

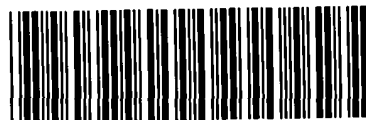
Registration number: 00206377

Times Newspapers Holdings Limited

Report and financial statements

for the year ended 1 July 2018

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Times Newspapers Holdings Limited

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Times Newspapers Holdings Limited

Strategic Report for the Year ended 1 July 2018

The directors present their Strategic Report and the financial statements of the company for the year ended 1 July 2018.

Principal activity 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 (2017 - £1,436,000) and incurred interest charges of £1,436,000 (2017 - £1,436,000). The company's profit on ordinary activities before taxation was £Nil (2017 - £Nil).

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

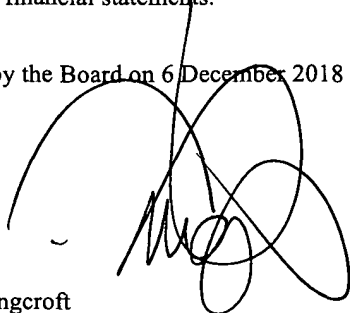
Future developments

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 Newspapers Limited, and are disclosed in those companies' financial statements.

Approved by the Board on 6 December 2018 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

Times Newspapers Holdings Limited

Directors' Report For the year ended 1 July 2018

The directors present their report and the financial statements of the company for the year ended 1 July 2018.

Going concern

News Corporation has committed to provide financial support until at least 31 March 2020 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 result for the year, after taxation, amounted to £Nil (2017 - £Nil).

The directors do not recommend a dividend (2017 - £Nil).

Times Newspapers Holdings Limited

Directors' Report (continued) For the year ended 1 July 2018

Directors

The directors who held office during the year were as follows:

S. A. L. Baxter

R. M. Brooks

K. Diekmann

S. Grabiner *

Lord Griffiths of Fforestfach

Lord J. H. Hill *

A. A. L. Healy

Baroness S. E. M. Hogg *

A. S. B. Knight - Chairman

Sir J. A. Likierman *

C. C. S. Longcroft

P. Macleod

R. L. Pennant-Rea *

J. B. Reed

Sir J. M. Scarlett

R. H. Searby QC

Sir P. M. Stothard

V. J. C. Wadley *

C. S. J. Tregurtha

E. Tucker (Appointed 6 March 2018)

* Independent National Directors as at 1 July 2018.

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.

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.

Times Newspapers Holdings Limited

Directors' Report (continued) For the year ended 1 July 2018

Directors' responsibilities statement

The directors acknowledge their responsibilities 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 and 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; 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.

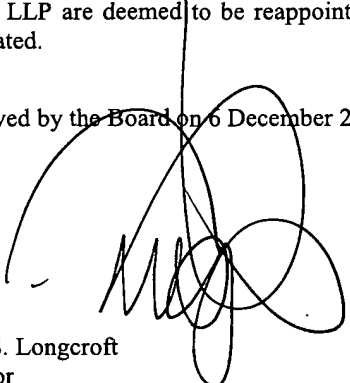
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

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.

Approved by the Board on 6 December 2018 and signed on its behalf by:



C. C. S. Longcroft
Director

Registered office:
1 London Bridge Street
London
SE1 9GF

Independent Auditor's Report to the Members of Times Newspapers Holdings Limited

Opinion

We have audited the financial statements of Times Newspapers Holdings Limited for the year ended 1 July 2018 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes 1 to 13, 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 FRS 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 company's affairs as at 1 July 2018 and of its results 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.

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 below. We are independent of the 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Times Newspapers Holdings Limited (continued)

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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, 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.



Neil Cullum (Senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor,

Date: 7/12/2018

Times Newspapers Holdings Limited

Profit and Loss Account For the year ended 1 July 2018

	Note	2018 £ 000	2017 £ 000
Interest receivable and similar income	6	1,436	1,436
Interest payable and similar expenses	7	<u>(1,436)</u>	<u>(1,436)</u>
		-	-
Profit before tax		-	-
Taxation		<u>-</u>	<u>-</u>
Profit for the financial year		<u>-</u>	<u>-</u>

The above results were derived from continuing operations.

Statement of Comprehensive Income For the year ended 1 July 2018

	2018 £ 000	2017 £ 000
Profit for the financial year	<u>-</u>	<u>-</u>
Total comprehensive income for the financial year	<u>-</u>	<u>-</u>

The notes on pages 10 to 15 form part of these financial statements.

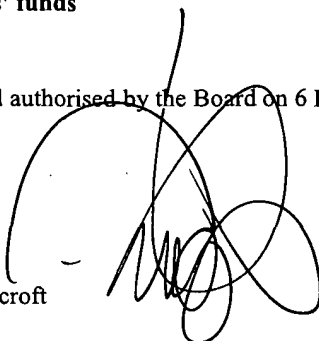
Times Newspapers Holdings Limited
Registered number: 00206377

Balance Sheet as at 1 July 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	8	5,066	5,066
Current assets			
Debtors: amounts falling due within one year	9	1,436	1,436
Debtors: amounts falling due after more than one year	9	28,721	28,721
		30,157	30,157
Creditors: Amounts falling due within one year	11	(4,159)	(4,159)
Net current assets		25,998	25,998
Total assets less current liabilities		31,064	31,064
Creditors: Amounts falling due after more than one year	11	(28,721)	(28,721)
Net assets		2,343	2,343
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account		1,343	1,343
Shareholders' funds		2,343	2,343

Approved and authorised by the Board on 6 December 2018 and signed on its behalf by:

C. C. S. Longcroft
 Director



The notes on pages 10 to 15 form part of these financial statements.

Times Newspapers Holdings Limited

Statement of Changes in Equity For the year ended 1 July 2018

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 3 July 2017	<u>1,000</u>	<u>1,343</u>	<u>2,343</u>
At 1 July 2018	<u><u>1,000</u></u>	<u><u>1,343</u></u>	<u><u>2,343</u></u>

Statement of Changes in Equity For the year ended 2 July 2017

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 4 July 2016	<u>1,000</u>	<u>1,343</u>	<u>2,343</u>
At 2 July 2017	<u><u>1,000</u></u>	<u><u>1,343</u></u>	<u><u>2,343</u></u>

The notes on pages 10 to 15 form part of these financial statements.

Times Newspapers Holdings Limited

Notes to the Financial Statements for the year ended 1 July 2018

1 General information

The company is a limited liability company incorporated in England and Wales under the Companies Act.

The address of its registered office is:

1 London Bridge Street

London

SE1 9GF

These financial statements were authorised for issue by the Board on 6 December 2018.

The nature of the company's operations and its principal activities are set out in the Strategic Report on page 1.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

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 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 below.

The financial statements 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 1 July 2018 (52 weeks ended 2 July 2017). The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest £'000.

Times Newspapers Holdings Limited

Notes to the Financial Statements for the year ended 1 July 2018 (continued)

2 Accounting policies (continued)

Summary of 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 the financial instruments disclosures as required by FRS 102 paragraph 11.42 to 11.48A and paragraphs 12.26 to 12.27, 12.29 (a) & (b) and 12.29A including:

- Categories of financial instruments,
- Items of income, expenses, gains or losses relating to financial instruments, and
- Exposure to and management of financial risks.

(c) From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Going concern

News Corporation has committed to provide financial support until at least 31 March 2020 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.

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 publicly available consolidated financial statements. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

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.

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.

Times Newspapers Holdings Limited

Notes to the Financial Statements for the year ended 1 July 2018 (continued)

2 Accounting policies (continued)

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.

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.

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.

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

	2018 £ 000	2017 £ 000
Audit of the financial statements	22	22

Auditor's remuneration is borne by another group undertaking.

4 Employees

The company has no employees (2017 - None).

5 Directors' remuneration

The directors' remuneration for the period was as follows:

	2018 £ 000	2017 £ 000
Remuneration	5,027	4,545
Value of company pension contributions to money purchase schemes	59	44
	5,086	4,589

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:

	2018 No.	2017 No.
Long term incentive plan	4	4

Times Newspapers Holdings Limited

Notes to the Financial Statements for the year ended 1 July 2018 (continued)

5 Directors' remuneration (continued)

In respect of the highest paid director:

	2018	2017
	£ 000	£ 000
Remuneration	<u>2,808</u>	<u>2,669</u>

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.

The non-executive directors received total remuneration for the year of £288,000 (2017 - £274,000).

During the year there was £Nil payable to former directors as compensation for loss of office (2017 - £23,000).

6 Interest receivable and similar income

	2018	2017
	£ 000	£ 000
Interest on amounts receivable from group undertakings	<u>1,436</u>	<u>1,436</u>

7 Interest payable and similar expenses

	2018	2017
	£ 000	£ 000
Interest on loan stock held by News Corp UK & Ireland Limited	<u>1,436</u>	<u>1,436</u>

8 Fixed asset investments

	2018	2017
	£ 000	£ 000
Investments in subsidiaries	<u>5,066</u>	<u>5,066</u>

Subsidiaries

£ 000

Cost and carrying amount

At 3 July 2017 and 1 July 2018

5,066

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Times Newspapers Holdings Limited

Notes to the Financial Statements for the year ended 1 July 2018 (continued)

8 Fixed asset investments (continued)

Subsidiary undertakings	Holding	Proportion of voting rights and shares held 2018 and 2017
Times Newspapers Limited	Ordinary	100%

The principal activity of Times Newspapers Limited is a 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

	2018 £ 000	2017 £ 000
Amounts due after more than one year		
Amounts owed by group undertakings	28,721	28,721
	<u>28,721</u>	<u>28,721</u>
 Amounts due within one year		
Amounts owed by group undertakings	1,436	1,436
	<u>1,436</u>	<u>1,436</u>

The amounts owed by group undertakings is 5% unsecured loan stock due from Times Newspapers Limited in 2021 of £28,721,000 (2017 - £28,721,000).

10 Group banking arrangements

News Corp UK & Ireland Limited operates 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.

Times Newspapers Holdings Limited

Notes to the Financial Statements for the year ended 1 July 2018 (continued)

11 Creditors

	2018 £ 000	2017 £ 000
Due within one year		
Bank overdrafts	2,723	2,723
Amounts owed to group undertakings	1,436	1,436
	<u>4,159</u>	<u>4,159</u>
Due after one year		
Amounts owed to group undertakings	<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 (2017 - £28,721,000).

12 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	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 qualify 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.

13 Parent and ultimate parent undertaking

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

The ultimate parent 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 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 are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF.