

**News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)**

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**Report and financial statements
30 June 2013**

Registered number: 1437199

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News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Financial statements

Year ended 30 June 2013

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News Corp Investments UK & Ireland **(Formerly known as NewsCorp Investments)**

Directors' report

Year ended 30 June 2013

The Directors present their annual report on the affairs of News Corp Investments UK & Ireland (formerly known as NewsCorp Investments) ("the Company") and its subsidiary undertakings (together "the Group") along with the financial statements and auditor's report for the year ended 30 June 2013. The Company did not present consolidated financial information in its financial statements for the year ended 1 July 2012.

Principal activities

The principal activities of the Group are the printing and publishing of UK national newspapers (News UK) and the publishing of books (Harper Collins). The Group's other activities include the provision of financing services to other undertakings in the News Corporation Group.

The subsidiary and associated undertakings primarily affecting the results or net assets of the Group in the year are listed in note 33 of the financial statements.

Business review

The Group generated turnover for the year of £1,244.9 million (2012 - £1,221.5 million). The Group's operating loss for the year was £91.9 million (2012 - operating loss £152.9 million). Revenue growth was helped by the launch of The Sun on Sunday, which began publication in February 2012, and cover price increases on the Monday to Friday edition. Advertising revenue decreased during the year, driven by a decreasing national print advertising market, whilst sales volume revenue was broadly flat from previous year. Cost of sales overall were higher during the year predominantly due to a full year of The Sun on Sunday, offset by lower cost of sales in the Newspaper segment as a result of decreased newsprint costs (due to lower circulation volumes offsetting modest newsprint price increases) and lower editorial costs than the previous year. The directors expect the general level of activity to continue for the foreseeable future.

The Sun's newspaper circulation share (Monday to Saturday) was marginally lower year-on-year based on six-monthly ABC figures (ABC July to December 2012 and January to June 2013). The Sun on Sunday second half circulation (ABC January to June 2013) was c. 1.9m copies, demonstrating a strong entry into the Sunday popular segment.

Both The Times' and The Sunday Times' print only circulation shares grew marginally year-on-year based on six-monthly ABC figures for the first half of the year (ABC July to December 2012) and for the second half of the year (ABC January to June 2013). The Sunday Times continued to sell more than the combined circulation of its main competitors during these periods. It is not possible to measure multi-channel sales market share as multi-channel sales (print, web, and digital) are not all reported through ABC. Based on multi-channel sales, The Times and The Sunday Times ended the year slightly lower than the previous year.

The Group's strategy is to focus on digital paid-for subscriptions and it converted The Sun website from free to paid-for in August 2013. The Group has acquired rights to show highlights on mobile devices and websites of all Barclays Premier League football matches for the next three seasons. These rights, coupled with further editorial and product innovations, existing offers such as The Sun's £9.50 Holidays, Dream Team fantasy football league and Sun Bingo will continue to engage and entertain our readers. This will ensure that the brands remain an attractive proposition for our advertising clients.

The Sun's (Monday-Saturday) and The Sun on Sunday's average issue readership for the year (National Readership Survey July 2012 to June 2013) showed 6.4 million readers and 5.7 million readers respectively. The Sun (Monday to Saturday) had over 50% more readers than its nearest competitor.

According to the National Readership Survey (July 2012-June 2013), The Times is read by 1.3 million people daily and The Sunday Times is read by 2.5 million people. The Times continues to be the number one quality daily paper for business readers in the UK with about 50% more business readers than either of The Financial Times or The Daily Telegraph and the survey states that 1 in 4 purchase decision makers read The Times (British Business Survey 2011). The Sunday Times continues to be the number one quality Sunday Newspaper, with 50% more business readers than The Sunday Telegraph and The Observer combined, and the survey states that 1 in 3 purchase decision makers read The Sunday Times and it is the leading title for board directors (British Business Survey 2011).

The Group has ceased publication of Eureka, the monthly science magazine. The last edition of the magazine was published in October 2012.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Directors' report - continued

Business review – continued

During the year, HarperCollins UK achieved good revenue growth with an increase of 3.5%. UK market share as measured by Bookscan TCM increased by 0.1% to 7.9%. Operating margin was however down due mainly to the adverse impact of a systems change in the distribution centre. Operating profit is expected to recover to normal levels in the year ahead.

There were publishing successes across the board, especially in the Fiction, Children's and Fourth Estate lists. HarperCollins won the two most prestigious literary prizes of the year the Booker and the Costa – with Hilary Mantel's *Bring Up the Bodies*. This was a record-breaking achievement on three fronts - Hilary Mantel is the first woman and the first British author to win the Booker prize twice, plus *Bring Up the Bodies* was the first book to win both the Costa and the Booker.

In addition to the Booker and the Costa HarperCollins won 28 other literary prizes across the course of the year including *Scenes From An Early Life* by Philip Hensher which won the Royal Society of Literature Ondaatje Prize, *The Information* by James Gleick, which picked up the Royal Society Science Book of the Year and *Ratburger* by David Walliams which won the Children's Book of the Year at the British Book Awards. The Company had 68 books in The Sunday Times bestseller lists during the year including eight number ones.

The release of the hugely successful film of *The Hobbit*, helped generate additional revenues across Fiction and Children's in the year. The Children's list was particularly strong with further notable success from Derek Landy, Michael Morpurgo, One Direction and David Walliams.

Within the Collins Learning division, Collinsdictionary.com won the best website category at the 2012 Future Book Innovation Awards. The site gets 1.6m unique hits every month making it HarperCollins UK's most popular site. Atlas by Collins was shortlisted for the best Reference Book app award at the 2012 Future Book Innovation Awards, and won the best digital product, as well as the overall award at the International Map Industry Association, EMEA region.

The Company launched the prestigious William Collins imprint in February 2013, bringing together the two successful imprints of Collins and HarperPress, to form one list publishing the highest-quality history, biography, science, politics, natural history, reference, business, philosophy and religion. Its first book *Falling Upwards* by Richard Holmes received great acclaim.

Restructuring

On 5 July 2012, News UK (formerly known as News International) terminated an existing agreement with Johnston Press Plc in relation to contract printing in order to bring the printing of its publications in house and utilise available capacity. On 6 July 2012, compensation totalling £30.0 million was paid to Johnston Press Plc for terminating this contract. On 27 March 2013, a further contract with Johnston Press Plc was terminated due to declining circulation volumes enabling News UK to print all of its publications in house. Additional compensation totalling £10.0 million was paid in order to terminate this contract.

A number of announcements were made during the year as the Group has restructured its workforce to match the requirements of the business. The Group has incurred £30.0 million (2012 - £21.8 million) of redundancy costs relating to this restructure.

The Group has incurred £101.8 million (2012 - £140.9 million) of non-operational one-off charges relating to allegations of voicemail interception and inappropriate payments to public officials and other related matters ("UK newspaper matters").

On June 28 2013, News Corporation (renamed 21st Century Fox) completed the separation of its publishing and media and entertainment businesses into two distinct publicly traded companies, new News Corporation and 21st Century Fox.

As a result of this separation, News Corp Investments UK & Ireland and its subsidiary undertakings have become part of new News Corporation, which comprises newspapers and information businesses in the US, UK and Australia, leading book publishing brands, integrated marketing service companies, digital education groups as well as other assets in Australia.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Directors' report - continued

Restructuring - continued

In connection with the separation of News Corporation, 21st Century Fox agreed to provide funding to News Corp Holdings UK & Ireland in respect of certain amounts incurred by the Company and its subsidiaries. Funding will be provided for payments made after the separation date arising out of civil claims and investigations relating to UK newspaper matters as well as associated legal and professional fees. Expenses paid in connection with criminal matters, other than fees, expenses and costs relating to employees (i) who are not directors, officers or certain designated employees or (ii) with respect to civil matters, who are not co-defendants with the Company or 21st Century Fox are also included. 21st Century Fox has agreed to provide this funding by contributing capital to the Company's equity. These contributions will be made on an after-tax basis. Accordingly, the Company has recorded a special capital reserve of £29.4 million as of 30 June 2013 and an equivalent debtor relating to the capital contribution from 21st Century Fox.

Events after the balance sheet date

On 12 July 2013, the Group announced that it has plans to move its entire London operations to a single location at London Bridge into newly developed premises on the south bank of the Thames.

The move will bring together the world-class journalism of News UK, the publishing genius of Harper Collins and the authoritative business insight of Dow Jones all under one roof. The move will allow the companies that represent News Corp in the UK to work more closely and collaboratively in state-of-the-art facilities and an environment tailored specifically for our titles and teams.

On 15 July 2013, the Group disposed of Admiral House, office premises adjacent to its former UK newspaper division headquarters in East London, for consideration of £6.0m which is receivable in four annual instalments. An impairment of £0.8m has been recognised in the 2013 financial statements in relation to the property.

As announced on 17 July 2013, News UK has been awarded the rights to show Football Association match clips in a four year deal beginning August 2014. This will allow News UK to show near-live clips across all its digital platforms of FA Cup matches, FA Community Shield matches, 14 England senior friendly matches, all England U21 matches (subject to them being broadcast live) and England Development Team matches over four years until Autumn 2018.

Furthermore as announced on the 5 September 2013, News UK has also secured the rights to show match clips from the Scottish Premiership. As a result, The Sun, The Times and The Sunday Times will be the only place to get clips of all England, FA Cup, Barclays Premier League and Scottish Premiership football games via smart phone, tablet and PC, which will enhance News UK's sports offering to readers, and will help transform the way football is enjoyed across a range of platforms.

In accordance with FRS 21 'Events after the balance sheet date', these are not considered to be adjusting events.

Principal risks and uncertainties facing the business

The Group recognises the challenges to its traditional business model from new technology and considers itself a multi-platform news and books provider, continually investing in its digital products. As readers use these new channels to access content, the Group recognises the importance of maximising revenues from these new channels, both in terms of paid-for content, new advertising models and eBook revenues.

The Group is addressing new media challenges through the introduction of paid for content around its newspaper websites and increased access to eBook formats through the digitising of the Group's titles.

The Group also faces challenges to its traditional print business model from new media formats and shifting consumer preferences. The Group is exposed to the impact of long-term structural movements in advertising spending, in particular the move in classified advertising from print to digital. These new media formats could impact the Group's performance, positively or negatively. The Group is continually investing in its products, including investment in digital editions, to minimise the impact of these trends and to ensure that its products continue to attract advertisers.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Directors' report – continued

Principal risks and uncertainties facing the business – continued

The Group now has a relatively low exposure to classified revenues (less than 15%) and is developing new digital products to attract classified advertising. In the short term, the scale of the audience delivered by the Group's publications and the very short production timescales associated with press advertising mean that the Group continues to see advertisers investing their marketing spend in its publications. Given the trend towards disaggregated audiences, generally, against the very large readership of its publications, the Group expects to retain its ability to attract advertising spending at current levels.

Along with other publishing groups, the Group continues to be exposed to risks associated with the cost of its paper. Paper is a basic commodity and its price is sensitive to the balance of supply and demand. The Group's costs and expenses are affected by the cyclical increases and decreases in the price of paper. Exposure to the change in raw materials for book publishing is not considered significant in relation to the overall nature of the business.

Credit checks are performed for all new 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 when overdue. These checks have been particularly effective in the current economic environment.

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

The majority of the Group's operating transactions are in sterling, exposure to fluctuations in foreign currency exchange rates is therefore limited. Foreign currency is managed centrally, which takes into account the foreign currency transactions of the Group. The Group also looks to mitigate currency movements by entering into forward currency contracts denominated in the same currency as the operating funds flow, to match the exposures anticipated in the business.

Following the allegations of voicemail interception and inappropriate payments to public officials there have been a number of civil cases brought against News Group Newspapers Limited, a subsidiary undertaking, some of which have been settled, or are in the process of being settled. A provision has been made at the balance sheet date in respect of all claims that have been filed up until the date of finalisation of the financial statements. In 2011, News Group Newspapers Limited established a Compensation Scheme which was closed in 2013. A provision has been made at the balance sheet date for all applicants accepted to participate in this Scheme. No provision has been made for letters of claim which have been received but where no formal court proceedings have been issued, or for individuals who have not contacted News Group Newspapers Limited. It is not possible to estimate the liability for such additional claims given the information that is currently available to News Group Newspapers Limited. If more claims are filed and additional information becomes available in the civil cases, News Group Newspapers Limited will update the liability provision for such matters. During the year a charge of £10.2 million (2012 - £17.5 million) in respect of claimants' legal fees and damages has been made in respect of this litigation, based on available information at the date of signing the financial statements. The final cost may or may not be significantly higher than the amounts recognised. This has been reported as a one-off charge due to its size and non-operational nature. These costs are expected to continue into the forthcoming year.

Further information in connection with these matters is disclosed in note 25.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Directors' report – continued

Principal risks and uncertainties facing the business – continued

Going concern

The Times continues to be the number one quality daily paper for business readers in the UK and The Sunday Times continues to be the number one quality Sunday Newspaper. “The Sun” brand has a strong presence in its market with 50% more readers than its nearest competitors. In addition, The Sunday edition of The Sun has become the market leader in the Sunday tabloid market with a market share in excess of 33%.

Harper Collins is one of the foremost English language book publishing groups in the world, with the UK business publishing a wide range of books and digital products. In addition, the information businesses, Languages, Geo and Education have long led the way in migrating to digital publishing while continuing to reach new markets with their physical publishing.

At the date of signing the financial statements, the Group has incurred further costs in the year beginning 1 July 2013 of £24.6 million relating to UK newspaper matters and legal and professional fees relating to the Management and Standards Committee. Of this balance, 21st Century Fox agreed that it will provide funding to News UK for £11.8 million.

News Corporation has committed to provide financial support until 28 November 2014. As highlighted in note 21 to the financial statements, the Group operates two collective overdraft facilities, in which News Corp UK & Ireland Limited (formerly known as NI Group 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 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.

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

Results and dividends

The Group's loss for the financial year after taxation was £68.0 million (2012 – £189.4 million). The Directors have not recommended a dividend (2012 - £Nil).

Key performance indicators

The key performance indicators for the Group are primarily financial. The key performance indicators include revenue growth, EBITDA growth, newspaper ABCs and the number of bestseller books as shown in the detail below.

	2013	2012
Group turnover	£1,244.9m	£1,221.5m
EBITDA	(£51.0)m	(£210.7)m
EBITDA (excluding one-off operating charges and exceptional items)	£116.8m	£44.1m

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

ABC Circulation (source: Audit Bureau of Circulations Limited June 2013 12 month certified average net circulation per issue)

The Sun	2,357,465	2,665,056
The Sun (Sunday edition)	1,983,672	2,474,001
The Times	399,398	412,168
The Sunday Times	885,522	957,632

Books included on The Sunday Times bestseller list	68	56
Number ones on The Sunday Times bestseller list	8	5

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Directors' report – continued

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 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

During the year there was an average of 3,996 staff working in the Group. They are our most valuable asset. During the past year, we have continued to work with considerable success on ways of involving more staff in the decision making process.

There is a staff association called News Union which has a Recognition Agreement with News UK, and allows them to negotiate on behalf of staff with News UK management. News Union operates at all of the newspaper division's sites: Thomas More Square (Wapping), Broxbourne, EuroCentral (Scotland), Knowsley (Merseyside) as well as the commercial and editorial offices in Scotland, commercial office in Manchester, administrative offices in Peterborough and the Times Literary Supplement in London.

News Union representatives are democratically elected by the workforce. Thomas More Square (Wapping) has 13 representatives, Peterborough 1 representative, Scotland 1 representative, Broxbourne 3 representatives, EuroCentral 2 representatives and Knowsley 3 representatives.

The National Executive Committee of News Union receives information and consultation on the evolution of work organisation, training of employees, major operational issues, development and promulgation of policies, significant initiatives and in fulfilling the legal obligations on subjects such as redundancy or transfers of undertakings.

HarperCollins employees play an active part on health and safety committees and pension scheme bodies and there is a frequent dialogue with recognised trade unions.

Directors and their interests

The Directors who served the Company during the year were as follows:

M Darcey	(Appointed 1 January 2013)
C C S Longcroft	(Appointed 26 September 2012)
T Mockridge	(Resigned 31 December 2012)
K R Murdoch	(Resigned 20 July 2012)
S L Panuccio	(Resigned 26 September 2012)

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

Charitable and political contributions

Charitable contributions made by the Group in the financial year amounted to £0.5 million (2012 - £3.8 million). There were no political contributions (2012 - £Nil).

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Directors' report - continued

Creditors' payment policy

The Group's policy is to pay suppliers at the end of the month following that in which the supplier's invoice is received. The policy is made known to the staff who handle payments to suppliers and is made known to all suppliers on request. The number of suppliers' days outstanding at the year end was 40 days (2012 - 41 days).

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.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit/(loss) of the Group for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement of disclosure of information to the auditors

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 7. Having made enquiries of fellow Directors and of the Group's auditor, each of these Directors confirms that

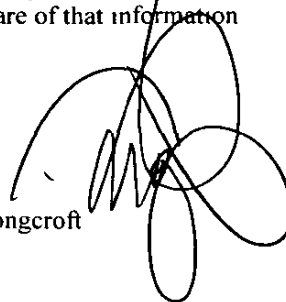
- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Group's auditor is unaware, and
- each Director has taken all steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditor is aware of that information.

Registered office
3 Thomas More Square
London
E98 1XY

Signed by

C C S Longcroft

Director



Approved by the Directors on 12 November 2013

Company Registration Number 1437199

Independent auditor's report to the members of News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

We have audited the financial statements of News Corp Investments UK & Ireland (formerly Newscorp Investments) for the year ended 30 June 2013 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated statement of total recognised gains and losses, the consolidated note of historical cost profits and losses and the related notes 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2013 and of the Group's loss 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.

Emphasis of matter – significant uncertainty over provisions and contingencies related to voicemail interception cases and on-going investigations after allegations of voicemail interception and inappropriate payments to public officials and other related matters.

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 25 to the financial statements concerning future expenditures for which reliable estimates cannot be made and other contingencies related to voicemail interception cases and on-going investigations after allegations of voicemail interception and inappropriate payments to public officials and other related matters. The ultimate exposure of the Group in relation to these matters is subject to significant uncertainty, and the total amounts that will ultimately be determined to be payable by the Group will be dependent on many factors, including the number of individuals making a claim against the Group, any findings as to the extent of their loss, as well as the potential size of any civil, administrative or criminal fines or penalties. Consequently the actual cost may or may not be significantly higher than the amounts recognised in the financial statements and disclosed in note 25.

**Independent auditor's report to the members of News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments) - continued**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

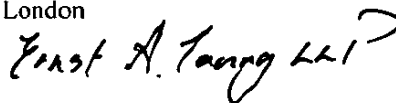
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the Parent Company or returns adequate for our audit have not been received from branches not visited by us, or
- the Parent Company 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

Other matter

The comparative consolidated financial information as at 3 July 2012 and for the year then ended is unaudited

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



14 November 2013

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Consolidated profit and loss account

For the year ended 30 June 2013

	Notes	2013 £m	2012 £m Unaudited
Group turnover	2	1,244 9	1,221 5
Cost of sales	3	(816 0)	(779 3)
Gross profit		428 9	442 2
Other operating expenses (net)	3	(520 8)	(595 1)
Group operating loss		(91 9)	(152 9)
Attributable to			
Group operating profit/(loss) before one-off charges		51 0	(12 0)
Operating one-off charges	4	(142 9)	(140 9)
		(91 9)	(152 9)
Share of operating loss in associates		(0 6)	(2 6)
Total operating loss before exceptional items: Group and share of joint ventures		(92 5)	(155 5)
Exceptional items:			
Loss on disposal of fixed assets	5	-	(65 2)
Profit on disposal of fixed asset investments	6	5 1	-
Restructuring expense	7	(30 0)	(51 6)
Loss on ordinary activities before investment income, interest and taxation		(117 4)	(272 3)
Investment income and interest receivable			
- Group	8	12 8	6 6
- Associate	8, 19	46 6	57 6
Interest payable and similar charges			
- Group	9	(17 3)	(22 7)
Loss on ordinary activities before taxation	10	(75 3)	(230 8)
Taxation on loss on ordinary activities	14	7 3	41 4
Loss on ordinary activities after taxation		(68 0)	(189 4)
Minority Interests		9 5	26 9
Loss for the financial year attributable to members of the parent company	26	(58 5)	(162 5)

Details of movements on reserves are shown in note 26

All operations of the Group continued throughout the year

The notes to the financial statements are an integral part of this consolidated profit and loss account

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Consolidated statement of total recognised gains and losses

For the year ended 30 June 2013

	Notes	2013 £m	2012 £m Unaudited
Retained loss for the financial year		(104 5)	(218 4)
Share of associate profit for the year		46 0	55 9
		<hr/>	<hr/>
Loss for the financial year	26	(58 5)	(162 5)
Actuarial loss recognised in the pension schemes	13	(24 6)	(69 5)
Effect of asset limit on pension schemes	13	(2 6)	-
Deferred tax on actuarial loss recognised in the pension schemes	14	6 5	16 7
Impact of rate change on deferred tax	14	(0 8)	(2 0)
Gain/(loss) on foreign currency translation - Group		4 0	(3 2)
Loss on foreign currency translation – Associate	19	(51 1)	(31 4)
Minority interest		9 8	12 8
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		(117 3)	(239 1)

The notes to the financial statements are an integral part of this consolidated statement of total recognised gains and losses

Consolidated note of historical profits and losses

For the year ended 30 June 2013

	2013 £m	2012 £m Unaudited
Reported loss on ordinary activities before taxation	(75 3)	(230 8)
Realisation of property revaluation gains of previous periods	-	40 9
	<hr/>	<hr/>
Historical cost loss on ordinary activities before taxation	(75 3)	(189 9)
	<hr/>	<hr/>
Historical cost loss for the year retained after taxation	(68 0)	(148 5)

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Consolidated balance sheet

As at 30 June 2013

	Notes	2013 £m	2012 £m Unaudited
Fixed assets			
Intangible assets	16	23 9	22 9
Tangible assets	17, 18	653 7	684 0
Investments	19	23 7	25 2
Investment in associates	19	613 3	614 6
		<hr/>	<hr/>
		1,314 6	1,346 7
		<hr/>	<hr/>
Current assets			
Stocks	20	49 2	59 3
Debtors - due within one year	21	399 4	342 2
- due after one year	21	69 1	97 3
Cash at bank and in hand	22	93 5	145 1
		<hr/>	<hr/>
		611 2	643 9
		<hr/>	<hr/>
Creditors Amounts falling due within one year	23	(1,288 9)	(1,174 8)
		<hr/>	<hr/>
Net current liabilities		(677 7)	(530 9)
		<hr/>	<hr/>
Total assets less current liabilities		636 9	815 8
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	24	(12 4)	(12 8)
		<hr/>	<hr/>
Provisions for liabilities	25	(33 9)	(57 1)
		<hr/>	<hr/>
Net assets excluding pension liability		590 6	745 9
		<hr/>	<hr/>
Pension liability	13	(44 7)	(93 9)
		<hr/>	<hr/>
Net assets including pension liability		545 9	652 0
		<hr/>	<hr/>

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Consolidated balance sheet - continued

As at 30 June 2013

	Notes	2013 £m	2012 £m Unaudited
Capital and reserves			
Called-up equity share capital	26	1,033 2	1,033 2
Revaluation reserve	26	0 4	0 4
Other reserves	26	383 7	383 7
Special capital reserve	26	25 2	-
Equity share-based payment	26	13 7	10 6
Profit and loss account	26	(985 4)	(866 6)
		<hr/>	<hr/>
Equity Shareholders' funds	26	470 8	561 3
Equity Minority interests		75 1	90 7
		<hr/>	<hr/>
		545 9	652 0
		<hr/>	<hr/>

The notes to the financial statements are an integral part of this consolidated balance sheet

The financial statements on pages 11 to 53 were approved by the Board of Directors on 12 November 2013 and signed on its behalf by

C C S Longcroft
 Director

12 November 2013



News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Company balance sheet

As at 30 June 2013

	Notes	2013 £m	2012 £m
Fixed assets			
Investments	19	734 6	1,684 5
Net assets		734 6	1,684 5
Equity capital and reserves			
Called-up share capital	26	1,033 2	1,033 2
Other reserves	26	651 3	651 3
Profit and loss account	26	(949 9)	-
Shareholders' funds	26	734 6	1,684 5

The notes to the financial statements are an integral part of this balance sheet

The financial statements on pages 11 to 53 were approved by the Board of Directors on 12 November 2013 and signed on its behalf by

C C S Longcroft
Director

12 November 2013



News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the revaluation of land and buildings and in accordance with United Kingdom Generally Accepted Accounting Principles

News Corporation has committed to provide financial support until 3 December 2014. As highlighted in note 22 to the financial statements, the Group operates two collective overdraft facilities, in which News Corp UK & Ireland Limited (formerly known as NI Group 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 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. These factors lead the Directors to conclude that they have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future.

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 30 June 2013.

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

Basis of consolidation

The Group financial statements are made up to 30 June 2013 and consolidate the financial statements of News Corp Investments UK & Ireland (formerly known as Newscorp Investments) and all its subsidiary undertakings.

Entities, other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the Group exercises a significant influence are treated as associates. In the Group financial statements, associates are accounted for using the equity method.

The results of subsidiary undertakings acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

In the Group's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

No profit and loss account is presented for the Company, as provided by section 408 of the Companies Act 2006.

The Company did not present consolidated financial information in its financial statements for the year ended 3 July 2012.

Cash flow statement

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

Segmental reporting

The Group is exempt from the requirement of SSAP 25 'Segmental reporting' to include segmental analysis as part of its financial statements because it is a wholly owned undertaking of a body corporate, and segmental reporting is included in the financial statements of News Corporation which prepares consolidated financial statements that are publicly available.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

1 Principal accounting policies - continued

Participating interests and joint ventures

Undertakings, not being subsidiary undertakings, in which the Group has a participating interest (usually comprising not less than 20% of the voting capital) and over which it exerts significant influence, are treated as associates or joint ventures. The consolidated profit and loss account includes the appropriate share of these undertakings' profits or losses for the year and the Group's share of post-acquisition retained profits or losses and reserves is added to the cost of investment in the consolidated balance sheet.

Other participating interests over which the Group does not exert significant influence are accounted for as investments.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction or at the contracted rate if the transaction is covered by a forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward currency rate. All differences are taken to the profit and loss account.

For the purpose of consolidation, the closing rate method is used to translate balance sheets of subsidiary undertakings maintained in foreign currencies and the related translation gains or losses are shown as a movement on reserves. Average exchange rates ruling during the year are used to translate profit and loss accounts of those subsidiary undertakings. When foreign currency borrowings are used to finance foreign investments, the borrowings and investments are translated at the rates of exchange prevailing at the year end and the resulting exchange differences are shown as a movement on reserves.

Turnover

Turnover is the net amount receivable by the Group in the ordinary course of its business, excluding value added tax, trade discounts and other sales related taxes.

Advertising revenue is recognised upon publication. 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.

Contract print revenue is recognised in instalments over the life of the print contract or on completion of individual print runs.

Digital revenue is recognised on a straight line basis over the period of the online campaign.

Book publishing revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Revenue derived from granting of publishing and other subsidiary rights to third parties is recognised on a cash basis.

Other revenue is recognised at the time of sale or over the duration of provision of service as appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

1 Principal 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 reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Research and development

Research and development expenditure is written off as incurred

Share-based payments

The cost of cash settled transactions is measured at fair value using an appropriate option-pricing model. Fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period, a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount for the liability are recognised in profit and loss for the period.

The Group issues equity-settled share-based payments to certain employees, which must be measured at fair value and recognised as an expense in the income statement with a corresponding increase in equity. The fair values of these payments are measured at the dates of grant using option pricing models, taking into account the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the Group's estimate of the number of awards, which will lapse due to employees leaving the Group prior to vesting. The total amount recognised in the profit and loss account as an expense is adjusted to reflect the actual number of awards that will vest.

The Group has taken advantage of the transitional provisions of FRS 20 in respect of equity-settled awards so as to apply FRS 20 only to those equity-settled awards granted after 7 November 2002 that had not vested before 1 January 2006.

Pension costs and post-retirement medical benefits

The employees of the Group participate in either a defined contribution or a defined benefit pension scheme, both of which require contributions to be made to separately administered funds.

For defined contribution schemes, 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.

For defined benefit schemes, the Group's portion of past and current service cost, and interest cost net of expected return on assets in the plans are charged to the profit and loss during the year. Actuarial gains and losses are recognised directly in full in the statement of total recognised gains and losses such that the consolidated balance sheet reflects the schemes' full surplus or deficit at the balance sheet date.

The Group has agreed to provide additional post-retirement healthcare benefits to certain current and former employees. The estimated cost of providing such benefits is charged against profits on a systematic basis over the employees' working lives within the Group.

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life, which is considered to be 20 years or less. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods expected to benefit from its consumption.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

1 Principal accounting policies - continued

Publishing rights and titles

Publishing rights and titles are stated at cost less any provisions made for impairment. No amortisation is provided on newspaper publishing rights and titles since, in the opinion of the Directors, these assets have indefinite useful economic lives. Book publishing rights are amortised on a straight line basis over a period of between five and ten years.

No amortisation is provided where the Directors are of the opinion that to do so would not show a true and fair view of the profit for the year or the financial position of the Group and Company at the end of the year. This overrides the requirement of the Companies Act 2006 to amortise intangible fixed assets and it is in compliance with FRS 10.

The Directors believe that the publishing rights and titles have a sufficiently well-established position in the market place to be defended against threats arising from current competitors, potential new entrants and potential technological changes in the industry. Any impairment results from specific events or circumstances and does not indicate that the inherent lives of assets are anything other than indefinite.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Where borrowings are used to finance capital projects, interest incurred prior to the completion of those projects is capitalised.

Assets in the course of construction are not depreciated. When such assets come into use they are transferred to the appropriate fixed asset category and depreciated accordingly.

Residual value is calculated on prices prevailing at the date of acquisition.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When an impairment review is undertaken, the recoverable amount is calculated as the net present value of expected future cash flows of the relevant cash generating unit.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold and leasehold land	- No depreciation charged
Freehold buildings	- 20 years to 50 years
Leasehold buildings	- Shorter of the length of lease or 50 years
Plant, motor vehicles, fixtures and fittings	- 1 year to 33 years

Heritage assets

The Group has two collections of heritage assets which are held to increase historical knowledge of future generations and to assist in the production of the Groups newspapers.

The collections are accounted for as follows:

Manuscripts, newspapers and other artefacts

The Group 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 has been initially 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. No depreciation has been charged on these assets.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

1 Principal accounting policies - continued

Heritage assets - continued

Art collection

The Group holds a collection of paintings, which has been initially reported on the balance sheet at valuation following an independent valuation of the collection by Robert Holden Limited in May 2001. Subsequent acquisitions, which have been purchased after the valuation, have been recorded at cost. No depreciation has been charged on these assets.

In addition to the two collections above, the Group also holds a complete back catalogue of their newspaper publications with *The Sun* dating back to 1964, *The News of the World* dating back to 1843, *The Times* dating back to 1785 and *The Sunday Times* dating back to 1822. These collections have not been recognised on the balance sheet due to the one off nature of these collections. A valuation could not be reasonably established without a considerable and costly valuation exercise being completed.

Investments

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

Stocks and work-in-progress

Stocks are stated at the lower of cost and net realisable value. 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. Work in progress and finished goods are held at cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price, less further costs of disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Royalty advances

Royalty advances are written down to the extent that they are not expected to be recoverable in the future.

Leases

The Group as Lessee

Rentals payable under operating leases are charged on a straight-line basis to the profit and loss account over the lease term.

The Group as Lessor

Income from assets leased under finance leases is credited to the profit and loss account over the period of the lease so as to give a constant rate of return on funds invested. The net amount receivable under finance leases is included in debtors.

Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group 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.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

1 Principal accounting policies - continued

Capital instruments

Equity shares are reported in shareholders' funds. Other capital instruments, such as preference shares, are presented following their substance rather than legal form in accordance with FRS 25 'Financial Instruments Presentation and Disclosure'. A liability is recognised in the balance sheet when there is an obligation to transfer economic benefits. Where such criteria do not exist, capital instruments continue to be recognised as shareholders' funds. The finance cost element recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

Revaluation reserve

Surpluses arising on the revaluation of fixed assets are transferred to a revaluation reserve. Where assets, which have been revalued, are sold, the previous revaluation surplus is transferred directly to realised reserves (profit and loss account) and the difference between sale price and depreciated revalued amount is recorded in arriving at profit on ordinary activities before taxation.

The Group has taken advantage of the transitional provisions of FRS 15 'Tangible fixed assets', and retained the book amounts of certain freehold properties, which were revalued prior to implementation of that standard. The properties were last revalued at 30 June 1988 and the valuations have not subsequently been updated.

Related party transactions

As a wholly owned subsidiary undertaking of News Corporation whose financial statements are publicly available, the Company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

Interest income and expense

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

2 Turnover

a) Turnover by class of business

	2013 £m	2012 £m Unaudited
Newspaper printing and publishing	957.3	943.2
Book publishing	284.0	274.4
Other activities	3.6	3.9
	<hr/>	<hr/>
	1,244.9	1,221.5
	<hr/>	<hr/>

b) Turnover by destination

	2013 £m	2012 £m Unaudited
United Kingdom	1,128.8	1,098.7
Rest of Europe	16.3	20.6
Rest of the World	99.8	102.2
	<hr/>	<hr/>
	1,244.9	1,221.5
	<hr/>	<hr/>

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

3 Cost of sales and other operating expenses

	2013 £m	2012 £m Unaudited
Cost of sales	816 0	779 3
Distribution costs	37 9	44 8
Administrative expenses	340 0	409 4
Operating one-off charges (see note 4)	142 9	140 9
Other operating expenses	520 8	595 1

4 Operating one-off charges

	2013 £m	2012 £m Unaudited
Claimants' legal fees and damages (see note 25)	10 2	17 5
Costs in relation to UK newspaper matters	51 3	46 6
Costs in relation to the Management and Standards Committee	40 3	76 8
Costs in relation to early termination of contract agreements	41 1	-
	142 9	140 9

There are a number of on-going legal claims against News Group Newspapers Limited as a result of voicemail interception allegations. A charge of £10.2 million (2012 - £17.5 million) in respect of claimants' legal fees and damages has been made based on available information at the date of signing the financial statements. This has been reported as a one-off charge due to its size and incidence (see note 25).

The Group has incurred £51.3 million (2012 - £46.6 million) of one-off costs in regards to UK newspaper matters. These include £50.0 million of legal fees, £1.1 million for compensation as loss of office payments, and £0.2 million of other title specific related closure costs.

The Group has incurred costs of £40.3 million (2012 - £76.8 million), which are primarily legal and professional fees relating to the Management and Standards Committee (MSC). The MSC is not a statutory entity, therefore whilst it has independence from the Group, costs relating to the MSC must be recognised in the financial statements of a statutory entity. As the costs relate exclusively to investigations within the UK, these costs have been borne by News Corp UK & Ireland Limited (formerly known as NI Group Limited) and News Group Newspapers Limited depending upon the nature of the costs.

The Group has terminated its long term printing contracts with Johnston Press in return for a compensation payment of £40.0 million. The contract termination has enabled the Group to move printing to in-house printing facilities to utilise available capacity leading to a more efficient distribution of the Group's titles.

Furthermore, the Group has incurred costs of £1.1 million in relation to the early termination of a distribution contract.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

5 Loss on disposal of fixed assets

	2013 £m	2012 £m Unaudited
Loss on disposal of fixed assets	-	65.2

In 2012, the Group sold its Wapping site for consideration of £150.0 million, of which £25.0 million was received in 2012 and again in 2013, with the remaining £100.0 million being receivable over the following 4 years. The deferred consideration was discounted at an annual rate of 2.88% (see note 21). The loss on disposal in respect of the Wapping site was £59.0 million.

In addition, in the prior year the Group disposed of assets related to the News of the World for a loss of £4.4 million and other asset disposals amounted to a loss on disposal of £1.8 million.

6 Profit on disposal of fixed asset investments

	2013 £m	2012 £m Unaudited
Profit on disposal of subsidiary undertakings	1.0	-
Profit on disposal of interest in associates	4.1	-
	5.1	-

In preparation for the News Corporation separation on 28 June 2013, certain subsidiary undertakings were sold to entities that would form part of the 21st Century Fox Group. As a result of these disposals the Group recognised a profit on disposal amounting to £1.0 million.

On 4 January 2013, the Group sold its 49% share of ordinary share capital in BrandAlley UK Limited resulting in a profit on disposal of £4.1 million.

7 Restructuring expense

	2013 £m	2012 £m Unaudited
Restructuring expense	30.0	51.6

The Group made announcements during the prior year that the workforce would be restructured to match the requirements of the business. During the year the Company incurred £30.0 million (2012 - £21.8 million) of redundancy costs relating to this restructuring programme within editorial, production and support services.

In the prior year, the Group incurred £29.8 million of exceptional restructuring costs in regards to the News of the World, of which £22.2 million related to redundancy costs, £6.2 million related to editorial and production costs committed to prior to the closure and £1.4 million of human resource support costs.

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements - continued

8 Investment income and interest receivable

	2013 £m	2012 £m Unaudited
<i>Group</i>		
Income from loans to fellow Group undertaking	1 5	1 6
Other interest receivable and similar income	8 5	2 8
Interest on pension scheme liabilities (see note 13)	2 8	2 2
	<hr/>	<hr/>
	12 8	6 6
<i>Associate</i>		
Other interest receivable and similar income	46 6	57 6
	<hr/>	<hr/>
	59 4	64 2
	<hr/>	<hr/>

9 Interest payable and similar charges

	2013 £m	2012 £m Unaudited
<i>Group</i>		
Interest on loans from fellow Group undertakings	15 5	18 1
Unwinding of discount on surplus property provisions (see note 25)	1 1	1 1
Other interest payable and similar charges	0 7	3 5
	<hr/>	<hr/>
	17 3	22 7
	<hr/>	<hr/>

10 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2013 £m	2012 £m Unaudited
Depreciation of tangible fixed assets		
- owned	63 2	59 1
Impairment of tangible fixed assets		
- owned	0 8	-
Amortisation of publishing rights and titles and goodwill		
- subsidiaries	2 2	2 1
- associates and joint ventures	0 2	0 4
Operating lease rentals		
- land and buildings	17 1	21 9
- plant and machinery	43 8	35 5
Auditors' remuneration		
- audit of the Company's subsidiaries	1 1	1 2
- other services	-	0 1
	<hr/>	<hr/>

Auditors' remuneration for the audit of the Company amounted to £29,000 (2012 - £9,000)

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

11 Staff costs

Employee costs of the Group during the year including Executive Directors comprised

	2013 £m	2012 £m Unaudited
Wages and salaries	254.4	255.4
Social security costs	24.5	24.6
Other pension costs (see note 13)	25.7	17.9
Share-based payments (see note 12)	4.8	9.8
	<hr/> 309.4	<hr/> 307.7

The average number of persons employed by the Group during the year was as follows

	2013 Number	2012 Number Unaudited
Newspaper printing and publishing	2,700	2,819
Book publishing	1,257	1,212
Other activities	39	38
	<hr/> 3,996	<hr/> 4,069

Directors' remuneration

	2013 £m	2012 £m Unaudited
Emoluments	10.0	6.0

The above amounts for remuneration include the following in respect of the highest paid Director

	2013 £m	2012 £m Unaudited
Emoluments	7.1	2.8

The number of Directors who were members of the pension schemes was as follows

	2013 Number	2012 Number Unaudited
Defined benefit schemes	2	3

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

11 Staff costs - continued

The accrued pension entitlement under the defined benefit schemes of the highest paid Director at 30 June 2013 was £Nil (2012 - £Nil)

During the year £14.1 million was payable to former Directors as compensation for loss of office (2012 - £10.8 million). Compensation for loss of office payable to Directors has increased due to such payments being made to a greater number of Directors in the current year.

The compensation for loss of office includes various on-going benefits of which the costs were borne by the Group. These benefits largely comprised the services of employees of the Group and office space, as well as reimbursement for all legal and other professional costs incurred with on-going investigations until those investigations are concluded. The Group has also agreed to pay the tax associated with the legal and other professional costs. Legal and other professional costs have been recognised as incurred. Further costs are likely to be incurred in future accounting periods but these have not been recognised due to the uncertainty surrounding the timing and value of these costs. Future costs comprising the services of employees of the Group and office space have been provided for as disclosed in note 25.

12 Share-based payment

Employee share ownership scheme

The Group operates an employee share ownership scheme which enables employees to enter into fixed-term savings contracts with independent financial institutions linked to an option for Class A Common Stock in its previous ultimate parent undertaking 21st Century Fox. Due to the separation, options are no longer in the Group's ultimate parent undertaking, News Corporation. All options became exercisable on the separation date of 28 June 2013 and remain exercisable for a period of 6 months. All options not exercised by the end of the 6 month period will lapse. The scheme is accounted for as a cash-settled transaction.

Restricted stock units (RSUs)

Restricted stock unit awards are grants that entitle the holder to shares of Class A Common stock of 21st Century Fox or News Corporation based on the expected vesting date and the terms of the Employee Matters Agreement. Any employee who holds RSUs shall have no ownership interest in the shares to which such RSUs relate until and unless shares are delivered to the holder. RSUs are issued under the plans of fiscal 2013, 2012 and 2011. RSUs typically vest over a period of 4 years, with 25% of units vesting each year.

Prior to the separation, the Group participated in 21st Century Fox's plans under which RSUs were granted. In connection with the separation RSUs were adjusted and converted into new equity awards using a formula designed to preserve the value of the awards immediately prior to the separation in accordance with the Employee Matters Agreement. Converted awards have the same terms and features as the original awards. The schemes which vest prior to 31 December 2013 were converted to, and will be settled in, shares of 21st Century Fox. The remaining awards which vest after 1 January 2014 were converted to, and will be settled in, shares of News Corporation.

Performance stock units (PSUs)

The performance stock units were granted to eligible employees who were awarded a target number of PSUs at the beginning of a 3 year performance period. The number of shares vesting after the completion of the 3 year performance period can range from 0% to 200% of the target award subject to the achievement of pre-defined performance measures for the applicable performance period. The number of shares expected to vest is estimated based on management's determination of the probable outcome of the performance condition.

Prior to the separation, the Group participated in 21st Century Fox's plans under which PSUs were granted. In connection with the separation PSUs were adjusted and converted into new equity awards using a formula designed to preserve the value of the awards immediately prior to the separation in accordance with the Employee Matters Agreement. Converted awards have the same terms and features as the original awards. The schemes which vest prior to 31 December 2013 were converted to, and will be settled in, shares of 21st Century Fox. The remaining awards which vest after 1 January 2014 were converted to, and will be settled in, shares of News Corporation.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

12 Share-based payment – continued

The following table summarises information about the Group's share based payment transactions for all the Group's share based payment plans

	2013		2012 Unaudited	
	Options, RSUs & PSUs	WAEP (£) (b)	Options, RSUs & PSUs	WAEP (£)
Outstanding as at beginning of year	3,091,923	8 88	4,393,879	8 08
Granted during the year	211,822	14 89	2,080,324	9 44
Exercised during the year	(313,911)	9 83	(1,867,143)	7 74
Lapsed during the year	(1,494,517)	8 74	(1,515,137)	8 73
Units impacted by the separation (a)	(573,790)	11 02	-	-
Units granted in conversion, as a result of separation	653,924	6 22	-	-
Outstanding as at end of year	1,575,451	6 03	3,091,923	8 88
Exercisable as at end of year	279,120	5 22	658,264	8 69

- (a) Represents unvested RSUs and PSUs as of 28 June 2013, the date of separation, which were converted to and will be settled in Class A shares of 21st Century Fox as such awards will vest on or prior to 31 December 2013
- (b) The weighted average exercise price (WAEP) prior to 30 June 2013 represents the fair value of awards prior to conversion to News Corporation. The weighted average exercise price of awards at 30 June 2013 represents the fair value of the awards using the conversion ratio set forth in the Employee Matters Agreement

The weighted average fair value of RSUs and PSUs granted during the year was £14 89 (2012 - £9 44). There have been no share options granted during the year (2012 - None). The weighted average share price at the date of exercise for the options exercised in the year was £15 38 (2012 - £12 29). The range of exercise prices for options and awards outstanding at the end of the year was £5 03 - £9 02 (2012 - £5 03 - £9 02).

Financial impact

The expense recognised for share-based payments in respect of employee services received during the year to 30 June 2013 is £4 8 million (2012 - £9 8 million).

The portion of that expense arising from equity-settled share-based payment transactions is £4 6 million (2012 - £9 4 million).

The carrying amount of the liability relating to cash-settled share-based payment transactions as at 30 June 2013 is £0 9 million (2012 - £0 9 million).

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

13 Pensions

Group

a) Impact on financial statements

The Group operated nine pension schemes during the year

The major scheme, which covers the majority of newspaper executives, staff and works personnel, is a UK hybrid pension scheme. This was closed to future accrual in December 2012. Until 30 September 2008, members were able to use their defined contribution funds to purchase an annuity within the plan. Members who retire after this date are now required to purchase an annuity on the open market. In January 2013, a new News UK Group Personal Pension Plan was set up which covers all newspaper executives, staff and work personnel. During 2011, the Group closed the main UK defined benefit pension plan to future accrual.

The remainder of UK non-book publishing employees are covered by one of two defined benefit schemes.

The book publishing employees are covered by three defined benefit schemes for UK employees and three defined contribution schemes for Australian employees.

The latest actuarial valuations range from 1 July 2012 to 30 June 2013 and were performed by a qualified independent actuary using revised assumptions that are consistent with the requirements of FRS 17 'Retirement Benefits'. The defined benefit schemes are valued by an independent qualified actuary on at least a triennial basis. Investments have been valued for this purpose at fair value.

The assets of the pension schemes are held in separate externally administered trust funds. The pension costs relating to the defined benefit schemes are assessed in accordance with the advice of a qualified actuary using the projected unit method.

The total pension costs for the Group are as follows:

	2013 £m	2012 £m Unaudited
Defined contribution schemes	21.2	14.2
Defined benefit schemes	4.5	3.7
	<hr/>	<hr/>
	25.7	17.9
	<hr/>	<hr/>

b) The principal assumptions used by the actuary were:

	2013 %	2012 %	2011 %
Rate of increase in salaries	3.3	3.7	4.4
LPI pension increase assumption	2.6	2.8	3.5
Rate of increase in pension payment	2.6	2.8	3.5
Discount rate	4.5	5.0	5.5
Inflation assumption	3.3	3.0	3.5

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

13 Pensions – continued

The weighted average life expectancy for mortality tables used to determine benefit obligations at

	At year end		At year end	
	30 June 2013	1 July 2012 Unaudited	30 June 2013	1 July 2012 Unaudited
	Male		Female	
Member age 65 (Current life expectancy)	23 0	23 4	24 5	24 5
Member age 45 (Life expectancy at age 65)	24 8	24 8	26 4	26 0

c) The fair value of the assets in the schemes, the percentage of plan assets and the expected rate of return at the balance sheet date were

	2013			2012 Unaudited		
	Expected long term rate of return	Percentage of plan assets	Market value of plan assets	Expected long term rate of return	Percentage of plan assets	Market value of plan assets
	%	%	£m	%	%	£m
Equity	7.2	56.8	308.8	7.1	48.6	208.6
Debt	5.4	36.6	199.0	5.4	44.9	192.7
Cash/Other	3.8	6.6	35.8	3.8	6.5	27.8

The contribution rate for 2013 was between 28.6% and 36.1% of salaries. Additional funding is paid where required.

Change in benefit obligation	2013 £m	2012 £m Unaudited
Benefit at the beginning of the year	552.7	493.6
Current service cost	3.8	3.7
Past service cost	0.4	-
Interest cost	24.4	26.5
Actuarial loss	48.9	56.6
Benefits paid from plan	(24.5)	(26.9)
Expenses paid	(1.5)	(0.5)
Plan settlements	(2.9)	(0.3)
Plan curtailments	0.3	-
Benefit at end of the year	601.6	552.7

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements - continued

13 Pensions - continued

Change in plan assets	2013 £m	2012 £m Unaudited
Fair value of plan assets at the beginning of the year	429 1	425 4
Expected return on plan assets	27 2	28 7
Actuarial gain/(loss) on plan assets	24 3	(12 9)
Employer contributions	94 5	15 6
Benefits paid from plan	(24 5)	(26 9)
Expenses paid	(1 5)	(0 5)
Plan settlements	(2 9)	(0 3)
Effect of asset limit	(2 6)	-
	<hr/>	<hr/>
Fair value of plan assets at end of the year	543 6	429 1
	<hr/>	<hr/>
Change in net pension deficit	2013 £m	2012 £m Unaudited
Deficit in the schemes	(58 0)	(123 6)
Related deferred tax asset	13 3	29 7
	<hr/>	<hr/>
Net pension deficit	(44 7)	(93 9)
	<hr/>	<hr/>
Analysis of the amount charged to operating profit	2013 £m	2012 £m Unaudited
Total operating charge	4 5	3 7
	<hr/>	<hr/>
Analysis of the amount charged to net finance charges	2013 £m	2012 £m Unaudited
Expected return on pension schemes assets	(27 2)	(28 7)
Interest on pension scheme liabilities	24 4	26 5
	<hr/>	<hr/>
Net return	(2 8)	(2 2)
	<hr/>	<hr/>

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements - continued

13 Pensions – continued

d) Analysis of the amount recognised in the statement of total recognised gains and losses

	2013 £m	2012 £m Unaudited
Actual return less expected return on pension schemes assets	24 3	(12 9)
Experience (losses)/gains arising on schemes liabilities	(1 5)	1 0
Changes in assumptions underlying the present value of the schemes liabilities	(47 4)	(57 6)
Effect of asset limit	(2 6)	-
	<hr/>	<hr/>
Amount recognised in statement of total recognised gains and losses	(27 2)	(69 5)
	<hr/>	<hr/>

Movement in schemes deficit during the year

	2013 £m	2012 £m Unaudited
Beginning of the year	123 6	68 2
Current service cost	3 8	3 7
Past service cost	0 4	-
Contributions	(94 5)	(15 6)
Net finance income	(2 8)	(2 2)
Actuarial loss	24 6	69 5
Plan settlements and curtailments	0 3	-
Effect of asset limit	2 6	-
	<hr/>	<hr/>
At the end of the year	58 0	123 6
	<hr/>	<hr/>

History of experience gains and losses

	2013	2012	2011	2010	2009
Difference between the expected and the actual return on scheme assets:					
amount (£ million)	24 3	(12 9)	36 3	32 5	(59 0)
percentage of scheme assets	4 4%	(3 0%)	8 5%	8 7%	(18 2%)
Experience gains and losses on scheme liabilities:					
amount (£ million)	(1 3)	1 0	(1 7)	7 3	(4 9)
percentage of the present value of the scheme liabilities	(0 2%)	0 2%	(0 4%)	1 6%	(1 2%)
Total amount recognised in the statement of total recognised gains and losses:					
amount (£ million)	(27 2)	(69 5)	(4 3)	(14 0)	(24 20)
percentage of the present value of the scheme liabilities	(4 5%)	(12 6%)	(0 9%)	(3 1%)	(6 1%)

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

13 Pensions – continued

e) Non-registered pension arrangements

The Finance Act 1989 reduced the maximum approvable pensionable salary to members who joined the defined benefit scheme after June 1989. This led to the setting up of two multi-employer non-registered retirement benefit arrangements. These arrangements will pay promised pension benefits in excess of those payable from the registered schemes. The defined benefit obligation comprises £37.5 million (2012 - £28.4 million) arising from unfunded plans.

f) Post-retirement medical benefits

The Group operates a post-retirement medical benefits scheme. The latest full valuation was carried out as at 30 June 2013 and has resulted in a provision in the financial statements of £11.2 million (2012 - £11.0 million).

The main actuarial assumptions used to estimate this obligation are health care claims costs escalation of 6.1% per annum for one year, remaining at 6.1% over the long term rate, and a discount rate of 4.5% per annum.

Company

Employer's contributions are set in relation to the current service period only. There are no other obligations other than to pay a contribution that reflects the benefits earned in the current period. Under such circumstances FRS 17 'Retirement benefits' allows the scheme to be accounted for as a defined contribution scheme. Therefore defined contribution accounting has been adopted in the financial statements of the Company.

News Corp Investments UK & Ireland **(Formerly known as Newscorp Investments)**

Notes to the financial statements - continued

14 Taxation

(a) Tax on loss on ordinary activities

The tax credit is made up as follows

	2013 £m	2012 £m Unaudited
<i>Current tax</i>		
UK corporation tax at 23.75% (2012 - 25.5%)	-	(15.8)
Adjustments in respect of prior years	-	(0.4)
Payment for consortium relief – prior year	-	1.4
Payment for consortium relief – current year	0.1	0.3
	<hr/>	<hr/>
	0.1	(14.5)
Foreign taxation	3.7	13.1
	<hr/>	<hr/>
Group current tax	3.8	(1.4)
	<hr/>	<hr/>
Share of associates current tax – prior year	-	(0.7)
Share of associates current tax – current year	-	(0.2)
	<hr/>	<hr/>
Total current tax	3.8	(2.3)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing difference	(16.6)	(34.8)
Effect of decreased tax rate	(1.5)	(4.3)
Adjustments in respect of prior years	5.7	-
Changes in recoverable amounts of deferred tax assets	1.3	-
	<hr/>	<hr/>
Group deferred tax	(11.1)	(39.1)
	<hr/>	<hr/>
Tax on loss on ordinary activities	(7.3)	(41.4)
	<hr/>	<hr/>

The deferred tax credit to the profit and loss account comprises a deferred tax charge of £22.1 million (2012 charge of £2.7 million) on pensions and a deferred tax credit of £33.2 million (2012 credit of £41.8 million) (as disclosed in note 25) resulting in a total credit of £11.1 million (2012 credit of £39.1 million) as shown above

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements - continued

14 Taxation - continued

(b) Tax included in the Group statement of total recognised gains and losses

The tax credit is made up as follows	2013 £m	2012 £m Unaudited
<i>Deferred tax</i>		
Actuarial loss on pension scheme	(6.5)	(16.7)
Impact of rate change on deferred tax	0.8	2.0
	<hr/>	<hr/>
Total tax credit	(5.7)	(14.7)
	<hr/>	<hr/>

(c) Factors affecting the current tax charge/(credit)

The current tax assessed on the loss on the ordinary activities for the year (including share of associates) is a charge of £3.8 million (2012 – credit of £2.3 million). The difference between the tax assessed and the standard rate of corporation tax of 23.75% (2012 – 25.5%) is explained below.

	2013 £m	2012 £m Unaudited
Loss on ordinary activities before taxation	(75.3)	(230.8)
	<hr/>	<hr/>
UK Corporation tax rate – 23.75% (2012 – 25.5%)	(17.9)	(58.9)
Tax effect of timing differences	(6.2)	(4.8)
Decelerated capital allowances	15.7	23.2
Corporation tax prior year adjustments	-	(0.4)
Expenditure not deductible for tax	6.0	5.9
Loss on disposal of non-qualifying assets	-	8.1
Foreign tax on associate distribution	4.3	11.8
Overseas withholding tax not relieved	0.2	-
Adjustment in respect of foreign tax rates	-	0.1
Non-taxable dividends received	(0.7)	-
Unutilised tax losses carried forward	8.7	18.2
Payment for consortium relief prior year	-	0.7
Group relief	4.8	8.5
Interest in associate	(11.1)	(14.7)
	<hr/>	<hr/>
Total current tax	3.8	(2.3)
	<hr/>	<hr/>

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

14 Taxation - continued

(d) Factors affecting the future tax charge

The standard rate of UK Corporation Tax reduced from 24% to 23% on 1 April 2013. The Finance Act 2012 received Royal Assent on 17 July 2012 with the 23% rate being substantively enacted from 3 July 2012. Deferred tax balances have been restated accordingly in these financial statements.

The standard rate of corporation tax is set to reduce to 21% from 1 April 2014 and by a further 1% to a rate of 20% from 1 April 2015. These further reductions had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements. If these future rate reductions had been substantively enacted at the balance sheet date, the effect would be to reduce the closing deferred tax balance by £4.6 million.

The Group and Company have capital losses arising in the UK of £1,258 million (2012 - £1,241 million) that are available indefinitely for offset against future taxable profits that are considered capital in nature. If any of the revalued properties were to be disposed of at their current net book value it is anticipated, as in previous years, that a capital loss would arise. No deferred tax asset has been recognised in respect of these losses.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, associates and joint ventures as the Group expects to have no liability to additional taxation should such amounts be remitted.

(e) Deferred tax - Group

The deferred tax included in the balance sheet is as follows

	2013 £m	2012 £m Unaudited
Included in provisions for liabilities (note 25)	-	12.5
Included in debtors (note 21)	(21.8)	-
Included in pension liability (note 13)	(13.3)	(29.7)
	<hr/>	<hr/>
Total	(35.1)	(17.2)

The deferred tax balances at the year end are

	2013 £m	2012 £m Unaudited
Accelerated capital allowances	26.4	47.1
Short term timing differences	(30.9)	(16.1)
Losses	(17.3)	(18.5)
Pension costs	(13.3)	(29.7)
	<hr/>	<hr/>
Net deferred tax asset	(35.1)	(17.2)

A deferred tax asset has been recognised as the directors are of the opinion that the level of future taxable profits and deferred tax liabilities within the Group will be sufficient to utilise the deferred tax asset being recognised. This includes £75 million (2012 - £77 million) of trading losses. However the Group is not recognising a deferred tax asset in respect of a further £5.6 million of trading losses due to restrictions over the future utilisation of those losses.

**News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)**

Notes to the financial statements - continued

14 Taxation – continued

	2013 £m	2012 £m Unaudited
Beginning of the year (including deferred tax on pension)	(17 2)	36 6
Deferred tax credit in Group profit and loss account	(11 1)	(39 1)
Deferred tax credit in Group statement of total recognised gains and losses	(5 7)	(14 7)
Deferred tax transferred to other companies	(1 4)	-
Foreign exchange movement	0 3	-
	<hr/>	<hr/>
End of the year (including deferred tax on pension)	(35 1)	(17 2)
	<hr/>	<hr/>
Company		
The Company has no deferred tax (2012 - £Nil)		

15 Loss attributable to the Company

The loss for the financial year dealt with in the financial statements of the parent company is disclosed in note 26. As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is required in respect of the parent company.

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements - continued

16 Intangible fixed assets

Group

The movement in the year was as follows

	Publishing rights and titles £m	Goodwill on consolidation £m	Total £m
Cost or valuation			
Beginning of the year	16.4	40.6	57.0
Additions	3.2	-	3.2
Foreign exchange	0.1	0.5	0.6
End of the year	19.7	41.1	60.8
Amortisation			
Beginning of the year	8.1	26.0	34.1
Amortisation in year	0.9	1.3	2.2
Foreign exchange	0.1	0.5	0.6
End of the year	9.1	27.8	36.9
Net book value			
Beginning of the year	8.3	14.6	22.9
End of the year	10.6	13.3	23.9

Additions

The additions to publishing rights relate to the acquisition of Harper Collins Publishers India Pvt on 1 December 2012

Company

The Company has no intangible fixed assets (2012 - £Nil)

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements - continued

17 Tangible fixed assets

Group

The movement in the year was as follows

	Freehold land and buildings	Leasehold land and buildings	Plant, motor vehicles, fixtures and fittings	Assets in the course of construction	Heritage assets (note 18)	Total
	£m	£m	£m	£m	£m	£m
Cost or valuation						
Beginning of the year	441.2	75.8	508.5	14.2	2.3	1,042.0
Additions	-	0.1	36.6	4.1	-	40.8
Disposals	(11.8)	-	(16.9)	(0.5)	-	(29.2)
Transfers	2.7	(28.7)	26.0	-	-	-
Foreign exchange	(0.1)	-	(0.6)	-	-	(0.7)
End of the year	432.0	47.2	553.6	17.8	2.3	1,052.9
Depreciation						
Beginning of the year	84.7	45.6	227.7	-	-	358.0
Charge	8.0	4.7	50.5	-	-	63.2
Disposals	(6.3)	-	(15.8)	-	-	(22.1)
Impairment	0.7	-	0.1	-	-	0.8
Transfers	-	(29.4)	29.4	-	-	-
Foreign exchange	(0.1)	-	(0.6)	-	-	(0.7)
End of the year	87.0	20.9	291.3	-	-	399.2
Net book value						
Beginning of the year	356.5	30.2	280.8	14.2	2.3	684.0
End of the year	345.0	26.3	262.3	17.8	2.3	653.7

Group

The Group has taken advantage of the transitional provisions of FRS 15 Tangible Fixed Assets and retained the book amounts of certain land and buildings which were revalued prior to implementation of that standard. The freehold land and buildings were last revalued at 1 November 1981 and the leasehold land and buildings were last revalued at 30 June 1988. The valuations have not subsequently been updated.

Leasehold land and buildings are substantially all long leaseholds.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

17 Tangible fixed assets - continued

Assets at valuation

Plant, motor vehicles and fixtures and fittings are shown at cost Land and buildings are shown at cost or valuation at specified dates with subsequent additions at cost as shown below

	2013 Freehold £m	2013 Leasehold £m	2012 Freehold £m Unaudited	2012 Leasehold £m Unaudited
Professionally valued at - 1 November 1981	0.3	-	0.3	-
Total at valuation	0.3	-	0.3	-
At cost	431.7	47.2	440.9	75.8
Cost or valuation at end of the year	432.0	47.2	441.2	75.8

Company

The Company has no tangible fixed assets (2012 - £Nil)

18 Heritage assets

Group

Heritage assets are shown at a valuation of £2.2 million (2012 - £2.2 million) and a historic cost of £0.1 million (2012 - £0.1 million)

The heritage assets recorded at valuation consist of a collection of manuscripts, newspapers and other artefacts which were independently valued at £1.8 million in November 2003 by Sotheby's and an Art collection which was valued at £0.4 million by Robert Holden Limited in May 2001

The heritage assets recorded at the historic cost of £0.1 million (2012 - £0.1 million) consist of a number of small items in relation to the Group's publications

The Directors feel that these valuations are still appropriate

Additions and disposals in the year

During the period, there have been no significant additions to the collections There have also been no heritage asset disposals during the current or prior period

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements – continued

18 Heritage assets - continued

Five-year financial summary of heritage asset transactions

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Purchases					
Manuscripts, newspapers & other artefacts	2	10	6	9	12
Total additions	2	10	6	9	12

There have been no disposals of any heritage assets over the five year period

Company

The Company has no heritage assets (2012 - £Nil)

19 Fixed asset investments

	Group		Company	
	2013 £m	2012 £m Unaudited	2013 £m	2012 £m
Subsidiary undertakings (a)		-	734 6	1,684 5
Other investments (b)	23 7	25 2	-	-
Interest in associates (c)	613 3	614 6	-	-
	637 0	639 8	734 6	1,684 5

Details of the Group's principal subsidiary undertakings and associated undertakings are given in note 33

a) Subsidiary undertakings - Company

Cost	£m
Beginning and end of the year	1,684 5
Amounts written off	
Impairment charge	949 9
End of the year	949 9
Net book value	
Beginning of the year	1,684 5
End of the year	734 6

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements – continued

19 Fixed asset investments - continued

The Company owns 85.767% of the issued share capital of News Corp Holdings UK & Ireland (formerly known as News International Holdings), an investment company incorporated in England. The carrying value of this investment is £734.6 million (2012 - £1,684.5 million).

World Printing Company Inc, a fellow Group undertaking of News Corporation, holds the remaining ordinary share capital of News Corp Holdings UK & Ireland (formerly known as News International Holdings).

The Company tests investments annually for impairment or more frequently if there are indicators that investments may be impaired. The recoverable amounts for the Company's investments are measured through review of the investee's net asset position and a value in use calculation. Value in use is determined by discounting future expected cash flows, based on management approved budgets and 3 year projections. These reflect management's current experience and future expectations of the markets in which the investments operate.

The pre-tax discount rate used by the Company in its impairment test is 12.9%. The growth rate used in the projections that are extrapolated beyond the formally approved budgets and forecasts prepared by management is 2% and therefore does not exceed the long term average growth rate. This has resulted in an impairment charge of £949.9 million.

b) Other investments

Group

	Group	
	2013	2012
	£m	£m
		Unaudited
Unlisted (i)	16.5	17.3
Listed (ii)	6.3	-
Parent company (ii)	0.9	7.9
	<hr/>	<hr/>
	23.7	25.2
	<hr/>	<hr/>

b) Other investments

Company

The Company has no other investments (2012 - £Nil).

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements – continued

19 Fixed asset investments - continued

i) Unlisted investments

Group

At 30 June 2013 unlisted investments principally comprised a £15.0 million investment in The Press Association (2012 - £15.0 million)

ii) Other Investments

Group

The net book value of other investments is analysed as follows

	Listed (a) £m	Parent company (b) £m	Total £m
Cost			
Beginning of the year	-	8.6	8.6
Disposals	-	(0.7)	(0.7)
Transfer	7.0	(7.0)	-
	<hr/>	<hr/>	<hr/>
End of the year	7.0	0.9	7.9
	<hr/>	<hr/>	<hr/>
Provision			
Beginning of the year	-	(0.7)	(0.7)
Transfer	(0.7)	0.7	-
	<hr/>	<hr/>	<hr/>
End of the year	(0.7)	-	(0.7)
	<hr/>	<hr/>	<hr/>
Net book value			
Beginning of the year	-	7.9	7.9
	<hr/>	<hr/>	<hr/>
End of the year	6.3	0.9	7.2
	<hr/>	<hr/>	<hr/>

On June 28 2013, News Corporation (renamed 21st Century Fox) completed the separation of its publishing and media and entertainment businesses into two distinct publicly traded companies, new News Corporation and 21st Century Fox

As a result of the separation, each shareholder in News Corporation Class A common stock received one share in 21st Century Fox Class A common stock. In addition, for every 4 shares held in News Corporation Class A common stock, a new News Corporation Class A common stock was issued. On 28 June 2013, the Group was issued 972,045 shares of 21st Century Fox Class A common stock and 243,010 shares of News Corporation Class A common stock.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

19 Fixed asset investments - continued

(a) Shares in listed company

The investment in the listed company at 30 June 2013 at a cost of £7.0 million (2012 - £Nil) comprised 972,045 (2012 - £Nil) of 21st Century Fox Class A Common Stock acquired through the separation of News Corporation (renamed 21st Century Fox) into two distinct publicly traded companies, new News Corporation and 21st Century Fox

The shares have a market value of £18.5 million at 30 June 2013 (2012 - £Nil).

The shares are held by the News Corp UK & Ireland Limited (formerly known as NI Group Limited) Employee Share Trust for the sole purpose of satisfying the options held by employees under the Sharesave plan. Eligible employees contract to exercise options at the end of a 3, 5 or 7 year period from the date of each issue of the option.

The shares are recognised at cost less charges to write down the shares to the exercise price of the share options over the minimum life of the options.

(b) Shares in ultimate parent company

The investment in the ultimate parent company at 30 June 2013 at a cost of £0.9 million (2012 - £8.6 million) comprised 243,010 (2012 - 1,060,713) of News Corporation Class A Common Stock acquired for the News UK Sharesave plan.

The shares have a market value of £2.4 million at 30 June 2013 (2012 - £15.0 million).

Options were exercised within the scheme rules resulting in a disposal of 83,641 shares with a market value of £1.3 million.

Eligible employees contract to exercise options at the end of a 3, 5 or 7 year period from the date of each issue of the option.

The shares are held by the News Corp UK & Ireland Limited (formerly known as NI Group Limited) Employee Share Trust for the sole purpose of satisfying the options held by employees under the Sharesave plan.

The shares are recognised at cost less charges to write down the shares to the exercise price of the share options over the minimum life of the options.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

c) Interest in associates

Group

The Group holds the following interests in associates

- a 37.5% share of ordinary share capital in News Classifieds Network (NCN) PTY Limited. The remaining 62.5% is owned by News Limited which is ultimately controlled by News Corporation.

The Group sold its 49% share of the ordinary share capital in BrandAlley UK Limited on 4 January 2013. The results of the associate have been included within the profit and loss until this date.

	Net assets £m	Group goodwill £m	Total £m
Interest in associates			
Beginning of the year	608.9	5.7	614.6
Share of profits retained	46.0	-	46.0
Foreign exchange	(51.1)	-	(51.1)
Amortisation of goodwill	-	(0.2)	(0.2)
Disposal	9.5	(5.5)	4.0
	<hr/>	<hr/>	<hr/>
End of the year	613.3	-	613.3
	<hr/>	<hr/>	<hr/>

Company

The Company has no interest in associates (2012 - £Nil)

20 Stocks

	Group	
	2013 £m	2012 £m
		Unaudited
Raw materials and consumables	15.3	16.8
Work-in-progress	2.1	2.3
Finished goods and goods for resale	31.8	27.4
Publishing plant	-	12.8
	<hr/>	<hr/>
	49.2	59.3
	<hr/>	<hr/>

Company

The Company has no stocks (2012 - £Nil)

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements - continued

21 Debtors

Amounts falling due within one year

	Group	
	2013	2012
	£m	£m
		Unaudited
Trade debtors	153.6	158.3
Due from Group undertakings	67.9	53.7
Corporation tax	16.2	15.6
Rentals due under finance leases	-	10.2
Royalty advances	35.3	33.0
Prepayments and accrued income	28.5	32.3
Other debtors	16.7	14.8
Deferred consideration	24.3	24.3
Assets held for resale	5.7	-
Indemnification asset	29.4	-
Deferred tax (see note 14)	21.8	-
	<hr/>	<hr/>
	399.4	342.2
	<hr/>	<hr/>

The deferred consideration relates to discounted proceeds from the sale of the Wapping site. Repayment will be made in 4 further annual payments of £25 million, each being made on 30 May.

Assets held for resale relates to Admiral House, office premises adjacent to its former UK newspaper division headquarters in East London. Admiral House has subsequently been sold on 15 July 2013 (see note 30).

In connection with the separation of News Corporation, 21st Century Fox agreed to provide funding to News Corp Holdings UK & Ireland in respect of certain amounts incurred by the company and its subsidiaries. Funding will be provided for payments made after the separation date arising out of civil claims and investigations relating to UK newspaper matters as well as associated legal and professional fees. Expenses paid in connection with criminal matters, other than fees, expenses and costs relating to employees (i) who are not directors, officers or certain designated employees or (ii) with respect to civil matters, who are not co-defendants with the Company or 21st Century Fox are also included. 21st Century Fox has agreed to provide this funding by contributing capital to the News Corp Holdings UK & Ireland's equity. These contributions will be made on an after-tax basis. It is possible that these proceedings and any adverse resolution thereof, including any fines or other penalties associated with any plea, judgment or similar result for which funding will not be provided to the Group, could damage its reputation, impair its ability to conduct its business and adversely affect its results of operations and financial condition. Accordingly, News Corp Holdings UK & Ireland has recorded a special capital reserve (see note 26) of £29.4 million as of 30 June 2013 and an equivalent debtor relating to the capital contribution from 21st Century Fox.

Company

The Company has no debtors falling due within one year (2012 - £Nil).

Amounts falling due after more than one year

	Group	
	2013	2012
	£m	£m
		Unaudited
Rentals due under finance leases	-	6.5
Deferred consideration	69.1	90.8
	<hr/>	<hr/>
	69.1	97.3
	<hr/>	<hr/>

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

21 Debtors - continued

The original historical cost of assets leased by the Group to other News Corporation Group companies under finance leases at 30 June 2013 was £Nil (2012 - £78.9 million)

Company

The Company has no debtors falling due after more than one year (2012 - £Nil)

22 Cash at bank and in hand

The Group operates two collective overdraft facilities with its bankers, which allows individual companies in the Group to overdraw subject to an agreed limit of £20 million, for each facility, not being exceeded in aggregate within the Group. The overdraft facilities are also guaranteed by News Corporation.

23 Creditors: Amounts falling due within one year

	Group	
	2013	2012
	£m	£m
		Unaudited
Due to Group undertakings	1,012.1	886.7
Trade creditors	66.0	80.3
Corporation tax	4.0	6.1
Other taxation and social security	13.0	43.2
Other creditors	49.4	39.4
Accruals and deferred income	144.2	118.9
Cash-settled share based payment	0.2	0.2
	<hr/>	<hr/>
	1,288.9	1,174.8
	<hr/>	<hr/>

None of the Group borrowings are secured on the assets of the Group.

Company

The Company has no creditors falling due within one year (2012 - £Nil)

24 Creditors: Amounts falling due after more than one year

	Group	
	2013	2012
	£m	£m
		Unaudited
Other creditors	12.4	12.1
Cash-settled share based payment	-	0.7
	<hr/>	<hr/>
	12.4	12.8
	<hr/>	<hr/>

Company

The Company has no creditors falling due after more than one year (2012 - £Nil)

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

25 Provisions for liabilities

	Group				
	Deferred tax (note 14) £m	Legal claims £m	Property costs £m	Other £m	Total £m
Beginning of the year	12.5	29.6	14.4	0.6	57.1
Charged/(credited) to profit and loss account	(33.2)	10.2	-	-	(23.0)
Unwinding of discount on provision	-	-	1.1	-	1.1
Utilised during the year	-	(19.7)	(1.9)	(0.4)	(22.0)
Transferred to other Group companies	(1.4)	-	-	-	(1.4)
Foreign exchange movements	0.3	-	-	-	0.3
Transferred to debtors (note 21)	21.8	-	-	-	21.8
	-	20.1	13.6	0.2	33.9

Legal claims

Following the allegations of voicemail interception and inappropriate payments to public officials there have been a number of civil cases brought against News Group Newspapers Limited, a subsidiary undertaking, some of which have been settled, or are in the process of being settled. A provision has been made at the balance sheet date in respect of all claims that have been filed up until the date of finalisation of the financial statements. In 2011, News Group Newspapers Limited established a Compensation Scheme which was closed in 2013. A provision has been made at the balance sheet date for all applicants accepted to participate in this Scheme. No provision has been made for letters of claim which have been received but where no formal court proceedings have been issued, or for individuals who have not contacted News Group Newspapers Limited. It is not possible to estimate the liability for such additional claims given the information that is currently available to News Group Newspapers Limited. If more claims are filed and additional information becomes available in the civil cases, News Group Newspapers Limited will update the liability provision for such matters. During the year a charge of £10.2 million (2012 - £17.5 million) in respect of claimants' legal fees and damages has been made in respect of this litigation, based on available information at the date of signing the financial statements. The final cost may or may not be significantly higher than the amounts recognised. This has been reported as a one-off charge due to its size and incidence. This provision has not been discounted due to the uncertainty over the timing of settlement of these cases.

Property costs

The provision relates to various London properties and the Group's Glasgow site. The London properties are surplus to the requirements of the Group and are substantially sub-let. The provision relating to these properties represents the expected shortfall between the future obligations of the Group and the likely income that will be generated from sub-letting. The provision in respect of the Glasgow site reflects future rental costs in excess of market levels to the extent the full cost would make activities operated from these premises uneconomic. The utilisation in the year is the difference between income and cost for the London properties and excess rent for the Glasgow property. In the opinion of the Directors, it is expected that the economic benefits of this provision will be realised over future accounting periods. The property cost provision has been discounted to net present value using a pre-tax rate that reflects our current assessment of the time value of money and risk specific to the liability. The liability will exist up until 2026.

Other

Other provisions are expected to be utilised within one year.

Company

The Company has no provisions for liabilities (2012 - £Nil).

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements - continued

26 Equity share capital and reserves

a) Share capital

	2013 £m	2012 £m Unaudited
<i>Allotted, called up and fully paid</i>		
1,033,248,464 Ordinary shares of £1 00 each	1,033 2	1,033 2

b) Movements on capital and reserves - Group

	Called-up equity share capital £m	Revaluation reserve £m	Other reserves £m	Special capital reserve £m	Equity share- based payment £m	Profit and loss account £m	Total £m
Beginning of the year	1,033 2	0 4	383 7	-	10 6	(866 6)	561 3
Loss for the financial year	-	-	-	-	-	(58 5)	(58 5)
Actuarial loss on pension schemes (net of tax)	-	-	-	-	-	(21 5)	(21 5)
Foreign exchange adjustments	-	-	-	-	-	(47 1)	(47 1)
Equity settled share-based payment	-	-	-	-	4 6	-	4 6
Settlement of equity settled share-based payment	-	-	-	-	(1 8)	1 8	-
Management recharge in relation to equity settled share-based payment	-	-	-	-	-	(3 5)	(3 5)
Recognition of Indemnification asset (see note 21)	-	-	-	29 4	-	-	29 4
Minority interest	-	-	-	(4 2)	0 3	10 0	6 1
End of the year	1,033 2	0 4	383 7	25 2	13 7	(985 4)	470 8

News Corp Investments UK & Ireland
(Formerly known as Newscorp Investments)

Notes to the financial statements - continued

26 Equity share capital and reserves - continued

c) Movements on capital and reserves - Company

	Called-up equity share capital £m	Other reserves £m	Profit and loss account £m	Total £m
Beginning of the year	1,033.2	651.3	-	1,684.5
Loss for the financial year	-	-	(949.9)	(949.9)
End of the year	1,033.2	651.3	(949.9)	734.6

d) Reconciliation of movements in shareholders' funds

	Group		Company	
	2013 £m	2012 £m	2013 £m	2012 £m
		Unaudited		
Loss for the year	(58.5)	(162.5)	(949.9)	-
Other recognised gains and losses relating to the year (net)	(62.5)	(76.6)	-	-
Equity settled share-based payment	1.1	5.9	-	-
Recognition of indemnification asset (see note 21)	29.4	-	-	-
Net decrease in shareholders' funds	(90.5)	(233.2)	(949.9)	-
Opening shareholders' funds	561.3	794.5	1,684.5	1,684.5
Closing shareholders' funds	470.8	561.3	734.6	1,684.5

27 Future capital expenditure

	Group	
	2013 £m	2012 £m
		Unaudited
Capital expenditure contracted for but not provided for	5.9	2.8

The Company had no contracted or authorised future capital expenditure as at 30 June 2013 (2012 - £Nil)

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

28 Leasing and other financial commitments

Certain subsidiary undertakings have entered into non-cancellable operating leases in respect of plant and machinery. In addition certain subsidiary undertakings lease buildings on short-term leases. The rents payable under these leases are subject to renegotiation at various intervals specified in the leases. The subsidiary undertakings pay all insurance, maintenance and repair costs of these properties. The minimum annual rentals on these leases are as follows:

Group	2013 Land & buildings £m	2013 Other £m	2012 Land & buildings £m Unaudited	2012 Other £m Unaudited
Operating leases which expire				
- within 1 year	0.1	1.7	0.5	2.5
- within 2-5 years	6.7	1.6	5.8	1.4
- after 5 years	14.3	43.3	16.0	45.8
	<hr/>	<hr/>	<hr/>	<hr/>
	21.1	46.6	22.3	49.7
	<hr/>	<hr/>	<hr/>	<hr/>

29 Guarantees and contingent liabilities

The Company is registered in a VAT Group with subsidiary undertakings, which share a common registration number. As a result, it is jointly and severally liable for the VAT due for the whole VAT Group and failure by other members of the VAT Group would give rise to additional liabilities for the Company.

As at 30 June 2013 the Group had outstanding forward exchange contracts to buy and sell foreign currency to the value of £16.8 million (2012 - £2.0 million) and £10.7 million (2012 - £10.9 million) respectively.

Legal and other professional costs have been recognised as incurred. Further costs are likely to be incurred in future accounting periods but these have not been recognised due to the uncertainty surrounding the timing and value of these costs. Future costs comprising the services of employees of the Group and office space have been provided for as disclosed in note 25.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

30 Post balance sheet events

On 12 July 2013, the Group announced that it has plans to move its entire London operations to a single location at London Bridge into newly developed premises on the south bank of the Thames

The move will bring together the world-class journalism of News UK, the publishing genius of Harper Collins and the authoritative business insight of Dow Jones all under one roof. The move will allow the companies that represent News Corp in the UK to work more closely and collaboratively in state-of-the-art facilities and an environment tailored specifically for our titles and teams

On 15 July 2013, the Group disposed of Admiral House, office premises adjacent to its former UK newspaper division headquarters in East London, for consideration of £6.0m which is receivable in four annual instalments. An impairment of £0.8m has been recognised in the 2013 financial statements in relation to the property.

As announced on 17 July 2013, News UK has been awarded the rights to show Football Association match clips in a four year deal beginning August 2014. This will allow News UK to show near-live clips across all its digital platforms of FA Cup matches, FA Community Shield matches, 14 England senior friendly matches, all England U21 matches (subject to them being broadcast live) and England Development Team matches over four years until Autumn 2018.

Furthermore as announced on the 5 September 2013, News UK has also secured the rights to show match clips from the Scottish Premiership. As a result, The Sun, The Times and The Sunday Times will be the only place to get clips of all England, FA Cup, Barclays Premier League and Scottish Premiership football games via smart phone, tablet and PC, which will enhance News UK's sports offering to readers, and will help transform the way football is enjoyed across a range of platforms.

In accordance with FRS 21 'Events after the balance sheet date', these are not considered to be adjusting events.

31 Ultimate parent company

Prior to the 28 June 2013, the ultimate parent company was 21st Century Fox (formerly known as News Corporation), a company incorporated in Delaware. As at the 30 June 2013, the ultimate parent company is News Corporation, a company incorporated in Delaware.

The largest and smallest group in which the results of the Company are consolidated is that headed by News Corporation and 21st Century Fox (formerly known as News Corporation), whose principal place of business is at 1211 Avenue of the Americas, New York, NY 10036. The consolidated financial statements of this Group are available to the public and may be obtained from 3 Thomas More Square, London, E98 1XY.

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

32 Related party transactions

As part of its trading activities the Group has undertaken transactions with its associated undertakings during the year

The Group has paid invoices and payroll costs on behalf of BrandAlley UK Limited with a market value of £3 0 million (2012 – £4 4 million) at a cost of £3 0 million (2012 – £4 4 million) On 4th January 2013 the Group sold its shareholding in BrandAlley UK Limited At the year end the amount due from the intercompany was £Nil (2012 - £6 2m)

Following the News Corporation separation on 28 June 2013, associated undertakings that now form part of the 21st Century Fox Group are no longer treated as a related party and thus all transactions are reported on a third party basis

33 Principal subsidiary undertakings, associated undertakings

Unless otherwise stated, the investments in subsidiary undertakings are in ordinary shares, and the subsidiary undertakings are wholly owned by their immediate parent company and are incorporated and operate principally in the UK Companies in bold are direct shareholdings of News Corp Investments UK & Ireland (formerly known as Newscorp Investments) All other companies are indirect shareholdings of News Corp Investments UK & Ireland (formerly known as Newscorp Investments) The Company has taken advantage of the exemption given by S410 of the Companies Act 2006 and has only disclosed companies whose results or financial position is material to the Group's financial statements

a) Subsidiary undertakings

News Corp Holdings UK & Ireland (Formerly known as News International Holdings (Holding Company) (85.77%)

News Corp UK & Ireland Limited (Formerly known as NI Group) (Holding Company and finance)

News Group Newspapers Limited (Publishers of The Sun and The Sun on Sunday)

News 2026 Limited (Investment Company)

Times Newspapers Holdings Limited (Holding Company)

Times Newspapers Limited (Publishers of The Sunday Times and The Times)

The Times Literary Supplement Limited (Publishers of The Times Literary Supplement)

News UK & Ireland Trading (Provision of related personnel resources and accounts receivable functions)

News UK & Ireland Limited (Supply of goods and services to the newspaper publishing companies)

News Promotions Limited (Newspaper promotions)

News Property Three Limited (Asset holding Company)

News UK & Ireland Recruitment Holdings Ltd (Holding Company)

Milkround Holdings Limited (Holding Company)

Milkround Online Limited (Online graduate recruitment)

News Corp Investments UK & Ireland (Formerly known as Newscorp Investments)

Notes to the financial statements - continued

33 Principal subsidiary undertakings, associated undertakings - continued

News Collins Limited (Holding Company and finance)

Harper Collins (UK) (Holding Company)

Harper Collins Publishers Limited (Book publishing)

Harper Collins Publishers (Australia) Pty Limited (Book publishing) (Incorporated in Australia)

Harper Collins Publishers (New Zealand) Limited (Book publishing) (Incorporated in New Zealand)

Harper Collins Canada Limited (Book publishing) (Incorporated in Canada)

Harper Collins Publishers India Pvt (Book Publishing) (Incorporated in India)

News Printers Group Limited (Holding Company)

News Printers Assets Limited (Leasing)

Newsprinters (Broxbourne) Limited (Provision of production and related personnel resources)

Newsprinters (Eurocentral) Limited (Provision of production and related personnel resources)

Newsprinters (Knowsley) Limited (Provision of production and related personnel resources)

KIP Limited (Provision of production and related personnel resources)

News Australia Investments Pty Limited (Holding Company) (Incorporated in Australia)

b) Associated undertakings

News Classifieds Network (NCN) Pty Limited (Finance) (Incorporated in Australia) (90% Equity Interest, 37.5% Voting interest)