the year ended 29 June 2014

### **Results and dividends**

The profit for the year amounted to £Nil. The directors have not recommended a dividend.

### **Going concern**

As highlighted in note 10 to the financial statements, the company meets its day-to-day working capital requirements through a collective overdraft facility which is guaranteed by News Corporation (the company's ultimate parent company). After making enquiries and because News Corp UK & Ireland Investments (the company's intermediary parent) has committed to provide financial support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Directors**

The directors who served the company during the year were as follows:

S Grabiner\*  
M W Darcey  
J B Reed  
V J C Wadley\*  
A A L Healy  
S A L Baxter  
Lady Eccles of Moulton\*  
R H Searby QC  
A S B Knight (Chairman)  
S J Bagnall\*  
C S J Tregurtha  
P Macleod  
R Pennant-Rea\*  
K Diekmann  
Lord Griffiths of Fforestfach  
Lord Marlesford\*  
J Scarlett  
Sir Peter Stothard

\* Independent National Directors at 29 June 2014

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.

### **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 judgment is given against the director, any 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.

# Times Newspapers Holdings Limited

## Directors' report *(continued)*

Year ended 29 June 2014

### 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). 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 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,
- 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.

### Donations

The company has made no charitable or political contributions in the year (2013 - £Nil).

### Auditor

The directors will place a resolution before the Annual General Meeting to reappoint Ernst & Young LLP as auditor for the ensuing year.

Each of the persons who is a director at the date of approval of this report confirm that

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office  
1 London Bridge Street  
London  
SE1 9GF

Signed on behalf of the directors

M W Darcey

Director

Approved by the directors on 2<sup>nd</sup> December 2014

Company Registration Number 00206377

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

### **Year ended 29 June 2014**

We have audited the financial statements of Times Newspapers Holdings Limited for the year ended 29 June 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. 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).

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 set out 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 29 June 2014 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

**Year ended 29 June 2014**

**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



RICHARD ADDISON (Senior Statutory Auditor)  
For and on behalf of  
ERNST & YOUNG LLP  
Statutory Auditor  
London

2<sup>nd</sup> December 2014

# Times Newspapers Holdings Limited

## Profit and loss account

Year ended 29 June 2014

	Note	2014 £000	2013 £000
Turnover		—	—
Interest receivable	5	1,436	1,436
Interest payable and similar charges	6	(1,436)	(1,436)
		—	—
<b>Profit on ordinary activities before taxation</b>		—	—
Tax on profit on ordinary activities		—	—
		—	—
<b>Profit for the financial year</b>		—	—

All of the activities of the company are classed as continuing

The notes on pages 9 to 12 form part of these financial statements



# **Times Newspapers Holdings Limited**

## **Statement of total recognised gains and losses**

**Year ended 29 June 2014**

	2014 £000	2013 £000
Result for the financial year	—	—
Unrealised profit on sale of fixed asset investment to fellow group company	—	4,429
Total gains and losses recognised for the financial year	<u>—</u>	<u>4,429</u>

The notes on pages 9 to 12 form part of these financial statements

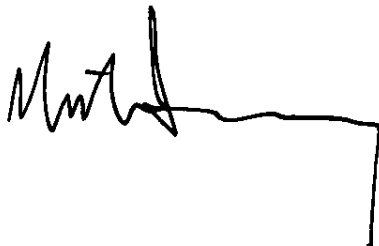
# Times Newspapers Holdings Limited

## Balance sheet

29 June 2014

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Investments	8	<u>5,066</u>	<u>5,066</u>
<b>Current assets</b>			
Debtors due within one year	9	1,436	1,436
Debtors due after one year	9	<u>28,721</u>	<u>28,721</u>
		30,157	30,157
<b>Creditors: Amounts falling due within one year</b>	11	<u>(4,159)</u>	<u>(4,159)</u>
<b>Net current assets</b>		25,998	25,998
<b>Total assets less current liabilities</b>		<u>31,064</u>	<u>31,064</u>
<b>Creditors: Amounts falling due after more than one year</b>	12	<u>(28,721)</u>	<u>(28,721)</u>
		<u>2,343</u>	<u>2,343</u>
<b>Capital and reserves</b>			
Called-up equity share capital	13	1,000	1,000
Profit and loss account	14	—	—
Other reserves	14	<u>1,343</u>	<u>1,343</u>
<b>Shareholders' funds</b>	15	<u>2,343</u>	<u>2,343</u>

These accounts were approved by the directors and authorised for issue on 2<sup>nd</sup> December 2014, and are signed on their behalf by



M W Darcey  
Director

The notes on pages 9 to 12 form part of these financial statements

# Times Newspapers Holdings Limited

## Notes to the financial statements

Year ended 29 June 2014

### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention

As highlighted in note 10 to the financial statements, the company meets its day-to-day working capital requirements through a collective overdraft facility which is guaranteed by News Corporation. After making enquiries and because News Corp UK & Ireland Investments (the company's intermediary parent) has committed to provide financial support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements of the company are made up to the Sunday closest to the 30 June each year. Consequently the financial statements for the current period cover 52 weeks ended 29 June 2014.

The principal accounting policies have been applied consistently throughout the year and the preceding year.

#### 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 USA and prepares consolidated financial statements that are publicly available.

#### Cash flow statement

The company is exempt from the requirement of FRS 1 'Cash Flow Statements' to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary undertaking of a body corporate, and a consolidated cash flow statement is included in the financial statements of News Corporation, the ultimate parent company.

#### 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 8 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

#### Investments

Investments are stated at cost less provision for impairment.

#### 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.

### 2. Auditor's remuneration

	2014	2013
	£000	£000
Audit of the financial statements	10	18

Auditor's remuneration is borne by another group undertaking.

### 3. Particulars of employees

The company has no employees (2013 - None)

# Times Newspapers Holdings Limited

## Notes to the financial statements

Year ended 29 June 2014

### 4. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2014 £000	2013 £000
Remuneration receivable	4,235	8,989
Value of company pension contributions to money purchase schemes	35	51
	<u>4,270</u>	<u>9,040</u>

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

	2014 No	2013 No
Defined benefit schemes	<u>1</u>	<u>-</u>

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

	2014 No	2013 No
Long term incentive plan	<u>2</u>	<u>2</u>

One of the directors of the company is also a director of the holding company and fellow UK subsidiaries. The directors do not believe that it is practicable to apportion the remuneration of this director between their services as directors of the company and their services as directors of the subsidiary companies. Therefore the total remuneration for this director 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 £276,000, (2013 - £288,000)

During the year £820,000 was payable to former directors as compensation for loss of office (2013 £11,034,000)

### 5. Interest receivable

	2014 £000	2013 £000
Interest from group undertakings	<u>1,436</u>	<u>1,436</u>

### 6. Interest payable and similar charges

	2014 £000	2013 £000
Interest on loan stock held by News Corp UK & Ireland Limited	<u>1,436</u>	<u>1,436</u>

### 7. Dividends

#### Equity dividends

	2014 £000	2013 £000
Paid during the year		
£Nil per ordinary 'A' share (2013 - £4.43 per ordinary 'A' share)	<u>-</u>	<u>4,429</u>

# Times Newspapers Holdings Limited

## Notes to the financial statements

Year ended 29 June 2014

### 8. Investments

	Total £000
<b>Cost or valuation</b>	
At 1 July 2013 and 29 June 2014	<u>5,066</u>
<b>Net book value</b>	
At 29 June 2014 and 30 June 2013	<u>5,066</u>

The principal subsidiary undertakings of the company are

	Principal activity	Country of incorporation	% of ordinary share capital held
Times Newspapers Limited	Publisher of The Times and The Sunday Times	England and Wales	100%

### 9. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	<u>30,157</u>	<u>30,157</u>

The debtors above include the following amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed by group undertakings	<u>28,721</u>	<u>28,721</u>

Included within amounts owed by group undertakings are 5% unsecured loan stock due from Times Newspapers Limited in 2021 of £28,721,000 (2013 - £28,721,000)

### 10. Cash at bank and in hand

News Corp UK & Ireland Limited, operates two collective overdraft facilities with its bankers, which allows individual companies in the 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

	2014 £000	2013 £000
Overdrafts	2,723	2,723
Amounts owed to group undertakings	<u>1,436</u>	<u>1,436</u>
	<u>4,159</u>	<u>4,159</u>

### 12. Creditors: Amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed to group undertakings	<u>28,721</u>	<u>28,721</u>

Included within amounts owed to group undertakings are 5% unsecured loan stock due to News Corp UK & Ireland Limited in 2021 of £28,721,000 (2013 - £28,721,000)

# Times Newspapers Holdings Limited

## Notes to the financial statements

Year ended 29 June 2014

### 13. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£000	No	£000
Ordinary 'A' shares of £1 each	1,000,004	1,000	1,000,004	1,000
Ordinary 'B' shares of £1 each	96	-	96	-
	<u>1,000,100</u>	<u>1,000</u>	<u>1,000,100</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.

On a show of hands every holder of "A" shares and "B" shares has one vote. On a poll every holder of "A" shares and "B" shares has one vote for every share held, except for a poll for the removal of an Independent National Director from office. In this instance, the Independent National Directors shall have, for every "B" share held, such number of votes as will give the majority of Independent National Directors 51% of the total votes.

### 14. Reserves

	Other reserves	Profit and loss account	Total share-holders' funds
	£000	£000	£000
At 1 July 2013 & 29 June 2014	<u>1,343</u>	<u>-</u>	<u>1,343</u>

### 15. Reconciliation of movements in shareholders' funds

	2014	2013
	£000	£000
Opening shareholders' funds	<u>2,343</u>	<u>2,343</u>
Closing shareholders' funds	<u>2,343</u>	<u>2,343</u>

### 16. 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.

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