

Registration number: 00894646

## Times Media Limited (formerly known as Times Newspapers Limited)

**Report and financial statements**  
**for the year ended 3 July 2022**



## **Times Media Limited (formerly known as Times Newspapers Limited)**

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## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Strategic Report for the year ended 3 July 2022**

The directors present their Strategic Report and the financial statements of the company for the year ended 3 July 2022.

#### **Principal activities and business review**

Times Media Limited (formerly known as Times Newspapers Limited) forms part of News Corporation which is a global diversified media and information services company focused on creating and distributing authoritative and engaging content and other products and services to consumers and businesses throughout the world. News Corporation comprises businesses across a range of media, including: digital real estate services, subscription video services in Australia, news and information services and book publishing, that are distributed under some of the world's most recognisable and respected brands, including The Wall Street Journal, Barron's, Dow Jones, The Australian, Herald Sun, The Sun, The Times, HarperCollins Publishers, Foxtel, FOX SPORTS Australia, realestate.com.au, realtor.com®, talkSPORT, OPIS and many others.

The company's principal activities are the publishing of The Times and The Sunday Times and the distribution of content through its digital platforms, including thetimes.co.uk, thesundaytimes.co.uk as well as other websites and apps, and audio properties. The Times and The Sunday Times remain the most read national print newspapers in the UK quality market and have the highest ABC1 composition of any newsbrand, based on PAMCo 3 2022 data (Publishers Audience Measurement Company). Across both print and digital platforms combined, we are reaching more readers than ever before. Over the last year, our total monthly audience increased to 15.8m UK adults (PAMCo 3 2022).

The company generated turnover for the year of £373,421,000 (2021 - £327,145,000). The increase in revenue was underpinned by growth in both digital subscriptions and digital advertising and a rebound in print advertising, following the relaxation of the UK's COVID-19 restrictions. Revenues also benefited from higher content licensing revenues and the impact of a 53rd week of trading in 2022.

The Times and The Sunday Times digital-only paid subscribers totalled 438,000 at 3 July 2022, representing 68% (2021 - 63%) of the overall total of 641,000 subscribers. Digital-only paid subscriptions grew 70,000 compared to the prior year which is the largest annual increase since we launched the paywall. During the year our focus has been on increasing subscriber engagement, introducing new acquisition offers and enhancements in our retention strategy. We have also seen strong growth in our international subscriber base which is becoming an increasingly more important area of focus.

The company continues to grow our audience and engagement amongst subscribers and non-subscribers. How we commission content has changed to enhance our highly-distinctive digital journalism with the introduction of a digital hub desk bringing together key editors and digital experts from across the business. Our newsrooms have been restructured to put digital storytelling at the heart of everything we do. This includes amplifying our journalism through graphics, video, audio, and interactive features. We have also launched a live news feature with the aim of attracting new readers via search and keeping our subscribers up to date on major stories as they develop.

We continue to benefit from the success of Times Radio, a news and current affairs digital radio station launched in conjunction with talkSPORT Limited. The station has a weekly audience reach of 570,000 UK adults (RAJAR Q2 2022). Our podcasts remain an area of growth, with the recently launched 'Last Man Standing' series being our most successful yet and The Sunday Times Wine Club podcast, Wine Times, was named Podcast of the Year at the British Media Awards.

The Times and The Sunday Times remain committed to standing at the forefront of quality news reporting. Throughout the period we have continued to provide the public with high-profile, in-depth editorial content. Our coverage of the Ukraine conflict, where our journalists reported courageously on what was happening on the ground, provided a notable uplift in circulation, as did our exclusive editorial coverage of the Queen's Platinum Jubilee.

## Times Media Limited (formerly known as Times Newspapers Limited)

### Strategic Report for the year ended 3 July 2022 (continued)

#### Principal activities and business review (continued)

The talent and high-quality journalism possessed by The Times and The Sunday Times continues to be a key driver of sales performance. This was evidenced again this year through the recognition the titles and their journalists received from the wider industry. In total, The Times and The Sunday Times won over 30 awards for their achievements during the year. The Times and The Sunday Times won the coveted Newspaper of the Year award at The News and Magazine Awards (NMAs). We were also awarded the Subscription Membership Acquisition Campaign of the Year by the NMA for the team's use of data and customer targeting. Individual talent was also rewarded with our journalists recognised across the industry including Scoop of The Decade at the British Journalism Awards and the British Society of Magazine Editor's Editor of the Year accolade.

During the year The Times held its inaugural Education Summit bringing together business leaders and educators to consider the skills business requires from the workforce of the future and to inform The Times Education Commission. The commission published its final report in June 2022, with the backing of leaders in business, education, culture and industry. We also launched The Times Earth Ad Fund, a £1 million advertising fund for sustainability SMEs and charities. Amongst others, these initiatives help our readers make better-informed decisions, increases engagement and informs government policy.

EBITDA for the year (excluding restructuring expense and one-off operating charges) was £82,897,000 (2021 - £52,544,000). The company's EBITDA has increased compared to the prior year due to a combination of higher revenues and increased digital mix, as well as the efficient management of our cost base with targeted investment in editorial and commercial helping to drive revenue growth. As the year progressed, we were adversely impacted by inflationary pressures, primarily relating to increased newsprint prices, which resulted in higher production and distribution costs compared to the prior year.

On 22 November 2022 the company changed its name to Times Media Limited to better reflect the modern media business it is today.

#### Key performance indicators

The key performance indicators include Turnover, EBITDA growth and newspaper PAMCo as shown in the detail below:

	2022	2021
	£ 000	£ 000
Turnover	373,421	327,145
EBITDA	79,921	44,201
EBITDA excluding restructuring expense	<u>82,897</u>	<u>52,544</u>

EBITDA is defined as earnings before interest, taxation, depreciation and amortisation charges.

PAMCo 3 2022 - Total Brand Reach (monthly) (source: Publishers Audience Measurement Company - Sept'20 to Jun'22 print data fused with Jun'22 Ipsos Iris data, measuring combined print and digital reach):

	2022	2021
The Times and The Sunday Times	<u>15,809,000</u>	<u>-</u>

\* Due to significant changes made to the methodology of PAMCo's reporting in 2022, it is not possible to make direct comparisons with the prior year.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Strategic Report for the year ended 3 July 2022 (continued)**

#### **Future developments**

The future for The Times and The Sunday Times remains strong with a continuing commitment to the delivery of high-quality journalism and incisive commentary from across the political spectrum during pivotal moments in British politics. We are committed to exposing The Times and The Sunday Times journalism and unique storytelling capabilities to new audiences in new, compelling formats.

In February 2022, The Secretary of State for the Department for Digital, Culture, Media and Sport released all legal undertakings which were originally placed on The Times and The Sunday Times in 1981. However, The Times and The Sunday Times have continued in their commitment to be run with editorial independence from each other, with no plans to merge the titles.

In 2022, our parent company restructured the business to ensure our journalism is sustainable for future generations, focusing on becoming more digital in terms of delivery, audience reach and revenues. Christopher Longcroft has been named as EVP, Publisher, The Times and The Sunday Times, with clear responsibility and oversight of our strategy to drive digital subscriptions and digital revenues.

Growth in digital subscriptions remains key to the ongoing success of the Times and The Sunday Times. Through enhanced product value, new content verticals as well as targeted investments in product innovation, the business will aim to attract additional premium subscribers, in the UK and internationally, and drive deeper loyalty and engagement. Our relationships with major tech platforms remained strong during 2022, with news payment agreements providing new revenues. Looking ahead, we are working closely with the tech platforms to explore further opportunities which could benefit all parties. These additions will in turn underpin further growth in digital advertising and customer revenue.

We continue to monitor macroeconomic factors that could impact our business. In June 2021, we increased the cover price across both titles to mitigate the impact of inflationary headwinds affecting the wider industry. We expect inflationary pressures to persist over the next fiscal year, most notably on newsprint prices and wages.

#### **Principal risks and uncertainties**

The company's advertising volume, circulation and the price of paper are the key variables whose fluctuations can have a material effect on its operating results and cash flows. The company has to anticipate the level of advertising volume, circulation and paper prices in managing its business to maximize operating profit during expanding and contracting economic cycles. The company continues to be exposed to the risks associated with paper used for printing. Paper is a basic commodity and its price is sensitive to the balance of supply and demand; as such, the company's expenses are affected by the cyclical increases and decreases in the price of paper. The company's products compete for readership and advertising amongst its competitors and also compete with other media alternatives in their respective markets. Competition for circulation and subscriptions is based on the content of the products provided, pricing and, from time to time, various promotions. The success of these products also depends upon advertisers' judgements as to the most effective use of their advertising budgets. Competition for advertising is based upon the reach of the products, advertising rates and advertiser results. Such judgements are based on factors such as cost, availability of alternative media, distribution and quality of readership demographics.

Like other newspaper groups, the company faces challenges to its traditional print business model from new media formats and shifting consumer preferences. The company is also exposed to the impact of long term structural movements in advertising spending, in particular, the move in advertising from print to digital. These new media formats could impact the company's overall performance, positively or negatively.

A cyber-crime attack on systems and data could disrupt the digital service and thus damage advertising revenue. Response plans are in place with security policies, standards and procedures being well established.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Strategic Report for the year ended 3 July 2022 (continued)**

#### **Principal risks and uncertainties (continued)**

A combination of vision, leadership and innovation is essential for senior roles in the managerial team and failure to secure and retain the right people for senior and business critical roles, or plan for the natural succession for these positions, could lead to untimely loss of critical knowledge, experience and competitive advantage. The appeal of our editorial talent supported by skilled and creative staff is a fundamental component of our business and failure to secure and retain talented people for these roles could impact the ability to maintain circulation volume, performance and deliver growth. The company remains committed to the recruitment, engagement, retention and reward of experienced and quality management.

As a multi platform news provider, the company recognises the importance of maximising revenues from new media, both in terms of paid for content and in new advertising models, and continues to invest in its digital products. The development of technologies such as smartphones, tablets and similar devices and their related applications provides continued opportunities for the company to make its journalism available to a new audience of readers, introduce new or different pricing schemes, develop its products to continue to attract advertisers and/or affect the relationship between publisher and consumer. The company continues to develop and implement strategies to exploit its content in new media channels, including the implementation of digital subscriptions and bundles with other News Corp subsidiaries.

The company has no third party trade debtors. The only debtors are with other companies within the News UK group collecting advertising and circulation revenue on behalf of the company. Bad debts associated with advertising and circulation revenue are recharged to the company. Credit checks are performed for all new advertising customers requesting credit in excess of £1,500. Advance payment is requested when credit ratings are not sufficient. Formal processes are in place to ensure overdue accounts are followed up on a timely basis, with accounts being blocked for further advertisements when overdue.

Risk to bad debt from circulation customers is limited due to the majority of customers paying by direct debit and any overdue accounts are blocked for further supply until full settlement is received.

The majority of the company's transactions are in sterling, and exposure to fluctuations in foreign currency exchange rates is therefore limited. Foreign currency is managed centrally by the News UK group, which takes into account the foreign currency transactions of the company.

The company is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The News UK group makes provision for the estimated costs to defend such claims when incurred and provides for any settlement costs when such an outcome is judged probable.

#### **Report on compliance with section 172 of Companies Act 2006**

Section 172 of the Companies Act 2006 requires company directors to act in a way which promotes the long term success of the company and in doing so to consider the interests of the company stakeholders.

The News Corp UK & Ireland Limited Board ("the Board") has oversight of the following News UK group companies: News Group Newspapers Limited; Times Media Limited (formerly known as Times Newspapers Limited); News UK & Ireland Limited; talkSPORT Limited; Newsprinters Limited; and Newsprinters (Broxbourne) Limited ("the News UK Group").

During Financial Year 2022, the Board undertook a variety of activities to engage with stakeholders on behalf of the News UK Group and ensured that their status was recognised in the Boardroom.

This section of the report describes the impact of this engagement for the News UK Group and confirms that the Board has at all times during the year under review (and at all other times) acted in the way that they considered, in good faith, would be most likely to promote the success of the News UK Group for the benefit of its members as a whole, and in doing so had regard (amongst other matters) to:

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Strategic Report for the year ended 3 July 2022 (continued)**

#### **Report on compliance with section 172 of Companies Act 2006 (continued)**

- the likely consequences of any decision in the long term;
- the interests of employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of operations on the community and the environment;
- the desirability of maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members.

#### ***Engagement with and interests of employees***

The Board promotes colleagues' voices to be heard in the Boardroom through a variety of different channels.

##### ***Engaging employees***

In December 2021, News UK & Ireland Limited ("News UK") ran an employee engagement survey to the News UK Group to enable it to better understand its colleagues' views on what it's like to work for the company. The results were shared with the Board and resulted in a series of departmental plans being drawn up with the objective of continuing to improve engagement across the business. The business launched the survey again in October 2022 and the results will be shared with the Board once available.

In addition, News UK also encourages potential, current and outgoing employees of the News UK Group to complete experience surveys to ensure that colleague's opinions are shared throughout their lifecycle with the business. These take the form of recruitment surveys at the point of interview (whether successful or not), on-boarding surveys, and 360 degree and team effectiveness surveys. News UK also invites colleagues to take part in an exit interview prior to leaving us.

##### ***Inclusion***

The Board is proud to be building an inclusive business which is a great place for all colleagues to work. In view of this, News UK surveyed employees of the News UK Group to better understand diversity across the business and this data is being used to inform a diversity strategy which is shared with the Board. The business has also set targets on representation - 50:50 on gender and 80:20 on ethnic minorities. There are also now 11 employee networks which run across the business representing our colleagues on parenting through to disability.

##### ***Health and Wellbeing***

A number of wellness initiatives have been successfully introduced such as "Wellness Wednesdays" which aim to cover a range of physical, mental, social and financial wellbeing issues. During the COVID-19 period, a Ways of Working survey was also launched and a mental health check-in to ensure voices were heard and issues were identified. New initiatives were launched to connect people within the business, including a daily 'News United' email, sharing inspirational stories and new digital training, on building resilience and dealing with change. All colleagues have access to Headspace to support mindfulness and the Peppy health app.

##### ***Board Communication***

The Board is active in communicating its messages to its employees. In particular, during the COVID-19 period, the Board sent regular emails to all News UK Group employees updating them on business objectives, well-being, support and charitable initiatives. Since the COVID-19 period, the Board has communicated updates on TV; the realignment of business units and strategic priorities; the importance of journalism in Ukraine; several new HR and employee benefits initiatives; charity projects and fundraising; Gender Pay Gap reporting; and Diversity.

Colleagues continue to be able to report any concerns relating to wrongdoing or misconduct via their line managers; Legal or Compliance or confidentially via Alertline, News Corporation's whistleblowing service.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Strategic Report for the year ended 3 July 2022 (continued)**

#### **Report on compliance with section 172 of Companies Act 2006 (continued)**

##### ***Fostering relationships with suppliers, customers and others in a business relationship with the company***

###### ***Suppliers***

All material suppliers have a contractual relationship with News UK & Ireland Limited for the benefit of the News UK Group.

The Board recognises the integral role our suppliers play in ensuring the News UK Group delivers a reliable service. In recognition of this News UK & Ireland Limited has a Supplier and Contributor Policy and Procurement Guidelines which govern the News UK Group's engagement with third parties and are reviewed by the Board periodically. The purpose of these policies is to ensure that the News UK Group only engages with third parties that comply with all applicable laws and regulations, and meet News UK & Ireland Limited's standards for ethical conduct. It also ensures that the News UK Group's third party database is proportionate to its size and product portfolio.

All third parties must be onboarded via the News UK Group's third party risk management tool. This tool enables the News UK Group to better assess the risks of engaging with third parties and exists as part of the News UK Group's wider commitment to complete proportionate and risk-based due diligence on all third parties it engages with. The tool also governs the ongoing management of such third party engagements.

Moreover, certain members of the Board are also engaged each month in a procurement meeting to review relevant activity with third parties for that period. This review provides oversight on contractual relationships, tender activity, projects and financial status. All material approvals for commitments or transactions with third parties must comply with News UK & Ireland Limited's Approval Policy which sets out thresholds for the levels of approvals required.

###### ***Customers***

Customers are at the heart of everything that the News UK Group does. During the year, the Board has received updates on consumer Key Performance Indicators (including, but not limited to print sales, listeners, viewers, digital traffic and digital subscriptions) and the business' engagement with customers, content themes and improvements to overall customer experience. The Board has also received progress reports on customer service performance updates and how any issues with customers are resolved and has had the opportunity to review results and provide feedback on customer insights, analytics and other related data.

###### ***Community and Environment***

The News UK Group is committed to minimising the impact of its activities on the environment and our sustainability strategy is focused on three key pillars: Reduce, Engage and Source Responsibly.

Sustainability was the theme of News UK's News Corp Giving scheme in FY22, with the Marine Conservation Society and Trees For Cities receiving a £50,000 donation each. News UK worked with the charities on a year-long partnership; along with several beach cleans, in November 2021 the COO team planted 1,800 trees on a Trees For Cities volunteering day, the most ever planted in a single day for the charity.

The Board regularly hosts internal Huddle events, streamed to all staff, covering sustainability issues. Topics this year have included the July 2022 heatwave and changing weather patterns / drought, as well as a special streamed conversation with our charity partner, the Marine Conservation Society, to mark COP26.

The News UK Group is committed to managing the wider, social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to [news.co.uk](https://news.co.uk) for further information on News Corp Group's Modern Slavery Statement and Standards of Business Conduct.



## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Strategic Report for the year ended 3 July 2022 (continued)**

#### **Report on compliance with section 172 of Companies Act 2006 (continued)**

##### ***Fostering relationships with suppliers, customers and others in a business relationship with the company (continued)***

###### ***Shareholders***

The Board provides regular updates to its parent company, News Corporation. The financial results of the News UK Group are reported to News Corporation on a quarterly basis.

For example, a CEO report is prepared for News Corporation each quarter, which provides information on each News UK Group entity, including updates on: revenues and KPIs; COVID-19; subscriptions; changes in senior resource; audience engagement; advertising; sales performance; projects; key legal and HR issues; and technology.

Other examples of communications shared with News Corporation throughout the year include litigation reports and corporate audit updates.

###### ***Principal decisions of the Board***

###### ***Realignment of Business Units***

In March 2022, the Board made the decision to realign the responsibilities of the executive team in order to focus on News UK's strategic priorities, namely to: drive digital advertising revenues; grow digital subscribers; accelerate connected listening; launch TV and grow video and CTV advertising revenues; negotiate new partnerships with the big technology platforms; and maximise print revenues.

The Board acknowledged that as a business of very strong consumer brands, each of the strategic priorities needed focus to have the best chance of succeeding. The Board therefore decided that The Sun, The Times & The Sunday Times, and Broadcasting will each run as separate business units, enabling the executive with responsibility for each to manage all of the revenue and cost levers, giving them a more targeted focus and greater control. The Board proposed to have dedicated advertising, marketing, and tech teams working directly for them as currently many of these services are shared across the whole business with competing interests for prioritisation.

This means that a number of people who work in the shared corporate functions, including in the Customer and Commercial teams, have had a change in focus in their role and a new reporting line. The Board's aim is to build strong teams which have very clearly defined goals and the ability to make fast progress. This is not a cost cutting exercise but an initiative to turbocharge the business. Editorial, and those working in broadcast output where there is already clear brand focus, should not see any change to their roles.

A smaller number of departments continue to work as a centralised resource across the whole business, including Finance, HR, Corporate Affairs, Legal, and Newsprinters. Technology continues to have centralised oversight and resources, but the Board also proposed to have some roles dedicated to individual business units.

As part of this realignment the Board demonstrated that they were considering all stakeholders and communicated to employees that by redefining the way that we work internally, News UK is better equipped to grasp every opportunity and move at pace.

The Board reminded employees that its brands' readers, listeners and viewers must always be at the heart of what News UK does. It also highlighted that the realignment would help commercial partners have the opportunity to buy premium advertising inventory across the whole portfolio of brands and formats, reaching those large and sought-after audiences at multiple touch points. The Board emphasised that as a data-led business, this realignment would assist News UK to continue to build audiences and offer ever greater value to its clients.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Strategic Report for the year ended 3 July 2022 (continued)**

#### **Report on compliance with section 172 of Companies Act 2006 (continued)**

##### ***Principal decisions of the Board (continued)***

###### ***Launch of Talk TV***

In April 2022, Talk TV was launched and for the first time, News UK produced and broadcast high quality, live news programming. The three prime time shows - The News Desk, Piers Morgan Uncensored and The Talk - have already broken dozens of news stories, interviewed high profile guests and hosted intelligent and lively discussion. Presenters on TalkRadio have seamlessly pivoted to video, introducing graphics and imagery to create engaging news coverage day and night, with hourly news and weather bulletins from the studio in London Bridge. Journalists from all of News UK's brands are contributing.

The Board has been instrumental in shaping how Talk TV operates and has made it clear to all stakeholders that the investment in TV is key to News UK's future. The Board attends quarterly meetings focused on Broadcasting where topics are discussed and questions are raised on areas such as: Operational KPIs; Broadcasting Goals; Financials; Commercial updates (e.g. Editorial & Social Media; Marketing & PR); Technology; Distribution; Diversity; Policy and Compliance.

In June 2022, the Board appointed Richard Wallace as Head of TV for News UK Broadcasting. The Head of TV has editorial oversight of all programming and overall responsibility for the budget and P&L, reporting to Scott Taunton, EVP, President of Broadcasting, News UK. Scott has 1-1 meetings on a weekly basis with members of the Board to ensure that they are involved in all key decisions.

The Board's vision is that all News UK's brands should be multi-format and that stories must be reported in the way that audiences want to consume them. The Board has made it clear to stakeholders that to succeed, News UK must be bold and experiment with new and creative ideas. Whilst News UK continues with the written word - through printed newspapers and online - the Board emphasises that audiences also want to listen and watch News UK's reporting, through audio and video, live and on-demand. Existing audiences and younger generations will discover News UK's brands on social media and through streaming platforms.

The Board drives this vision purposefully in its quarterly meetings with the Executive team, which now contains a standalone update on Broadcasting and TV. A full Broadcasting update is also given as part of the News UK bi-annual Board meetings.

The Board has emphasised to stakeholders its part in building and developing other successful TV outputs and demonstrating News UK's track record of trying new things and doing what it takes to get it right. As such, the Board is confident that whilst it will grow the traditional TV audience, the future the Board is building for is the delivery of news and views (from showbiz and sport to politics and business) via streamed and online video. The Board notes that advertising revenues for connected TV and for programmatic video are in double digit growth and that News UK is professionalising its output so that all of its brands are well positioned for that growth.

The Board is dedicated to setting out to grow new audiences and find new revenues in order to secure a sustainable future for all of News UK's journalism.

###### ***Response to Ukraine***

This year News UK's newsrooms have been working around the clock to deliver expert analysis on the war in Ukraine, as employees and all of its readers, listeners and viewers try to make sense of the conflict.

There have been so many examples of world-class reporting - from The Sun's first-hand accounts, vividly depicting the human cost of Putin's invasion, to The Times's maps and charts, showing the Russian advance - telling the world the truth about what's happening. Times Radio and talkRADIO are covering every angle of this rapidly evolving situation, with contributions from newspaper reporters to our live radio reporting and podcasts.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Strategic Report for the year ended 3 July 2022 (continued)**

#### **Report on compliance with section 172 of Companies Act 2006 (continued)**

##### *Principal decisions of the Board (continued)*

The Board communicated this fantastic work to employees in April 2022 and have been actively discussing matters as they arise in the titles and Broadcasting quarterly Board meetings; 1-1s with the Executive teams and on an ad-hoc basis as the situation develops. The Board is also regularly updated by the Health & Safety team on the welfare and security of any employees working in dangerous territories and of sanctions risks by the Compliance team.

##### *Focus on wellbeing services*

The Board considers that wellbeing is at the core of what each of us are able to achieve and has highlighted to employees that it's important to News UK that all colleagues have the support they need to build a strong sense of wellbeing.

As a result of this, the Board has introduced free access for employees and two family members to a new app called Headspace which offers science-backed meditation and mindfulness tools.

In January 2022 the Board was instrumental in helping to organise and promote talks, competitions and activities, designed to help employees with their wellbeing, and to help employees to help others. A service was also launched called News for January Blues where services were advertised on the best of culture, tips on staying healthy and more from experts across the business.

Separately, in June 2022, a further offering was made available to staff, promoted and overseen by the Board called Peppy. Peppy is a new health app which will connect employees directly to highly-trained practitioners that specialise in fertility, menopause, men's health and early parenthood.

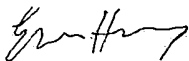
##### *Engagement with Regulators*

The Board receives regular updates on the status of any regulatory issues relating to the News UK Group. These updates are provided by the News UK General Counsel and the Managing Editors and are discussed at Board meetings. In doing this, the Board monitors News UK Group's compliance with regulatory issues and the actions taken to maintain this such as the implementation of internal training and updates to policies and procedures.

In addition, the News UK Group's Legal team provides regular updates to News Corporation on regulatory and reputational issues and contributes to a Compliance Steering Committee meeting held by News Corporation each quarter.

Approved by the Board on 24 November 2022 and signed on its behalf by:

PP



E. Humphreys  
Director

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Directors' Report For the year ended 3 July 2022**

The directors present their report and the financial statements of the company for the year ended 3 July 2022.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £73,235,000 (2021 - £34,006,000).

The directors do not recommend a dividend (2021 - £Nil).

#### **Directors**

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

R. M. Brooks

D. W. Dinsmore

M. C. Gill

J. Witherow

C. C. S. Longcroft

E. Tucker

The following director was appointed after the period end:

E. Humphreys (appointed 25 July 2022)

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

The Articles of Association do not require directors to retire either by rotation or in the year of appointment.

#### **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 them 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.

#### **Employment of disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

#### **Employee consultation**

It is the policy of the company to develop employee involvement throughout the organisation and to ensure that they are aware of the financial and economic factors affecting the company and the News UK group of which it is a member.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Directors' Report (continued) For the year ended 3 July 2022**

#### **Employee consultation (continued)**

Communication meetings between management and employees are held both formally and informally, where matters of specific interest are discussed. Consultation with all employees occurs on a regular basis covering pensions and health and safety and their views are taken into consideration when making decisions. A range of training programmes are held for employees.

#### **Going concern**

The company is in a net current liability position as at 3rd July 2022 and is utilising the collective overdraft facility which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, not being exceeded in aggregate. The overdraft facility is also guaranteed by News Corporation.

The ultimate parent undertaking, News Corporation (the "Parent Company") has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period until 31 December 2023.

The Parent Company will continue to review its liquidity needs in light of the business and financial impacts the company may face in light of economic factors such as the continued economic recovery from the COVID-19 pandemic, inflation and any mitigating actions that may be required.

Based on this information and on enquiries, the directors believe that they have a reasonable expectation that the company has adequate resources to adopt the going concern basis in preparing the financial statements.

#### **Streamlined energy and carbon report**

A detailed report has been included within the financial statements of the company's intermediate parent entity News Corp UK & Ireland Limited. The results cover the UK operations of the News UK group and cannot be allocated to individual companies.

#### **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 in accordance with Section 10 of FRS 102 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- 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.

**Times Media Limited (formerly known as Times Newspapers Limited)**

**Directors' Report (continued)  
For the year ended 3 July 2022**

**Statement of Directors' Responsibilities (continued)**

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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**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.

**Auditors**

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 24 November 2022 and signed on its behalf by:

PP



E. Humphreys  
Director  
1 London Bridge Street  
London  
SE1 9GF

## **Independent Auditor's Report to the Members of Times Media Limited (formerly known as Times Newspapers Limited)**

### **Opinion**

We have audited the financial statements of Times Media Limited (formerly known as Times Newspapers Limited) for the year ended 3 July 2022 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 19 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 3 July 2022 and of its profit 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

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

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Media Limited (formerly known as Times Newspapers 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 11, 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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.



## **Independent Auditor's Report to the Members of Times Media Limited (formerly known as Times Newspapers Limited) (continued)**

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)**

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal matters and compliance. We corroborated these enquiries through our review of policies and board meeting minutes. We reviewed management's entity level controls to understand the company culture of honest and ethical behaviour, including the emphasis on fraud prevention.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through inquiry of management and those charged with governance as to established policies and procedures that exist. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and to respond to the assessed risks. We determined there to be a risk of management override and a fraud risk over manual adjustments to revenue. To address the fraud risk on revenue, we used data analytics to identify the population of manual journal entries impacting revenue and selected a sample of specific transactions. We understood the transactions identified for testing and agreed them to source documentation. To address the risk of management override of controls we used data analytics to sample from the entire population of journal entries, identifying transactions which did not meet our expectations based on specific criteria, to investigate, gain an understanding and agree to source documentation. Our procedures also included verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations was covered through inquiry with management and the Directors, reading of the board meeting minutes and correspondence with the relevant authorities with no indication of non-compliance identified. Furthermore, we performed procedures to conclude on the compliance of disclosures made in the annual report and accounts with all applicable requirements.

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.

*Ernst & Young LLP*

Lauren Houghton (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor, Luton

Date: 25/11/2022

**Times Media Limited (formerly known as Times Newspapers Limited)****Profit and Loss Account  
For the year ended 3 July 2022**

	Note	2022 £ 000	2021 £ 000
Turnover	3	373,421	327,145
Cost of sales		<u>(205,135)</u>	<u>(193,045)</u>
<b>Gross profit</b>		168,286	134,100
Sales and marketing costs		(29,052)	(32,656)
Administrative expenses		<u>(63,011)</u>	<u>(56,767)</u>
<b>Adjusted operating profit</b>	4	76,223	44,677
Restructuring expense	8	<u>(2,976)</u>	<u>(8,343)</u>
<b>Operating profit</b>	4	73,247	36,334
Interest payable	9	<u>-</u>	<u>(2,293)</u>
<b>Profit before tax</b>		73,247	34,041
Taxation	10	<u>(12)</u>	<u>(35)</u>
<b>Profit for the financial year</b>		<u><u>73,235</u></u>	<u><u>34,006</u></u>

All amounts relate to continuing operations.

Adjusted operating profit is defined as total operating profit before restructuring expense.

**Statement of Comprehensive Income  
For the year ended 3 July 2022**

	2022 £ 000	2021 £ 000
Profit for the financial year	<u>73,235</u>	<u>34,006</u>
Total comprehensive income for the financial year	<u><u>73,235</u></u>	<u><u>34,006</u></u>

The notes on pages 19 to 31 form part of these financial statements.

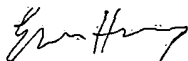
**Times Media Limited (formerly known as Times Newspapers Limited)**  
**Registered number: 00894646**

**Balance Sheet**  
**As at 3 July 2022**

	Note	2022 £ 000	2021 £ 000
<b>Fixed assets</b>			
Intangible assets	11	28,917	18,521
Heritage assets	12	1,614	1,614
		<u>30,531</u>	<u>20,135</u>
<b>Current assets</b>			
Debtors	13	36,655	26,521
Cash at bank and in hand		44,736	-
		<u>81,391</u>	<u>26,521</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(490,961)</u>	<u>(498,930)</u>
<b>Net current liabilities</b>		<u>(409,570)</u>	<u>(472,409)</u>
<b>Net liabilities</b>		<u>(379,039)</u>	<u>(452,274)</u>
<b>Capital and reserves</b>			
Called up share capital	17	1,000	1,000
Profit and loss account		<u>(380,039)</u>	<u>(453,274)</u>
<b>Shareholder's deficit</b>		<u>(379,039)</u>	<u>(452,274)</u>

Approved and authorised by the Board on 24 November 2022 and signed on its behalf by:

PP



E. Humphreys  
 Director

The notes on pages 19 to 31 form part of these financial statements.

**Times Media Limited (formerly known as Times Newspapers Limited)**

**Statement of Changes in Equity  
For the year ended 3 July 2022**

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 28 June 2021	1,000	(453,274)	(452,274)
Profit for the financial year	-	73,235	73,235
Total comprehensive income for the financial year	-	73,235	73,235
At 3 July 2022	1,000	(380,039)	(379,039)

**Statement of Changes in Equity  
For the year ended 27 June 2021**

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 29 June 2020	1,000	(487,280)	(486,280)
Profit for the financial year	-	34,006	34,006
Total comprehensive income for the financial year	-	34,006	34,006
At 27 June 2021	1,000	(453,274)	(452,274)

The notes on pages 19 to 31 form part of these financial statements.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Notes to the Financial Statements For the year ended 3 July 2022**

#### **1 General information**

The company is a private company limited by shares is 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 24 November 2022.

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

#### **2 Accounting policies**

##### **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 Republic of Ireland' ('FRS 102') and the Companies Act 2006.

##### **Basis of preparation**

The financial statements of Times Media Limited (formerly known as Times Newspapers Limited) 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 53 weeks ended 3 July 2022 (52 weeks to 27 June 2021). The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest £'000.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Notes to the Financial Statements For the year ended 3 July 2022 (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 paragraphs 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**

The company is in a net current liability position as at 3 July 2022 and is utilising the collective overdraft facility which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, not being exceeded in aggregate. The overdraft facility is also guaranteed by News Corporation.

The ultimate parent undertaking, News Corporation (the "Parent Company") has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period until 31 December 2023.

The Parent Company will continue to review its liquidity needs in light of the business and financial impacts the company may face in light of economic factors such as the continued economic recovery from the Covid-19 pandemic, inflation and any mitigating actions that may be required.

Based on this information and on enquiries, the directors believe that they have a reasonable expectation that the company has adequate resources to adopt the going concern basis in preparing the financial statements.

##### **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.

##### **Turnover**

Revenue is measured at the fair value of the consideration received or receivable, and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company, and value added taxes.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Notes to the Financial Statements For the year ended 3 July 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Turnover (continued)**

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) the costs incurred or to be incurred in respect of the transaction can be measured reliably and (e) it is probable that future economic benefits will flow to the entity. Specific revenue recognition criteria also apply depending on the revenue stream, as described below:

- Print advertising revenue is recognised on issue of publication net of any agency rebate.
- Digital advertising revenue is recognised on a straight line basis over the period of the online campaign.
- Circulation revenue is recognised at the point of sale. A deduction is made from circulation revenue for expected returns and is updated for actual returns as known.
- Subscriptions revenue is recognised on a straight line basis over the period of the subscription.
- Other revenue is recognised at the time of sale or over the duration of the provision of service as appropriate.

##### **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.

##### **Operating leases**

Rentals payable under operating leases are charged on a straight line basis to the profit and loss account over the lease term. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

##### **Pension**

The employees of the company participate in a defined contribution pension scheme; the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Taxation**

Taxation expense for the reporting period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax, including UK corporation tax and foreign tax, is the amount payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are considered as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits or deferred tax liabilities in the foreseeable future against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Notes to the Financial Statements For the year ended 3 July 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Taxation (continued)**

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

##### **Intangible assets**

Intangible assets consist of internal use software, and are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Internal use software	3 years
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##### **Heritage Assets**

The company holds a collection of manuscripts, newspapers and other artefacts within its archives. The collection is one of the most significant within the British newspaper industry and is available for both internal and external research purposes. This collection had previously been reported on the balance sheet at valuation following an independent valuation of the collection by Sotheby's in November 2003. Subsequent acquisitions, which have been purchased after this valuation, have been recorded at cost. However, FRS 102 paragraph 34.51 requires entities to recognise and measure heritage assets using the cost model or revaluation model. The company has applied the cost model, and has taken the deemed cost exemption under FRS 102 paragraph 35.10(d). As a result all heritage assets are carried at cost, from the date of transition. No depreciation has been charged on these assets.

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all costs incurred in bringing each product to its present location and condition. Raw materials, consumables and goods for resale are held at purchase cost on a first in first out basis. Provision is made for obsolete, slow moving or defective items where appropriate.

##### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.



## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Notes to the Financial Statements For the year ended 3 July 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Creditors**

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

##### **Provisions**

Provisions are recognised when the company has a present obligation, legal or constructive, as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

##### **Critical judgements in applying the company's accounting policies**

No critical judgements in applying the company's accounting policies have been identified in the current or preceding year.

##### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

###### *a. Contract discount and rebate provisions*

The Company enters into agreements with advertising agencies and certain clients, which are subject to a minimum spend and typically include a commitment to deliver rebates to the agency or client based on the level of their spend over the contract period. These rebates can take the form of free advertising space, cash payments or both. The rebate provision is calculated using the forecast spend over the contract period and rebate entitlement set out in the trading agreement. Calculating the required provision therefore requires an estimate of future period spend in determining what tier of spend the agencies may reach over the agreement.

###### *b. Provision for libel claims*

The company is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The company makes provision for the estimated costs to defend such claims when incurred and provides for any settlement costs when such an outcome is judged probable. The libel provision as at 3 July 2022 was £1,146,000 (2021 - £1,949,000) and is included in Creditors: amounts falling due within one year.

###### *c. Recoverability of deferred tax assets*

The company makes estimates regarding the recoverability of deferred tax assets relating to losses based on forecasts of future taxable profits which are, but their nature, uncertain. The deferred tax asset recognised at 3 July 2022 was £Nil (2021 - £Nil).

## Times Media Limited (formerly known as Times Newspapers Limited)

### Notes to the Financial Statements For the year ended 3 July 2022 (continued)

#### 3 Turnover

Substantially all the company's turnover and profit after taxation, for the current and prior year, are derived both by origin and destination from publishing activities in the United Kingdom.

The analysis of the company's revenue for the period is as follows:

	2022 £ 000	2021 £ 000
Sale of goods	252,360	233,034
Rendering of services	121,061	94,111
	<u>373,421</u>	<u>327,145</u>

#### 4 Operating profit

Arrived at after charging:-

	Note	2022 £ 000	2021 £ 000
Operating lease expense - plant and machinery		178	234
Pension costs		3,029	3,318
Amortisation expense	11	<u>6,674</u>	<u>7,867</u>

The operating lease costs relate to commitments held by News UK & Ireland Limited, a fellow subsidiary within the News UK group.

#### 5 Auditor's remuneration

	2022 £ 000	2021 £ 000
Audit of financial statements	<u>311</u>	<u>278</u>

#### 6 Staff costs

The aggregate payroll costs were as follows:

	2022 £ 000	2021 £ 000
Wages and salaries	42,387	41,868
Social security costs	5,113	4,757
Pension costs	<u>3,029</u>	<u>3,318</u>
	<u>50,529</u>	<u>49,943</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

## Times Media Limited (formerly known as Times Newspapers Limited)

### Notes to the Financial Statements For the year ended 3 July 2022 (continued)

#### 6 Staff costs (continued)

	2022 No.	2021 No.
Administration and support	-	2
Editorial	554	532
	<u>554</u>	<u>534</u>

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £ 000	2021 £ 000
Allocation of directors qualifying services to the company	<u>3,590</u>	<u>4,184</u>

The directors of this company provide services to this company and a number of other group companies. The amounts above relate to the share of qualifying services that have been allocated to this company.

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:

	2022 No.	2021 No.
Long term incentive plan	<u>6</u>	<u>6</u>

In respect of the highest paid director, the proportion of their remuneration relating to services provided to this company is as follows:

	2022 £ 000	2021 £ 000
Allocation of directors qualifying services to the company	<u>1,428</u>	<u>1,454</u>

#### 8 Restructuring expense

	2022 £ 000	2021 £ 000
Restructuring expense	<u>2,976</u>	<u>8,343</u>

During the year the company restructured its workforce to match the requirements of the business. Total costs incurred were £2,976,000 (2021 - £8,343,000).

## **Times Media Limited (formerly known as Times Newspapers Limited)**

### **Notes to the Financial Statements For the year ended 3 July 2022 (continued)**

#### **9 Interest payable**

	2022 £ 000	2021 £ 000
On loans from group undertakings	-	857
On loans due to the parent undertaking	-	1,436
	<u>-</u>	<u>2,293</u>

Loans were settled during the prior year hence no interest charged in the current year. In the prior year, interest was charged at 5% on the loan due to the parent undertaking and at 5.1% on the loan due from group undertakings.

#### **10 Taxation**

	2022 £ 000	2021 £ 000
<b>Tax charge in the profit and loss account</b>		
Foreign tax adjustment to prior periods	12	35
	<u>12</u>	<u>35</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

## Times Media Limited (formerly known as Times Newspapers Limited)

### Notes to the Financial Statements For the year ended 3 July 2022 (continued)

#### 10 Taxation (continued)

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	73,247	34,041
Corporation tax at standard rate	13,917	6,468
Expenses not deductible for tax purposes	-	52
Foreign tax credits	-	17
Effect of rate changes	161	-
Deferred tax not recognised	(1,053)	1,531
Adjustments in respect of prior years	382	-
Fixed asset differences	(1)	-
Group relief and transfer pricing adjustments	(13,406)	(8,051)
Foreign tax adjustment to prior periods	12	18
Total tax charge	12	35

#### Factors that may affect future tax charges

The UK Corporation Tax Rate has remained at 19% for several years. It was announced in the March 2021 Budget that the main rate would increase to 25%, with effect from 1 April 2023. The rate increase was substantially enacted when it received Royal Assent on 10 June 2021. The rate will remain at 19% until 31 March 2023.

# Times Media Limited (formerly known as Times Newspapers Limited)

## Notes to the Financial Statements For the year ended 3 July 2022 (continued)

### 11 Intangible assets

	Internal use software £ 000
<b>Cost</b>	
At 28 June 2021	50,993
Additions	13,106
Transfer from group company	3,964
Disposals	(3,227)
At 3 July 2022	64,836
<b>Amortisation</b>	
At 28 June 2021	32,472
Amortisation charge	6,674
Amortisation eliminated on disposals	(3,227)
At 3 July 2022	35,919
<b>Net book value</b>	
At 3 July 2022	28,917
At 27 June 2021	18,521

### 12 Heritage assets

	£ 000
<b>Cost</b>	
At 28 June 2021	1,614
At 3 July 2022	1,614
<b>Net book value</b>	
At 3 July 2022	1,614
At 27 June 2021	1,614

The collection of manuscripts, newspapers and other artefacts were independently valued at £1,524,000 in November 2003 by Sotheby's with additional purchases made at cost amounting to £90,000. The company has applied the cost model, and has taken the deemed cost exemption under FRS 102 paragraph 35.10(d), as a result all heritage assets are carried at cost, from the date of transition.

#### Additions and disposals in the year

During the period there have been no additions or disposals to the collections of heritage assets.

## Times Media Limited (formerly known as Times Newspapers Limited)

### Notes to the Financial Statements For the year ended 3 July 2022 (continued)

#### 12 Heritage assets (continued)

##### Five year history

There have been no significant additions or disposals of heritage assets within the past five financial years.

#### 13 Debtors

	2022 £ 000	2021 £ 000
Amounts owed by group undertakings	16,779	10,564
Other debtors	9,005	6,439
Prepayments and accrued income	10,871	9,518
	<u>36,655</u>	<u>26,521</u>

All amounts owed by group undertakings relate to trading balances with no fixed repayment terms and no interest charged.

#### 14 Creditors

	2022 £ 000	2021 £ 000
<b>Due within one year</b>		
Bank overdrafts	-	806
Amounts due to group undertakings	449,772	454,353
Social security and other taxes	397	573
Other payables	2,459	2,337
Accrued expenses	38,011	40,528
Income tax liability	322	333
	<u>490,961</u>	<u>498,930</u>

All amounts due to group undertakings relate to trading balances with no fixed repayment terms and no interest charged.

News Corp UK & Ireland operates a collective overdraft facility with its bankers, which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, not being exceeded in aggregate. The overdraft facility is also guaranteed by News Corporation.

#### 15 Funding

The financial statements are prepared on the going concern basis.

The net liabilities of the company are £379,039,000 at 3 July 2022 (2021 - £452,274,000). News Corp UK & Ireland Limited, the immediate parent company, has confirmed its intention of providing continuing financial support to enable the company to meet its liabilities as they fall due for the foreseeable future.

## Times Media Limited (formerly known as Times Newspapers Limited)

### Notes to the Financial Statements

For the year ended 3 July 2022 (continued)

#### 16 Pension and other schemes

The company participates in pension schemes operated by News Corp UK & Ireland Limited. The defined contribution scheme covers the majority of the executive, staff and works personnel. The remaining employees, mainly senior executives, are covered by defined benefit multi employer schemes and their share of the underlying assets and liabilities are not readily identifiable. The assets of the pension schemes are held in separate externally administered funds. The pension costs of the defined benefit schemes are calculated in accordance with the advice of a qualified actuary using the projected unit method. The schemes are valued by an independent actuary on a triennial basis. During 2011, News Corp UK & Ireland Limited closed the main UK defined benefit pension plan to future accrual. The latest full actuarial valuation of the defined benefit schemes range from 30 September 2019 to 30 June 2021 with a roll forward valuation for 30 June 2022.

Following a group restructure on 4 July 2011, all pension expenses were transferred to News Corp UK & Ireland Limited, where the group's pension provision is held. A recharge is made to the company for the services of the personnel working for the company.

The total pension cost for the company was £3,029,000 (2021 - £3,318,000) all of which relates to defined contribution schemes.

Retirement benefit obligation disclosures for the defined benefit schemes are not presented in these company accounts, as the defined benefit scheme is a group scheme, and there is no group policy in place for charging the net defined benefit cost to individual group companies. Under FRS 102, this means that the defined benefit scheme asset or deficit is recognised in the financial statements of the group company that is legally responsible for the plan, which is News Corp UK & Ireland Limited. The News Corp UK & Ireland Limited net pension asset as at 3 July 2022 is £20,208,000 (2021 net pension liability - £4,263,000). The fair value of the plans' assets amounts to £343,866,000 (2021 - £412,804,000) whilst the benefit obligations amounts to £323,658,000 (2021 - £417,067,000).

#### 17 Share capital

##### Allotted, called up and fully paid shares

	2022		2021	
	No.	£ 000	No.	£ 000
"A" Ordinary shares of £1 each	850,000	850	850,000	850
"B" Ordinary shares of £1 each	75,000	75	75,000	75
"C" Ordinary shares of £1 each	75,000	75	75,000	75
	<u>1,000,000</u>	<u>1,000</u>	<u>1,000,000</u>	<u>1,000</u>

All shares rank equally except the 'A' shares which carry preferential rights in relation to the first £1 million of profit and the first £1 million on winding up of the company.



**Times Media Limited (formerly known as Times Newspapers Limited)**

**Notes to the Financial Statements  
For the year ended 3 July 2022 (continued)**

**18 Leasing and other financial commitments**

Commitments under operating lease agreements are held by News UK & Ireland Limited, another company within the News UK group.

**19 Ultimate parent company**

The company's immediate parent is Times Newspapers Holdings Limited, incorporated in England and Wales.

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

The smallest and 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 consolidated financial statements are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF.