

News Corp Investments UK & Ireland

**Report and financial statements
29 June 2014**

Registered number: 1437199

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News Corp Investments UK & Ireland

Report and financial statements

Year ended 29 June 2014

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News Corp Investments UK & Ireland

Strategic report

Year ended 29 June 2014

The Directors present their Strategic report on the affairs of News Corp Investments UK & Ireland (“the Company”) and its subsidiary undertakings (together “the Group”).

Principal activities

The principal activities of the Group are the printing and publishing of UK national newspapers (News UK) and the publishing of books (HarperCollins). 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 32 of the financial statements.

Business review

The Group generated turnover for the year of £1,205.2 million (2013 - £1,244.9 million). The Group’s operating loss for the year was £25.1 million (2013 – operating loss £91.9 million).

Turnover for The Sun was lower than the previous year due to continuing market decline for newspaper circulation, particularly for the popular segment, but this was partly offset by digital revenue with the launch of Sun+ digital subscriptions, as well as a cover price increase on The Sun on Sunday edition. Advertising revenue also decreased during the year, reflecting lower audience levels and the volatile national print advertising market.

Revenue for The Times and The Sunday Times was consistent with the previous year with increased digital and print subscription revenue more than offsetting the decline in print circulation, while advertising revenue decreased slightly compared to the prior year. Circulation revenue benefited from a price increase on The Times Monday to Friday edition to £1.20 as well as an increase to the full digital-only pack to £6 per week in January 2014. Cost of sales were lower during the year, as a result of decreased newsprint, ink and plates costs, due to lower print circulation volumes 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 based on average annual Audit Bureau of Circulation (ABC) figures was down 10% for Monday to Saturday year-on-year, while The Sun on Sunday was 11% lower, reflecting the challenging popular segment industry trends. Average issue readership for the year per the National Readership Survey (NRS) also declined as a result. The Group is focused on offering paying customers a choice to consume content across all platforms, not just print, and alongside others within the national newspaper industry, the Group is actively working towards a more representative audience measurement which more accurately reflects the way customers read across the different platforms now available.

Whilst both The Times’ and The Sunday Times’ print circulation declined by 2% and 6% respectively for the full year, as per the Audit Bureau of Circulation (ABC), performance in the January to June 2014 period showed a distinct improvement in comparison to the first half of the financial year, and resulted in increased market share for both titles. At the same time, digital paid subscriptions continued to rise, reaching 156,000 for The Times and 157,000 for The Sunday Times as at 30 June 2014, driving the total paying subscribers past 318,000 for The Times and 364,000 for The Sunday Times across print and digital products. This excellent performance will enable the Group to deliver consistent growth in its multi-channel paid sales figures in the coming period, an achievement in this market.

The Group’s strategy is to provide a distinctive and differentiated editorial proposition that is unambiguously paid for, available in product bundles and formats that our customers want, both digitally and in print and with a focus on deep customer relationships through subscription and other businesses associated with our brands.

The Group continues to invest in editorial and product innovations in both print and digital to inform, engage and entertain its’ readers, ensuring that the Group’s brand remains attractive to our advertising clients.

News Corp Investments UK & Ireland

Strategic report - continued

Year ended 29 June 2014

Business review - continued

The Group moved The Sun to a digital paid-for model in August 2013 with the launch of its digital proposition, Sun+, and the inclusion of near-live and match highlights for the Barclays Premier League football. Within four months, Sun+ had grown to over 100,000 digital subscribers. Throughout the year, the Group has continued to enhance its digital sports portfolio by acquiring additional sports highlights including the FA Cup, Scottish Premier League, Aviva Premiership Rugby, ECB home international cricket as well as Gaelic football and hurling, while rights have also been acquired to the Ryder Cup from September 2014. Further football highlights will be available for subscribers from October 2015 for the UEFA Champions League and Europa League.

To further drive subscription growth, The Times and The Sunday Times continued to enhance their own sports highlights portfolio, leading with the Barclays Premier League highlights which have been integrated into its digital products along with the additional rights secured for the FA Cup, Aviva Premiership rugby and ECB home international and county cricket, as well as Gaelic football and hurling from June 2014, and the Ryder Cup from September 2014. Further football highlights will be available for subscribers from October 2015 for the UEFA Champions League and Europa League. To showcase the breadth and depth of our award winning sports coverage, The Times Sport app was launched in May 2014, an exclusive benefit to our subscribers.

The Sun continues to build on its strong brand with associated businesses. Sun Motors was launched in January 2014, listing thousands of used cars from dealers across the UK, combined with leading motoring news and reviews, joining other established businesses such as Dream Team, Sun Bingo and Fabulous Bingo.

In June 2014, the Group produced a one-off, free edition of The Sun, which was delivered to 22 million homes across England in one weekend in the lead up to the 2014 FIFA World Cup. The special 24-page edition of The Sun represented a pioneering achievement of editing, production and printing to an unprecedented scale in the UK and delivered The Sun to its widest audience yet.

There was a record number of events held in the year for Times+ members, combined with a wide range of regular exclusive offers. The Group has continued to leverage its strong brand and strengthen its customer relationships by expanding its associated businesses during the year. Times Tutorials was launched in September 2013, London Dry Gin in December 2013 and Times Wealth Management in March 2014, supporting other established businesses including Sunday Times Wine Club and Times Travel. In addition, the Group embarked on a world-first strategic partnership with Spotify in February 2014 for its digital subscriber base and also commenced a partnership with Waitrose in February 2014 for members of the myWaitrose reward scheme.

In January 2014, News UK launched The News Academy - an innovative project aimed at nurturing the next generation of British journalistic talent. In partnership with the Young Journalists' Academy (YJA), the News Academy will support students who want to become world-class journalists by hosting year-round public events and by providing guest speakers and online resources. News UK journalists and executives will be seeking to engage directly with students by holding master classes, workshops and talks at schools and colleges nationwide.

News UK has been re-certified to the Carbon Trust Standard, having demonstrated a further 13% reduction in its footprint from FY2012-FY2014. In addition, News UK has also achieved the Carbon Trust Standards for Waste and Water reduction at our Broxbourne and Eurocentral sites respectively, having demonstrated significant reductions in waste-to-landfill and water reduction over the last 2 years. In achieving the Carbon Trust Standards for Carbon emissions, Waste and Water, News UK becomes the first and only media company in the world to hold the "Triple Standard", and one of the first 20 companies in the world to do so.

During the year, HarperCollins UK's Children's division won the prestigious Children's Publisher of the Year at the Bookseller Industry Awards in May 2014. The division enjoyed its third successive year of growth and an impressive performance in the bestseller lists including having the number one bestselling Children's book in the UK market for 30 of the 52 weeks last year and publishing 5 of the top 10 bestselling children's books of 2013.

News Corp Investments UK & Ireland

Strategic report - continued

Year ended 29 June 2014

Business review - continued

In the adult charts, HarperCollins UK had 50 books in *The Sunday Times* bestseller lists with 8 reaching number 1. Across the course of the year our titles won more than 20 top literary prizes, including the prestigious Costa Book of the Year for Nathan Filer's hugely acclaimed debut novel *The Shock of the Fall*. The Samuel Johnson Prize for Non Fiction was won by *The Pike* by Lucy Hughes-Hallett, which also won four other top prizes.

In January 2014, HarperCollins UK launched an exciting new literary fiction imprint called Borough Press, featuring the likes of Tracy Chevalier and Lionel Shriver. It held its first-ever virtual literary festival in June. The Romance Festival featured over 120 authors, was 'attended' by over 1,200 people and gathered 950 Twitter followers and 1,300 Facebook fans.

Collins Learning enjoyed success in both the international and digital arenas. The division saw significant growth across international, while in October the newly-formed Collins Learning India published its first local publishing programmes. Closer to home, autumn 2013 saw the successful launch of www.collins.co.uk, the direct to schools and consumer platform for the whole of Collins. In schools Collins has taken full advantage of the opportunities presented by national curriculum changes across the UK.

HarperCollins takes its environmental responsibilities very seriously and has stringent targets in place across the globe, in line with all News Corporation companies. Over 60% of its books are printed on FSC certified paper, one of the largest proportions among UK trade publishers and it has held FSC Chain of Custody Certification since March 2006. HarperCollins was the first major trade publisher in the UK to take its operations carbon neutral in December 2008. This year it introduced a Global Book Paper Procurement Policy to advance its goals of environmentally sustainable fiber use, reducing pollution and conserving natural resources through recycling and waste reduction.

The Supply Chain operation in Glasgow has been ISO 14001 registered since June 2001 (the international standard for environmental management). As Corporate Champions for the literacy charity Beantalk, HarperCollins committed to raising £60,000 to help promote their vital work supporting children's reading in school. In February 2014, HarperCollins surpassed that target a year early.

Group refinancing transactions

During the year, the Group received dividends amounting to £559.1 million from its Associate investment, News Classifieds Network (NCN) PTY Limited (see note 20).

In addition, as part of a series of transactions, the group refinanced its existing debt obligations and acquired the remaining 14.233% share of News Corp Holdings UK & Ireland Limited:

The Group received a capital contribution from its immediate parent company amounting to £345.3 million in exchange for the issue of 1 ordinary share (see note 27).

The funds from the above transactions were used to repay an existing short term intercompany loan with a fellow subsidiary of News Corporation.

The Group acquired the remaining 14.233% share of News Corp Holdings UK & Ireland at a value of £160.8 million, in exchange for 1 ordinary share. On acquiring the minority share, the Minority Interest was extinguished (see note 27).

The Group and Company then entered into new loan notes amounting to £500.0 million with another fellow subsidiary of News Corporation which are repayable in June 2019.

Subsequent to the above, the Group's share of its Associate investment, News Classifieds Network (NCN) PTY Limited was diluted to 0.000006% resulting in a loss on disposal of £21.1 million (see note 5).

News Corp Investments UK & Ireland

Strategic report - continued

Year ended 29 June 2014

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:

	2014	2013
Group turnover	£1,205.2m	£1,244.9m
EBITDA	£42.4m	(£51.8)m
EBITDA (excluding one-off operating charges and exceptional items)	£141.1m	£116.6m

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

ABC Circulation (source: Audit Bureau of Circulations Limited June 2014 12 month certified average net circulation per issue)

The Sun	2,131,000	2,357,000
The Sun (Sunday edition)	1,769,000	1,984,000
The Times	391,000	399,000
The Sunday Times	829,000	886,000

Books included on The Sunday Times bestseller list	50	68
Number ones on The Sunday Times bestseller list	8	8

Future developments

The Times flagship digital product, the tablet app, has been enhanced with the addition of new features such as sharing in July 2014. The Group is committed to further investment to continue improving the digital experience across all platforms for our readers.

In August 2014, the Sun+ digital proposition was further strengthened with the launch of The Sun's interactive tablet app, providing a simple, immersive, edition-based product to inform and engage our customers.

In January 2014, as a sign of the Group's long-term commitment to secure a sustainable future for professional journalism, News Corporation signed a thirty year lease for new premises in central London – News UK moved to the new premises from July 2014, and HarperCollins relocated to these premises in early 2015.

Principal risks and uncertainties facing the business

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

The Group's advertising volume, circulation and the price of paper are the key variables whose fluctuations can have a material effect on its operating results and cash flows. The Group has to anticipate the level of advertising volume, circulation and paper prices in managing its business to maximize operating profit during expanding and contracting economic cycles. The Group continues to be exposed to risks associated with paper used for printing. Paper is a basic commodity and its price is sensitive to the balance of supply and demand. Exposure to the change in raw materials for book publishing is not considered significant in relation to the overall nature of the business.

The Group's expenses are affected by the cyclical increases and decreases in the price of paper. The Group's products compete for readership and advertising amongst its competitors and also compete with other media alternatives in their respective markets. Competition for circulation and subscriptions is based on the content of the products provided, pricing and, from time to time, various promotions. The success of these products also depends upon advertisers' judgments as to the most effective use of their advertising budgets. Competition for advertising is based upon the reach of the products, advertising rates and advertiser results. Such judgments are based on factors such as cost, availability of alternative media, distribution and quality of readership demographics.

News Corp Investments UK & Ireland

Strategic report - continued

Year ended 29 June 2014

Principal risks and uncertainties facing the business - continued

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.

Like other newspaper groups, the Group faces challenges to its traditional print business model from new media formats and shifting consumer preferences. The Group is also 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 overall performance, positively or negatively.

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.

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.

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.

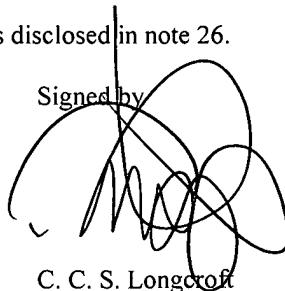
The majority of the Group's operating transactions are in sterling and exposure to fluctuations in foreign currency exchange rates is therefore limited. Foreign currency is managed centrally, which takes into account the foreign currency transactions of the Group. The Group also looks to mitigate currency 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 the Group, most 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, the Company established a compensation scheme which was closed to new entrants in April 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 the Company. It is not possible to estimate the liability for such additional claims given the information that is currently available to the Company. If more claims are filed and additional information becomes available in the civil cases, the Company will update the liability provision for such matters. During the year a charge of £7.3 million (2013 - £10.2 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 26.

Registered office:
1 London Bridge Street
London
SE1 9GF

Signed by



C. C. S. Longcroft

Director

Approved by the Directors on 26 March 2015

Company Registration Number: 1437199

News Corp Investments UK & Ireland

Directors' report

Year ended 29 June 2014

The Directors present their annual report on the affairs of News Corp Investments UK & Ireland ("the Company") and its subsidiary undertakings (together "the Group") along with the financial statements and auditor's report for the year ended 29 June 2014.

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 newspaper is read by 5.5 million people daily and the Sun on Sunday newspaper is read by 4.8 million people every Sunday. The Sun and Sun on Sunday newspapers continue to be the number one selling daily and weekly newspapers in the UK respectively and combined they reach an average audience of 7.5 million readers.

HarperCollins 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 30 June 2014 of £42.9 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 indemnify News UK for £19.1 million.

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 £13.2 million (2013 – £68.0 million). The Directors have not recommended a final dividend (2013 - £Nil).

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 Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

News Corp Investments UK & Ireland

Directors' report - continued

Year ended 29 June 2014

Employee consultation

During the year there was an average of 4,018 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: London Bridge, Broxbourne, EuroCentral (Scotland), Knowsley (Merseyside) as well as the commercial and editorial offices in Scotland, commercial office in Manchester and administrative office in Peterborough.

News Union representatives are democratically elected by the workforce. London Bridge has 13 representatives, Peterborough 1 representative, Scotland 2 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
C. C. S. Longcroft

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 £0.3 million (2013 - £0.5 million). There were no political contributions (2013 - £Nil).

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.

News Corp Investments UK & Ireland

Directors' report – continued

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.

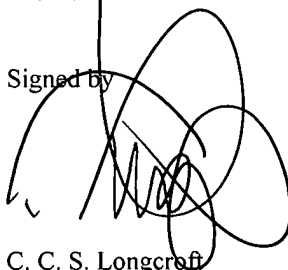
Directors' statement of disclosure of information to the auditor

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 8. 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:
1 London Bridge Street
London
SE1 9GF

Signed by



C. C. S. Longcroft

Director

Approved by the Directors on 26 March 2015

Company Registration Number: 1437199

Independent auditor's report to the members of News Corp Investments UK & Ireland

We have audited the financial statements of News Corp Investments UK & Ireland for the year ended 29 June 2014 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated statement of total recognised gains and losses and the related notes 1 to 32. 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 9, 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 the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 29 June 2014 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 26 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 26.

Independent auditor's report to the members of News Corp Investments UK & Ireland - continued

Opinion on other matter prescribed by the Companies Act 2006

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

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.



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

26 March 2015

News Corp Investments UK & Ireland

Consolidated profit and loss account

For the year ended 29 June 2014

	Notes	2014 £m	2013 £m
Group turnover	2	1,205.2	1,244.9
Cost of sales	3	(780.9)	(816.0)
Gross profit		424.3	428.9
Other operating income	4	57.0	-
Other operating expenses	3	(506.4)	(520.8)
Group operating loss		(25.1)	(91.9)
Attributable to:			
Group operating profit before one-off charges		53.5	51.0
Operating one-off charges (net)	5	(78.6)	(142.9)
		(25.1)	(91.9)
Share of operating loss in associates		-	(0.6)
Total operating loss before exceptional items: Group and share of joint ventures		(25.1)	(92.5)
Exceptional items:			
(Loss)/Profit on disposal of fixed asset investments	6	(20.1)	5.1
Restructuring expense	7	-	(30.0)
Loss on ordinary activities before investment income, interest and taxation		(45.2)	(117.4)
Investment income and interest receivable			
- Group	8	9.1	12.8
- Associate	8, 20	27.8	46.6
Interest payable and similar charges			
- Group	9	(10.2)	(17.3)
Loss on ordinary activities before taxation	10	(18.5)	(75.3)
Taxation on loss on ordinary activities	14	5.3	7.3
Loss on ordinary activities after taxation		(13.2)	(68.0)
Minority Interests		2.1	9.5
Loss for the financial year attributable to members of the parent company	27	(11.1)	(58.5)

Details of movements on reserves are shown in note 27.

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

Consolidated statement of total recognised gains and losses

For the year ended 29 June 2014

	Notes	2014 £m	2013 £m
Retained loss for the financial year		(17.8)	(104.5)
Share of associate profit for the year		6.7	46.0
		<hr/>	<hr/>
Loss for the financial year	27	(11.1)	(58.5)
Actuarial loss recognised in the pension schemes	13	(18.6)	(24.6)
Effect of asset limit on pension schemes	13	(33.9)	(2.6)
Deferred tax on actuarial loss recognised in the pension schemes	14	11.8	6.5
Impact of rate change on deferred tax on pension deficit	14	(1.5)	(0.8)
Gain on foreign currency translation – Group		57.1	4.0
Loss on foreign currency translation – Associate	20	(60.9)	(51.1)
Minority interest		6.5	9.8
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		(50.6)	(117.3)
		<hr/>	<hr/>

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

News Corp Investments UK & Ireland

Consolidated balance sheet

As at 29 June 2014

	Notes	2014 £m	2013 £m
Fixed assets			
Intangible assets	17	23.1	23.9
Tangible assets	18, 19	662.2	653.7
Investments	20	21.0	23.7
Investment in associates	20	-	613.3
		<hr/>	<hr/>
		706.3	1,314.6
		<hr/>	<hr/>
Current assets			
Stocks	21	49.4	49.2
Debtors - due within one year	22	369.2	399.4
- due after one year	22	49.0	69.1
Cash at bank and in hand	23	80.0	93.5
		<hr/>	<hr/>
		547.6	611.2
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	24	(331.8)	(1,288.9)
		<hr/>	<hr/>
Net current assets/(liabilities)		215.8	(677.7)
		<hr/>	<hr/>
Total assets less current liabilities		922.1	636.9
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	25	(530.0)	(12.4)
		<hr/>	<hr/>
Provisions for liabilities	26	(23.4)	(33.9)
		<hr/>	<hr/>
Net assets excluding pension liability		368.7	590.6
		<hr/>	<hr/>
Pension liability	13	(39.8)	(44.7)
		<hr/>	<hr/>
Net assets including pension liability		328.9	545.9
		<hr/>	<hr/>

News Corp Investments UK & Ireland

Consolidated balance sheet - continued

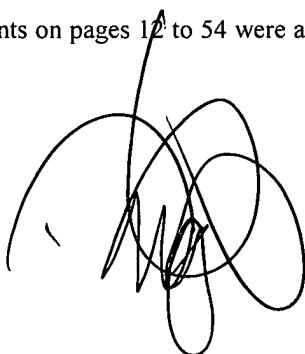
As at 29 June 2014

	Notes	2014 £m	2013 £m
Capital and reserves			
Called-up equity share capital	27	31.0	1,033.2
Revaluation reserve	27	0.4	0.4
Other reserves	27	(133.0)	383.7
Special capital reserve	27	29.4	25.2
Equity share-based payment	27	9.6	13.7
Profit and loss account	27	391.5	(985.4)
		<hr/>	<hr/>
Equity Shareholders' funds	27	328.9	470.8
Equity Minority interests		-	75.1
		<hr/>	<hr/>
		328.9	545.9
		<hr/>	<hr/>

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

The financial statements on pages 12 to 54 were approved by the Board of Directors on 26 March 2015 and signed on its behalf by:

C. C. S. Longcroft
Director



26 March 2015

News Corp Investments UK & Ireland

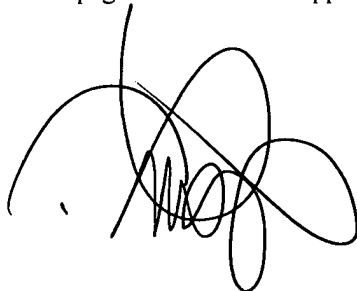
Company balance sheet

As at 29 June 2014

	Notes	2014 £m	2013 £m
Fixed assets			
Investments	20	959.8	734.6
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	25	(500.2)	-
		<hr/>	<hr/>
Net assets		459.6	734.6
		<hr/>	<hr/>
Equity capital and reserves			
Called-up share capital	27	31.0	1,033.2
Other reserves	27	134.6	651.3
Profit and loss account	27	294.0	(949.9)
		<hr/>	<hr/>
Shareholders' funds	27	459.6	734.6
		<hr/>	<hr/>

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

The financial statements on pages 12 to 54 were approved by the Board of Directors on 26 March 2015 and signed on its behalf by:



C. C. S. Longcroft
Director

26 March 2015

News Corp Investments UK & Ireland

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 31 March 2016. As highlighted in note 23 to the financial statements, the Group operates two collective overdraft facilities, in which News Corp UK & Ireland Limited has provided multilateral guarantees of up to £20 million in respect of each of these bank overdrafts of subsidiary undertakings. These facilities are ultimately guaranteed by News Corporation. The 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.

In respect of the acquisition of the minority share in News Corp Holdings UK & Ireland, FRS 5 'Reporting the substance of transactions' has been applied. The impact of applying FRS 5 was to report a contribution from our parent company in equity.

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 29 June 2014.

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 29 June 2014 and consolidate the financial statements of News Corp Investments UK & Ireland 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.

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

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.

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.

News Corp Investments UK & Ireland

Notes to the financial statements - continued

1 Principal accounting policies - continued

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 net of any agency rebate. 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 on dispatch of the goods or upon publication date of the title whichever is the later.

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.

Where payments are received from customers in advance for goods or services provided, the amounts are recorded as deferred income and included as part of Creditors due within one year.

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.

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.

News Corp Investments UK & Ireland

Notes to the financial statements - continued

1 Principal accounting policies - continued

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.

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.

Equity-settled share-based awards are made to certain employees, which must be measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in equity. The fair values of these awards 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.

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

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 improvements	- 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

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

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

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

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.

2 Turnover

a) Turnover by class of business:

	2014 £m	2013 £m
Newspaper printing and publishing	932.4	957.3
Book publishing	268.9	284.0
Other activities	3.9	3.6
	<hr/>	<hr/>
	1,205.2	1,244.9
	<hr/>	<hr/>

b) Turnover by destination:

	2014 £m	2013 £m
United Kingdom	1,099.1	1,128.8
Rest of Europe	15.3	16.3
Rest of the World	90.8	99.8
	<hr/>	<hr/>
	1,205.2	1,244.9
	<hr/>	<hr/>

News Corp Investments UK & Ireland

Notes to the financial statements - continued

3 Cost of sales and other operating expenses

	2014 £m	2013 £m
Cost of sales	780.9	816.0
Distribution costs	35.8	37.9
Administrative expenses	392.0	340.0
Operating one-off charges (net) (see note 5)	78.6	142.9
Other operating expenses	506.4	520.8

4 Other operating income

	2014 £m	2013 £m
Indemnity receipts	57.0	-

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. 21st Century Fox agreed to provide this funding by contributing capital to the company's equity, which in the prior year resulted in the creation of a special capital reserve of £29.4m.

During the current period, additional contributions of £57.0m were provided by 21st Century Fox. While these additional contributions from 21st Century Fox in the current period are made under the same agreement and for the same purpose as those contributions received during the year ended 30 June 2013, due to there no longer being an ownership connection between the companies, it is not possible for these to be credited to the special capital reserve, and the contributions received during the year ended 29 June 2014 have therefore been recognised within other operating income.

5 Operating one-off charges (net)

	2014 £m	2013 £m
Claimants' legal fees and damages (see note 26)	7.3	10.2
Costs in relation to UK newspaper matters	79.3	51.3
Costs in relation to the Management and Standards Committee	16.1	40.3
Costs in relation to early termination of contract agreements	-	41.1
Pension contribution	(24.1)	-
	78.6	142.9

There are a number of on-going legal claims against News Group Newspapers Limited as a result of voicemail interception allegations. A charge of £7.3 million (2013 - £10.2 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 26).

The Group has incurred £79.3 million (2013 - £51.3 million) of one-off costs in regards to UK newspaper matters. These include £78.0 million (2013 - £50.1 million) of legal fees, £0.8 million (2013 - £1.0 million) for compensation as loss of office payments, and £0.5 million (2013 - £0.2 million) of other title specific related closure costs.

News Corp Investments UK & Ireland

Notes to the financial statements – continued

5 Operating one-off charges (net) - continued

The Group has incurred costs of £16.1 million (2013 - £40.3 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 Group Newspapers Limited.

During the year the Group received a cash contribution made directly to its pension scheme of £24.1 million following the sale of a fellow group subsidiary by the Group's previous ultimate parent company. Due to the nature of the receipt this has been treated as an operating one-off receipt.

In the prior year, the Group terminated its long term printing contracts with Johnston Press in return for a compensation payment of £40.0 million. The contract termination 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, in the prior year, the Group incurred costs of £1.1 million in relation to the early termination of a distribution contract.

6 (Loss)/Profit on disposal of fixed asset investments

	2014 £m	2013 £m
Profit on disposal of subsidiary undertakings	1.0	1.0
(Loss)/Profit on disposal of interest in associates	(21.1)	4.1
	<hr/>	<hr/>
	(20.1)	5.1
	<hr/>	<hr/>

Following a News Corporation worldwide restructure on 11 June 2014 News Corp UK & Ireland Limited's 100% share holding in News Australia Investments PTY Limited was diluted to 0.000007%. The Group is deemed to have disposed of News Australia Investments PTY Limited and its subsidiaries. The profit on disposal is equal to the net liabilities of the Australian subsidiaries on the date of the dilution amounting to £1.0m.

Prior to the aforementioned restructure, the Group held a 90% equity holding in News Classifieds Network (NCN) PTY Limited, a company classified as an associate as only 37.5% of the voting rights were owned by the Group. On 11 June 2014 News Corp UK & Ireland Limited's 100% share holding in News Australia Investments PTY Limited was diluted to 0.000007%, resulting in the Group's holding in News Classifieds Network (NCN) PTY Limited being reduced to 0.000006%. The £20.1 million loss on disposal reflects the write off of the carrying value of the associate at the date of dilution.

In the prior year, 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.

In the prior year, the Group sold its 49% share of ordinary share capital in BrandAlley UK Limited resulting in a profit on disposal of £4.1 million.

News Corp Investments UK & Ireland

Notes to the financial statements - continued

7 Restructuring expense

	2014 £m	2013 £m
Restructuring expense	-	30.0

In the prior year, the Group incurred £30.0 million of redundancy costs relating to a restructuring programme within editorial, production and support services

8 Investment income and interest receivable

	2014 £m	2013 £m
<i>Group</i>		
Income from loans to fellow Group undertakings	0.5	1.5
Other interest receivable and similar income	3.6	8.5
Interest on pension scheme liabilities (see note 13)	5.0	2.8
	<hr/>	<hr/>
	9.1	12.8
<i>Associate</i>		
Other interest receivable and similar income (see note 20)	27.8	46.6
	<hr/>	<hr/>
	36.9	59.4
	<hr/>	<hr/>

9 Interest payable and similar charges

	2014 £m	2013 £m
<i>Group</i>		
Interest on loans from fellow Group undertakings	9.2	15.5
Unwinding of discount on surplus property provisions (see note 26)	1.0	1.1
Other interest payable and similar charges	-	0.7
	<hr/>	<hr/>
	10.2	17.3
	<hr/>	<hr/>

News Corp Investments UK & Ireland

Notes to the financial statements - continued

10 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2014 £m	2013 £m
Depreciation of tangible fixed assets		
- owned	85.2	63.2
Impairment of tangible fixed assets		
- owned	-	0.8
Amortisation of publishing rights and titles and goodwill		
- subsidiaries	2.4	2.2
- associates and joint ventures	-	0.2
Operating lease rentals		
- land and buildings	28.8	17.1
- plant and machinery	47.3	51.4
Auditors' remuneration		
- audit of the Company and its subsidiaries	1.2	1.1
- other services	-	-
	<hr/>	<hr/>

Auditor's remuneration for the audit of the Company amounted to £40,000 (2013 - £29,000).

11 Staff costs

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

	2014 £m	2013 £m
Wages and salaries	240.6	254.4
Social security costs	25.8	24.5
Other pension costs (see note 13)	20.9	25.7
Share-based payments (see note 12)	4.8	4.8
	<hr/>	<hr/>
	292.1	309.4
	<hr/>	<hr/>

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

	2014 Number	2013 Number
Newspaper printing and publishing	2,721	2,700
Book publishing	1,256	1,257
Other activities	41	39
	<hr/>	<hr/>
	4,018	3,996
	<hr/>	<hr/>

News Corp Investments UK & Ireland

Notes to the financial statements - continued

11 Staff costs - continued

Directors' remuneration:

	2014 £m	2013 £m
Emoluments	3.1	10.0
Value of company pension contributions to money purchase schemes	-	0.1
	<hr/> 3.1	<hr/> 10.1

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

	2014 £m	2013 £m
Emoluments	2.5	7.1
	<hr/>	<hr/>

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

	2014 Number	2013 Number
Defined benefit schemes	-	2
	<hr/>	<hr/>

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

	2014 Number	2013 Number
Long term incentive plan	2	4
	<hr/>	<hr/>

The accrued pension entitlement under the defined benefit schemes of the highest paid Director at 29 June 2014 was £Nil (2013 - £Nil).

During the year £0.8 million was payable to former Directors as compensation for loss of office (2013 - £14.1 million).

The prior year compensation for loss of office payments included 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 for a period of two years, as well as reimbursement for all legal and other professional costs incurred with the investigations. The Group also agreed to pay the tax associated with the legal and other professional costs. Legal and professional costs have been recognised as incurred.

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 ultimate parent undertaking, News Corporation. The savings contracts can range from three to seven years with an average expected life of four years. The scheme is accounted for as a cash-settled transaction. All savings contracts matured in December 2013.

News Corp Investments UK & Ireland

Notes to the financial statements - continued

12 Share-based payment – continued

Restricted stock units (RSUs)

Restricted stock unit awards are grants that entitle the holder to shares of Class A Common stock of News Corporation based on the expected vesting date. 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 2014, 2013 and 2012. RSUs typically vest over a period of 4 years, with 25% of units vesting each year.

Performance stock units (PSUs)

The performance stock units are 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.

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

	2014		2013	
	Options, RSUs & PSUs	WAEP (£)	Options, RSUs & PSUs	WAEP (£)(b)
Outstanding as at beginning of year	1,628,653	6.05	3,091,923	8.87
Granted during the year	656,158	11.27	435,246	14.96
Exercised during the year	(238,906)	5.19	(770,532)	9.02
Lapsed during the year	(399,608)	9.16	(1,142,734)	8.85
Units impacted by the separation (a)	-	-	(706,804)	10.88
Units granted in conversion, as a result of separation	-	-	721,554	6.22
Outstanding as at end of year	1,646,297	7.97	1,628,653	6.05
Exercisable as at end of year	-	-	279,120	5.22

(a) Represented unvested RSUs and PSUs as of 28 June 2013, the date of separation, which were converted to and have been settled in Class A shares of 21st Century Fox as such awards vested 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 represented the fair value of the awards using the conversion ratio set forth in the Employee Matters Agreement in conjunction with the News Corporation separation.

The weighted average fair value of RSUs and PSUs granted during the year was £11.27 (2013 - £14.96). There have been no share options granted during the year (2013 - None). The weighted average share price at the date of exercise for the options exercised in the year was £20.63 (2013 - £15.38). The range of exercise prices for options and awards outstanding at the end of the year was £5.03 - £9.02 (2013 - £5.03 - £9.02).

Financial impact

The expense recognised for share-based payments in respect of employee services received during the year to 29 June 2014 is £4.8 million (2013 - £4.8 million).

The portion of that expense arising from equity-settled share-based payment transactions is £4.6 million (2013 - £4.6 million).

The carrying amount of the liability relating to cash-settled share-based payment transactions as at 29 June 2014 is £nil (2013- £0.9 million).

News Corp Investments UK & Ireland

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:

	2014 £m	2013 £m
Defined contribution schemes	19.1	21.2
Defined benefit schemes	1.8	4.5
	<hr/>	<hr/>
	20.9	25.7
	<hr/>	<hr/>

b) The principal assumptions used by the actuary were:

	2014 %	2013 %	2012 %
Rate of increase in salaries	3.3	3.3	3.7
LPI pension increase assumption	2.8	2.6	2.8
Rate of increase in pension payment	2.8	2.6	2.8
Discount rate	4.3	4.5	5.0
Inflation assumption	3.3	3.3	3.0

News Corp Investments UK & Ireland

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	
	29 June 2014	30 June 2013	29 June 2014	30 June 2013
	Male		Female	
Member age 65 (Current life expectancy)	23.1	23.0	25.0	24.9
Member age 45 (Life expectancy at age 65)	24.9	24.8	27.0	26.9

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:

	2014			2013		
	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	7.0	45.1	258.9	7.2	56.8	308.8
Debt	5.1	51.9	301.5	5.4	36.6	199.0
Cash/Other	3.5	3.0	16.5	3.8	6.6	35.8

Change in benefit obligation:	2014 £m	2013 £m
Benefit at the beginning of the year	601.6	552.7
Current service cost	1.8	3.8
Past service cost	-	0.4
Interest cost	26.5	24.4
Actuarial loss	23.0	48.9
Benefits paid from plan	(25.5)	(24.5)
Expenses paid	(0.8)	(1.5)
Plan settlements	-	(2.9)
Plan curtailments	-	0.3
Benefit at end of the year	626.6	601.6

News Corp Investments UK & Ireland

Notes to the financial statements - continued

13 Pensions - continued

Change in plan assets:	2014 £m	2013 £m
Fair value of plan assets at the beginning of the year	543.6	429.1
Expected return on plan assets	31.5	27.2
Actuarial gain on plan assets	4.4	24.3
Employer contributions	57.6	94.5
Benefits paid from plan	(25.5)	(24.5)
Expenses paid	(0.8)	(1.5)
Plan settlements	-	(2.9)
Effect of asset limit	(33.9)	(2.6)
	<hr/>	<hr/>
Fair value of plan assets at end of the year	576.9	543.6
	<hr/>	<hr/>
Change in net pension deficit:	2014 £m	2013 £m
Deficit in the schemes	(49.7)	(58.0)
Related deferred tax asset	9.9	13.3
	<hr/>	<hr/>
Net pension deficit	(39.8)	(44.7)
	<hr/>	<hr/>
Analysis of the amount charged to operating profit:	2014 £m	2013 £m
Total operating charge	1.8	4.5
	<hr/>	<hr/>
Analysis of the amount charged to net finance charges:	2014 £m	2013 £m
Expected return on pension schemes assets	(31.5)	(27.2)
Interest on pension scheme liabilities	26.5	24.4
	<hr/>	<hr/>
Net return	(5.0)	(2.8)
	<hr/>	<hr/>

News Corp Investments UK & Ireland

Notes to the financial statements - continued

13 Pensions – continued

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

	2014 £m	2013 £m
Actual return less expected return on pension schemes assets	4.4	24.3
Experience gains/(losses) arising on schemes liabilities	2.4	(1.5)
Changes in assumptions underlying the present value of the schemes liabilities	(25.4)	(47.4)
Effect of asset limit	(33.9)	(2.6)
	<hr/>	<hr/>
Amount recognised in statement of total recognised gains and losses	(52.5)	(27.2)
	<hr/>	<hr/>

Movement in schemes deficit during the year:

	2014 £m	2013 £m
Beginning of the year	58.0	123.6
Current service cost	1.8	3.8
Past service cost	-	0.4
Contributions	(57.6)	(94.5)
Net finance income	(5.0)	(2.8)
Actuarial loss	18.6	24.6
Plan settlements and curtailments	-	0.3
Effect of asset limit	33.9	2.6
	<hr/>	<hr/>
At the end of the year	49.7	58.0
	<hr/>	<hr/>

History of experience gains and losses

	2014	2013	2012	2011	2010
Difference between the expected and the actual return on scheme assets:					
amount (£ million)	4.4	24.3	(12.9)	36.3	32.5
percentage of scheme assets	0.7%	4.4%	(3.0%)	8.5%	8.7%
Experience gains and losses on scheme liabilities:					
amount (£ million)	2.5	(1.5)	1.0	(1.7)	7.3
percentage of the present value of the scheme liabilities	0.4%	(0.2%)	0.2%	(0.4%)	1.6%
Total amount recognised in the statement of total recognised gains and losses:					
amount (£ million)	(52.4)	(27.2)	(69.5)	(4.3)	(14.0)
percentage of the present value of the scheme liabilities	(8.4%)	(4.5%)	(12.6%)	(0.9%)	(3.1%)

News Corp Investments UK & Ireland

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 £40.5 million (2013 - £37.5 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 29 June 2014 and has resulted in a provision in the financial statements of £10.9 million (2013 - £11.2 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

Notes to the financial statements - continued

14 Taxation

(a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	2014 £m	2013 £m
<i>Current tax</i>		
UK corporation tax at 22.50% (2013 - 23.75%)	-	-
Adjustments in respect of prior years	-	-
Payment for consortium relief – current year	-	0.1
	<hr/>	<hr/>
	-	0.1
Foreign taxation	3.6	3.7
	<hr/>	<hr/>
Group current tax	3.6	3.8
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing difference	(9.5)	(16.6)
Effect of decreased tax rate	1.5	(1.5)
Adjustments in respect of prior years	0.7	5.7
Changes in recoverable amounts of deferred tax assets	(1.6)	1.3
	<hr/>	<hr/>
Group deferred tax	(8.9)	(11.1)
	<hr/>	<hr/>
Tax on loss on ordinary activities	(5.3)	(7.3)
	<hr/>	<hr/>

The deferred tax credit to the profit and loss account comprises a deferred tax charge of £13.7 million (2013 - charge of £22.1 million) on pensions and a deferred tax credit of £22.6 million (2013 - credit of £33.2 million) resulting in a total credit of £8.9 million (2013: credit of £11.1 million) as shown above.

News Corp Investments UK & Ireland

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:	2014 £m	2013 £m
<i>Deferred tax:</i>		
Actuarial loss on pension scheme	(11.8)	(6.5)
Impact of rate change on deferred tax	1.5	0.8
	<hr/>	<hr/>
Total tax credit	(10.3)	(5.7)
	<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 £3.6 million (2013 – charge of £3.8 million). The difference between the tax assessed and the standard rate of corporation tax of 22.50% (2013 – 23.75%) is explained below:

	2014 £m	2013 £m
Loss on ordinary activities before taxation	(18.5)	(75.3)
	<hr/>	<hr/>
UK Corporation tax rate – 22.50% (2013 – 23.75%)	(4.2)	(17.9)
Tax effect of timing differences	(20.7)	(6.2)
Decelerated capital allowances	16.4	15.7
Expenditure not deductible for tax	10.9	6.0
Foreign tax on associate distribution	2.3	4.3
Overseas withholding tax not relieved	0.3	0.2
Other non-taxable income	(13.5)	-
Non-taxable dividends received	-	(0.7)
Unutilised tax losses carried forward	17.7	8.7
Group relief	-	4.8
Interest in associate	(5.6)	(11.1)
	<hr/>	<hr/>
Total current tax	3.6	3.8
	<hr/>	<hr/>

News Corp Investments UK & Ireland

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 23% to 21% on 1 April 2014, and will reduce to 20% from 1 April 2015. The Finance Act 2013 received Royal Assent on 17 July 2013, with both rate reductions being substantively enacted from 2 July 2013. As these changes were substantively enacted as at the balance sheet date, deferred tax balances have been calculated as appropriate in these financial statements.

The Group and Company have capital losses arising in the UK of £1,268 million (2013 - £1,258 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 expect 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:

	2014 £m	2013 £m
Included in debtors (note 22)	(43.8)	(21.8)
Included in pension liability (note 13)	(9.9)	(13.3)
	<hr/>	<hr/>
Total	(53.7)	(35.1)
	<hr/>	<hr/>

The deferred tax balances at the year end are:

	2014 £m	2013 £m
Accelerated capital allowances	14.5	26.4
Short term timing differences	(20.6)	(30.9)
Losses	(37.7)	(17.3)
Pension costs	(9.9)	(13.3)
	<hr/>	<hr/>
Net deferred tax asset	(53.7)	(35.1)
	<hr/>	<hr/>

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 £179.9 million (2013 - £75.0 million) of trading losses. However the Group is not recognising a deferred tax asset in respect of a further £5.5 million (2013 - £5.6 million) of trading losses due to restrictions over the future utilisation of those losses.

News Corp Investments UK & Ireland

Notes to the financial statements - continued

14 Taxation – continued

	2014 £m	2013 £m
Beginning of the year (including deferred tax on pension)	(35.1)	(17.2)
Deferred tax credit in Group profit and loss account	(8.9)	(11.1)
Deferred tax credit in Group statement of total recognised gains and losses	(10.3)	(5.7)
Deferred tax transferred to other companies	-	(1.4)
Foreign exchange movement	0.6	0.3
	<hr/>	<hr/>
End of the year (including deferred tax on pension)	(53.7)	(35.1)
	<hr/>	<hr/>
Company		
The Company has no deferred tax (2013 - £Nil).		

15 Equity dividends

	2014 £m	2013 £m
16.13 pence per ordinary £0.01 share	500.0	-
(2013 – nil pence per ordinary £1.00 share)		
	<hr/>	<hr/>
	500.0	-
	<hr/>	<hr/>

16 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 27. 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

Notes to the financial statements - continued

17 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	19.7	41.1	60.8
Additions	-	2.4	2.4
Foreign exchange	(1.9)	(1.6)	(3.5)
	<hr/>	<hr/>	<hr/>
End of the year	17.8	41.9	59.7
	<hr/>	<hr/>	<hr/>
Amortisation			
Beginning of the year	9.1	27.8	36.9
Amortisation in year	1.0	1.4	2.4
Foreign exchange	(0.8)	(1.9)	(2.7)
	<hr/>	<hr/>	<hr/>
End of the year	9.3	27.3	36.6
	<hr/>	<hr/>	<hr/>
Net book value			
Beginning of the year	10.6	13.3	23.9
	<hr/>	<hr/>	<hr/>
End of the year	8.5	14.6	23.1
	<hr/>	<hr/>	<hr/>

Additions

The addition to goodwill relates to the acquisition of Handpicked Companies Limited and its subsidiary Coldstreame Seafood Limited on the 8 April 2014. The group was acquired for net consideration of £1.7 million.

Company

The Company has no intangible fixed assets (2013 - £Nil).

News Corp Investments UK & Ireland

Notes to the financial statements - continued

18 Tangible fixed assets

Group

The movement in the year was as follows:

	Freehold land and buildings	Leasehold improvements	Plant, motor vehicles, fixtures and fittings	Assets in the course of construction	Heritage assets (note 19)	Total
	£m	£m	£m	£m	£m	£m
Cost or valuation						
Beginning of the year	432.0	47.2	553.6	17.8	2.3	1,052.9
Additions	-	48.5	40.4	8.6	-	97.5
Disposals	-	-	(56.9)	(1.7)	-	(58.6)
Transfers	-	0.2	5.1	(5.3)	-	-
Foreign exchange	(0.1)	(0.1)	(1.1)	-	-	(1.3)
End of the year	431.9	95.8	541.1	19.4	2.3	1,090.5
Depreciation						
Beginning of the year	87.0	20.9	291.3	-	-	399.2
Charge	7.8	19.9	57.5	-	-	85.2
Disposals	-	-	(55.1)	-	-	(55.1)
Foreign exchange	(0.1)	(0.1)	(0.8)	-	-	(1.0)
End of the year	94.7	40.7	292.9	-	-	428.3
Net book value						
Beginning of the year	345.0	26.3	262.3	17.8	2.3	653.7
End of the year	337.2	55.1	248.2	19.4	2.3	662.2

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

Notes to the financial statements - continued

18 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:

	2014 Freehold £m	2014 Leasehold £m	2013 Freehold £m	2013 Leasehold £m
Professionally valued at:				
- 1 November 1981	0.3	-	0.3	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total at valuation	0.3	-	0.3	-
At cost	431.6	95.8	431.7	47.2
	<hr/>	<hr/>	<hr/>	<hr/>
Cost or valuation at end of the year	431.9	95.8	432.0	47.2
	<hr/>	<hr/>	<hr/>	<hr/>

Company

The Company has no tangible fixed assets (2013 - £Nil).

19 Heritage assets

Group

Heritage assets are shown at a valuation of £2.2 million (2013 - £2.2 million) and a historic cost of £0.1 million (2013 - £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 (2013 - £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

Notes to the financial statements – continued

19 Heritage assets - continued

Five-year financial summary of heritage asset transactions

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Purchases					
Manuscripts, newspapers & other artefacts	4	2	10	6	9
Total additions	4	2	10	6	9

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

Company

The Company has no heritage assets (2013 - £Nil).

20 Fixed asset investments

	Group		Company	
	2014 £m	2013 £m	2014 £m	2013 £m
Subsidiary undertakings (a)	-	-	959.8	734.6
Other investments (b)	21.0	23.7	-	-
Interest in associates (c)	-	613.3	-	-
	21.0	637.0	959.8	734.6

Details of the Group's principal subsidiary undertakings and associated undertakings are given in note 32.

a) Subsidiary undertakings - Company

Cost	£m
Beginning and end of the year	1,684.5
Additions	506.0
End of the year	2,190.5
Amounts written off	
Beginning and end of the year	949.9
Impairment charge	280.8
End of the year	1,230.7
Net book value	
Beginning of the year	734.6
End of the year	959.8

News Corp Investments UK & Ireland

Notes to the financial statements – continued

20 Fixed asset investments - continued

At the beginning of the year the Company owned 85.767% of the issued share capital of News Corp Holdings UK & Ireland; an investment company incorporated in England. During the year, the company acquired the remaining 14.233% in exchange for the issue of one ordinary share of £1.00. In addition further shares in News Corp Holdings UK & Ireland were purchased for £345.2 million. The carrying value of this investment is £959.8 million (2013 - £734.6 million).

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 12.5% (2013 – 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 £280.8 million (2013 - £949.9 million).

b) Other investments

Group

	Group	
	2014	2013
	£m	£m
Unlisted (i)	15.2	16.5
Listed (ii)	5.1	6.3
Parent company (ii)	0.7	0.9
	<hr/>	<hr/>
	21.0	23.7
	<hr/>	<hr/>

b) Other investments

Company

The Company has no other investments (2013 - £Nil).

News Corp Investments UK & Ireland

Notes to the financial statements – continued

20 Fixed asset investments - continued

i) Unlisted investments

Group

At 29 June 2014 unlisted investments comprised a £15.0 million investment in The Press Association (2013 - £15.0 million) and a £0.2 million investment in Anobii Limited (2013 – £1.5 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	7.0	0.9	7.9
Disposals	(1.9)	(0.2)	(2.1)
	<hr/>	<hr/>	<hr/>
End of the year	5.1	0.7	5.8
	<hr/>	<hr/>	<hr/>
Provision			
Beginning of the year	(0.7)	-	(0.7)
Disposal	0.7	-	0.7
	<hr/>	<hr/>	<hr/>
End of the year	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
Beginning of the year	6.3	0.9	7.2
	<hr/>	<hr/>	<hr/>
End of the year	5.1	0.7	5.8
	<hr/>	<hr/>	<hr/>

News Corp Investments UK & Ireland

Notes to the financial statements - continued

20 Fixed asset investments - continued

(a) Shares in listed company

The investment in the listed company at 29 June 2014 at a cost of £5.1 million (2013 - £7.0 million) comprised 718,405 (2013 – 972,045) of 21st Century Fox Class A Common Stock which were acquired in 2013 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 £14.9 million at 29 June 2014 (2013 - £18.5 million).

The shares are held by the News Corp UK & Ireland Limited Employee Share Trust for the sole purpose of satisfying the options held by employees under the Sharesave plan. All Sharesave plans matured on 31 December 2013.

Options were exercised within the scheme rules resulting in a disposal of 253,640 shares with a market value of £5.2 million.

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 29 June 2014 at a cost of £0.7 million (2013 - £0.9 million) comprised 180,704 (2013 – 243,010) of News Corporation Class A Common Stock.

The shares have a market value of £1.9 million at 29 June 2014 (2013 - £2.4 million).

The shares are held by the News Corp UK & Ireland Limited Employee Share Trust for the sole purpose of satisfying the options held by employees under the Sharesave plan. All Sharesave plans matured on 31 December 2013.

Options were exercised within the scheme rules resulting in a disposal of 62,306 shares with a market value of £0.7 million.

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

Notes to the financial statements - continued

20 Fixed asset investments - continued

c) Interest in associates

Group

The Group holds the following interests in associates:

- A 0.000006% share of ordinary share capital in News Classifieds Network (NCN) PTY Limited. The remainder is now owned by News Corp Australia Partnership. On 11 June 2014, the previous 37.5% voting interest in News Classifieds Network (NCN) PTY Limited was diluted resulting in a loss on disposal amounting to £21.1 million (see note 6).

	Net assets £m	Group goodwill £m	Total £m
Interest in associates			
Beginning of the year	613.3	-	613.3
Share of profits retained	27.8	-	27.8
Foreign exchange	(60.9)	-	(60.9)
Dividends	(559.1)	-	(559.1)
Disposal	(21.1)	-	(21.1)
	<hr/>	<hr/>	<hr/>
End of the year	-	-	-
	<hr/>	<hr/>	<hr/>

Company

The Company has no interest in associates (2013 - £Nil).

21 Stocks

	Group	
	2014 £m	2013 £m
Raw materials and consumables	16.7	15.3
Work-in-progress	-	2.1
Finished goods and goods for resale	32.7	31.8
	<hr/>	<hr/>
	49.4	49.2
	<hr/>	<hr/>

Company

The Company has no stocks (2013 - £Nil).

News Corp Investments UK & Ireland

Notes to the financial statements - continued

22 Debtors

Amounts falling due within one year:

	Group	
	2014	2013
	£m	£m
Trade debtors	158.4	153.6
Due from Group undertakings	12.6	67.9
Corporation tax	4.9	16.2
Royalty advances	31.9	35.3
Prepayments and accrued income	38.5	28.5
Other debtors	14.7	16.7
Deferred consideration	25.6	24.3
Deferred tax (see note 14)	43.8	21.8
Assets held for resale	-	5.7
Indemnification asset	38.8	29.4
	<hr/>	<hr/>
	369.2	399.4
	<hr/>	<hr/>

Company

The Company has no debtors falling due within one year (2013 - £Nil).

Amounts falling due after more than one year:

	Group	
	2014	2013
	£m	£m
Deferred consideration	49.0	69.1
	<hr/>	<hr/>
	49.0	69.1
	<hr/>	<hr/>

Group

Included in debtors is deferred consideration relating to discounted proceeds from the sale of land and buildings at Wapping, Times House and Admiral House. Repayment in relation to Wapping and Times House will be made in 3 annual payments of £25.0 million each being made on 30 May. Repayment in relation to Admiral House will be made in 3 annual payments of £1.2 million, each being made on 15 July.

In the prior year, assets held for resale related to Admiral House; office premises adjacent to News UK's former UK newspaper division headquarters in East London. Admiral House was sold on 15 July 2013.

Company

The Company has no debtors falling due after more than one year (2013 - £Nil).

News Corp Investments UK & Ireland

Notes to the financial statements - continued

23 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.

24 Creditors: Amounts falling due within one year

	Group	
	2014	2013
	£m	£m
Due to Group undertakings	13.3	1,012.1
Trade creditors	65.2	66.0
Corporation tax	1.1	4.0
Other taxation and social security	9.6	13.0
Other creditors	39.2	49.4
Accruals and deferred income	201.3	144.2
Cash-settled share based payment	-	0.2
Lease incentive	2.1	-
	<hr/>	<hr/>
	331.8	1,288.9
	<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 (2013 - £Nil).

25 Creditors: Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£m	£m	£m	£m
Due to Group undertakings	500.2	-	500.2	-
Other creditors	11.9	12.4	-	-
Lease incentive	17.9	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	530.0	12.4	500.2	-
	<hr/>	<hr/>	<hr/>	<hr/>

On 26 June 2014 the Group and Company entered into loan notes, with a value of £500.0 million, with a fellow subsidiary of News Corporation. The loan notes are due for repayment on 26 June 2019 and are subject to interest of 4%.

During the year the Group received capital contributions towards the lease on the new headquarters in central London. These have been classified as lease incentives and will be released on a straight line basis up until the first market value rent review in January 2024.

News Corp Investments UK & Ireland

Notes to the financial statements - continued

26 Provisions for liabilities

	Group			
	Legal claims £m	Property costs £m	Other £m	Total £m
Beginning of the year	20.1	13.6	0.2	33.9
Charged to profit and loss account	7.3	-	-	7.3
Unwinding of discount on provision	-	1.0	-	1.0
Utilised during the year	(16.8)	(1.8)	(0.2)	(18.8)
	10.6	12.8	-	23.4

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, most 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 to new entrants 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 £7.3 million (2013 - £10.2 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.

Company

The Company has no provisions for liabilities (2013 - £Nil).

News Corp Investments UK & Ireland

Notes to the financial statements - continued

27 Equity share capital and reserves

a)	Share capital	2014 £m	2013 £m
	<i>Allotted, called up and fully paid</i>		
	1,033,248,464 Ordinary shares of £1.00 each	-	1,033.2
	3,099,745,398 Ordinary shares of £0.01 each	31.0	-
		<hr/>	<hr/>
		31.0	1,033.2
		<hr/>	<hr/>

b) Movements on capital and reserves - Group

	Called-up equity share capital £m	Share premium £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	-	384.1	25.2	13.7	(985.4)	470.8
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Loss for the financial year	-	-	-	-	-	(11.1)	(11.1)
Dividends	-	-	-	-	-	(500.0)	(500.0)
Issue of equity shares	-	506.0	-	-	-	-	506.0
Bonus issue of equity shares	516.7	-	(516.7)	-	-	-	-
Capital reduction	(1,518.9)	(506.0)	-	-	-	2,024.9	-
Actuarial loss on pension schemes (net of tax)	-	-	-	-	-	(42.2)	(42.2)
Foreign exchange adjustments	-	-	-	-	-	(3.8)	(3.8)
Equity settled share-based payment	-	-	-	-	4.7	-	4.7
Settlement of equity settled share-based payment	-	-	-	-	(11.0)	10.2	(0.8)
Management recharge in relation to equity settled share-based payment	-	-	-	-	-	(6.9)	(6.9)
Minority interest – current year	-	-	-	-	0.9	(43.8)	(42.9)
Contribution on acquisition of minority interest	-	-	-	-	-	(160.8)	(160.8)
Reversal of minority interest	-	-	-	4.2	1.3	110.4	115.9
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
End of the year	31.0	-	(132.6)	29.4	9.6	391.5	328.9
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

News Corp Investments UK & Ireland

Notes to the financial statements - continued

27 Equity share capital and reserves - continued

On 11 June 2014 the following transactions took place:

- 2 Ordinary £1.00 shares were issued for a premium of £506.0 million.
- A bonus share issue was then undertaken where for each of the 1,033,248,466 £1.00 ordinary shares a £0.50 ordinary A share was issued resulting in 1,033,248,466 ordinary A shares. This created other reserves amounting to £516.7 million.
- The £1.00 ordinary shares were sub divided into £0.50 ordinary shares, resulting in there being a total of 2,066,496,932 ordinary £0.50 shares.
- All £0.50 ordinary A shares were converted into £0.50 ordinary shares giving a total of 3,099,745,398 £0.50 ordinary shares being in issue.
- All £0.50 ordinary shares were reduced to £0.01 ordinary shares, resulting in a reduction in share capital of £1,518.9 million.
- A special resolution was then made to capitalise the share premium account of £506.0 million along with the reduction in share capital to create distributable profit and loss reserves of £2,024.9 million.

c) Movements on capital and reserves - Company

	Called-up equity share capital £m	Share premium £m	Other reserves £m	Profit and loss account £m	Total £m
Beginning of the year	1,033.2	-	651.3	(949.9)	734.6
Loss for the financial year	-	-	-	(281.0)	(281.0)
Equity dividends paid	-	-	-	(500.0)	(500.0)
Issue of equity shares	-	506.0	-	-	506.0
Bonus issue of equity shares	516.7	-	(516.7)	-	-
Capital reduction	(1,518.9)	(506.0)	-	2,024.9	-
End of the year	31.0	-	134.6	294.0	459.6

On 11 June 2014 the following transactions took place:

- 2 Ordinary £1.00 shares were issued for a premium of £506.0 million.
- A bonus share issue was then undertaken where for each of the 1,033,248,466 £1.00 ordinary shares a £0.50 ordinary A share was issued resulting in 1,033,248,466 ordinary A shares. This created other reserves amounting to £516.7 million.
- The £1.00 ordinary shares were sub divided into £0.50 ordinary shares, resulting in there being a total of 2,066,496,932 ordinary £0.50 shares.
- All £0.50 ordinary A shares were converted into £0.50 ordinary shares giving a total of 3,099,745,398 £0.50 ordinary shares being in issue.
- All £0.50 ordinary shares were reduced to £0.01 ordinary shares, resulting in a reduction in share capital of £1,518.9 million.
- A special resolution was then made to capitalise the share premium account of £506.0 million along with the reduction in share capital to create distributable profit and loss reserves of £2,024.9 million.

News Corp Investments UK & Ireland

Notes to the financial statements - continued

27 Equity share capital and reserves - continued

d) Reconciliation of movements in shareholders' funds

	Group		Company	
	2014 £m	2013 £m	2014 £m	2013 £m
Loss for the financial year	(11.1)	(58.5)	(281.0)	(949.9)
Equity dividends paid	(500.0)	-	(500.0)	-
Issue of equity shares	506.0	-	506.0	-
Other recognised gains and losses relating to the year (net)	(46.0)	(62.5)	-	-
Movements on minority interest	73.0	-	-	-
Contribution on acquisition of minority interest	(160.8)	-	-	-
Equity settled share-based payment	(3.0)	1.1	-	-
Recognition of indemnification asset (see note 22)	-	29.4	-	-
Net (decrease)/increase in shareholders' funds	(141.9)	(90.5)	(275.0)	(949.9)
Opening shareholders' funds	470.8	561.3	734.6	1,684.5
Closing shareholders' funds	328.9	470.8	459.6	734.6

28 Future capital expenditure

	Group	
	2014 £m	2013 £m
Capital expenditure contracted for but not provided for	11.1	5.9

The Company had no contracted or authorised future capital expenditure as at 29 June 2014 (2013 - £Nil.)

News Corp Investments UK & Ireland

Notes to the financial statements - continued

29 Leasing and other financial commitments

Certain subsidiary undertakings have entered into non-cancellable operating leases in respect of plant and machinery. 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. In addition, certain subsidiary undertakings have annual commitments under non-cancellable third party printing contracts. The annual commitments on these leases or contracts are as follows:

	2014 Land & buildings £m	2014 Other £m	2013 Land & buildings £m	2013 Other £m
Group				
Operating leases which expire				
- within 1 year	6.6	1.6	0.1	1.7
- within 2-5 years	4.6	3.0	6.7	1.6
- after 5 years	30.4	38.7	14.3	43.3
	<hr/>	<hr/>	<hr/>	<hr/>
	41.6	43.3	21.1	46.6
	<hr/>	<hr/>	<hr/>	<hr/>

Included in other are £41.7 million (2013 - £45.1 million) of commitments relating to third party printing contracts.

30 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 29 June 2014 the Group had outstanding forward exchange contracts to buy and sell foreign currency to the value of £15.1 million (2013 - £16.8 million) and £1.4 million (2013 - £10.7 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 26.

31 Ultimate parent company

As at 29 June 2014, 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, whose principal place of business is at 1211 Avenue of the Americas, New York, NY 10036. The consolidated financial statements of this Group are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF.

News Corp Investments UK & Ireland

Notes to the financial statements - continued

32 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. All other companies are indirect shareholdings of News Corp Investments UK & Ireland. 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 (Holding Company)

News Corp UK & Ireland Limited (Holding Company and finance)

News Group Newspapers Limited (Publisher of The Sun and The Sun on Sunday)
News 2026 Limited (Investment Company)

Times Newspapers Holdings Limited (Holding Company)
Times Newspapers Limited (Publisher of The Sunday Times and The Times)

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

News UK & Ireland Trading Limited (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 Automotive Limited (Online classified advertising and research website)

News UK & Ireland Direct Limited (Provision of distribution services to retail outlets)

News UK & Ireland Recruitment Holdings Limited (Holding Company)
Milkround Holdings Limited (Holding Company)
Milkround Online Limited (Online graduate recruitment)

News Collins Limited (Holding Company and finance)
HarperCollins (UK) (Holding Company)
HarperCollins Publishers Limited (Book publishing)
HarperCollins Publishers (Australia) PTY Limited (Book publishing) (Incorporated in Australia)
HarperCollins Publishers (New Zealand) Limited (Book publishing) (Incorporated in New Zealand)
HarperCollins Canada Limited (Book publishing) (Incorporated in Canada)
HarperCollins Publishers India Pvt (Book Publishing) (Incorporated in India)

News Solutions Limited (Formerly known as News Printers Group Limited) (Holding Company)
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) (up to 18 June 2014)

Admacroft Limited (Finance Company)

Handpicked Companies Limited (ecommerce Company) – acquired 8 April 2014

News Corp Investments UK & Ireland

Coldstreame Seafood Limited (ecommerce Company)

Notes to the financial statements - continued

32 Principal subsidiary undertakings, associated undertakings - continued

b) Associated undertakings:

News Classifieds Network (NCN) PTY Limited (Finance) (Incorporated in Australia) (90% Equity Interest, 37.5% Voting interest) (up to 11 June 2014).