

Registration number: 01437199

# News Corp Investments UK & Ireland

**Report and financial statements**

**for the year ended 30 June 2019**



## **News Corp Investments UK & Ireland**

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## **News Corp Investments UK & Ireland**

### **Strategic Report For the year ended 30 June 2019**

The directors present their Strategic Report and the financial statements of the company for the year ended 30 June 2019.

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

The principal activity of the company is that of an investment holding company and the parent undertaking of the News Corp Investments UK & Ireland group ("News UK" group) and it does not actively trade.

The loss before tax for the financial year of £67,357,000 (2018 - £25,156,000) relates to interest paid to group undertakings of £25,157,000 (2018 - £25,156,000) and an impairment charge of £42,200,000 (2018 - £Nil).

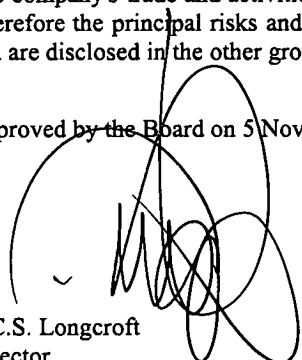
#### **Future developments**

The directors expect the company to continue as an investment holding company for the foreseeable future.

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

The company's trade and activities are largely dependent on other group companies within the News UK group. Therefore the principal risks and uncertainties are borne by other group companies within the News UK group and are disclosed in the other group companies' financial statements.

Approved by the Board on 5 November 2019 and signed on its behalf by:



C.C.S. Longcroft  
Director

## **News Corp Investments UK & Ireland**

### **Directors' Report For the year ended 30 June 2019**

The directors present their report and the financial statements for the year ended 30 June 2019.

#### **Going concern**

News Corporation has committed to provide financial support until at least 31 March 2021 to News Corp Investments UK & Ireland, and a letter of support has been received from News Corporation.

As highlighted in note 10 to the financial statements, News Corp UK & Ireland Limited operates a collective facility, in which News Corp UK & Ireland Limited (the company's subsidiary) has provided multilateral guarantees of up to £20 million in respect of the bank overdrafts of subsidiary undertakings. This overdraft facility is ultimately guaranteed by News Corporation.

The News UK Group has prepared a rolling three year forecast in which the cash flows of the Group are assessed. These show the Group to be cash generative.

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

#### **Results and dividends**

The loss for the year, after taxation, amounted to £67,357,000 (2018 - £25,156,000).

The directors do not recommend a dividend (2018 - £Nil).

#### **Directors of the company**

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

M.C. Gill

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

## News Corp Investments UK & Ireland

### Directors' Report (continued) For the year ended 30 June 2019

#### Directors' responsibilities statement

The directors acknowledge their responsibilities for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

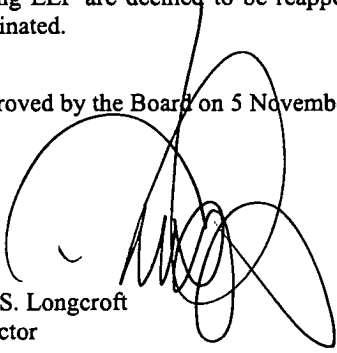
#### Disclosure of information to the auditor

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

#### Auditor

The directors have passed a resolution to dispense with the requirement to reappoint auditors annually. Ernst & Young LLP are deemed to be reappointed as auditor in the absence of a notice that the appointment is to be terminated.

Approved by the Board on 5 November 2019 and signed on its behalf by:

  
C.C.S. Longcroft  
Director

Registered office:  
1 London Bridge Street  
London  
SE1 9GF

## **Independent Auditor's Report to the Members of News Corp Investments UK & Ireland**

### **Opinion**

We have audited the financial statements of News Corp Investments UK & Ireland for the year ended 30 June 2019 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes 1 to 15 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2019 and of its 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of News Corp Investments UK & Ireland (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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



Neil Cullum (Senior statutory auditor)

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

Date:

8/11/2019

## News Corp Investments UK & Ireland

### Profit and Loss Account For the year ended 30 June 2019

	Note	2019 £ 000	2018 £ 000
Impairment of investments	6	<u>(42,200)</u>	<u>-</u>
Operating loss		(42,200)	-
Interest payable and similar expenses	7	<u>(25,157)</u>	<u>(25,156)</u>
Loss before tax		(67,357)	(25,156)
Taxation	8	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(67,357)</u></u>	<u><u>(25,156)</u></u>

The above results were derived from continuing operations.

### Statement of Comprehensive Income For the year ended 30 June 2019

	2019 £ 000	2018 £ 000
Loss for the financial year	<u>(67,357)</u>	<u>(25,156)</u>
Total comprehensive loss for the year	<u><u>(67,357)</u></u>	<u><u>(25,156)</u></u>

The notes on pages 9 to 17 form part of these financial statements.

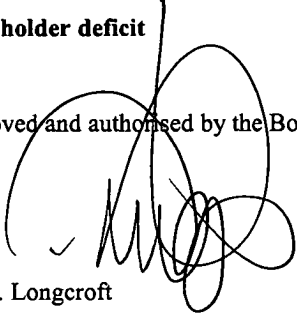


**News Corp Investments UK & Ireland**  
**Registered number: 01437199**

**Balance Sheet as at 30 June 2019**

	Note	2019 £ 000	2018 £ 000
<b>Fixed assets</b>			
Investments	9	428,769	470,969
<b>Creditors: Amounts falling due within one year</b>	11	<u>(717,947)</u>	<u>(692,790)</u>
<b>Net liabilities</b>		<u>(289,178)</u>	<u>(221,821)</u>
<b>Capital and reserves</b>			
Called up share capital	12	30,997	30,997
Share premium reserve		59,389	59,389
Other reserves		134,621	134,621
Profit and loss account		<u>(514,185)</u>	<u>(446,828)</u>
<b>Shareholder deficit</b>		<u>(289,178)</u>	<u>(221,821)</u>

Approved and authorised by the Board on 5 November 2019 and signed on its behalf by:

  
C.C.S. Longcroft  
Director

The notes on pages 9 to 17 form part of these financial statements.

**News Corp Investments UK & Ireland**

**Statement of Changes in Equity  
For the year ended 30 June 2019**

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 2 July 2018	30,997	59,389	134,621	(446,828)	(221,821)
Loss for the financial year	-	-	-	(67,357)	(67,357)
Total comprehensive loss for the year	-	-	-	(67,357)	(67,357)
At 30 June 2019	30,997	59,389	134,621	(514,185)	(289,178)

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

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 3 July 2017	30,997	59,389	134,621	(421,672)	(196,665)
Loss for the financial year	-	-	-	(25,156)	(25,156)
Total comprehensive loss for the year	-	-	-	(25,156)	(25,156)
At 1 July 2018	30,997	59,389	134,621	(446,828)	(221,821)

The notes on pages 9 to 17 form part of these financial statements.

## **News Corp Investments UK & Ireland**

### **Notes to the Financial Statements For the year ended 30 June 2019**

#### **1 General information**

The company is an unlimited liability company incorporated in England and Wales under the Companies Act.

The address of its registered office is:

1 London Bridge Street  
London  
SE1 9GF

These financial statements were authorised for issue by the Board on 5 November 2019.

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

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

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

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

The financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The financial statements are made up to the Sunday closest to the 30 June each year. Consequently, the financial statements for the current period cover 52 weeks ended 30 June 2019 (prior period 52 weeks ended 1 July 2018). The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest £'000.

##### **Summary of disclosure exemptions**

FRS 102 paragraph 1.12 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of and no objection to the use of exemptions by the company's shareholders. The equivalent disclosures are included in the consolidated financial statements of News Corporation, the ultimate parent undertaking.

## **News Corp Investments UK & Ireland**

### **Notes to the Financial Statements For the year ended 30 June 2019 (continued)**

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

##### **Summary of disclosure exemptions (continued)**

The company has taken advantage of the following exemptions:

- (a) From preparing a statement of cash flows and related notes as required by Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (b) From the financial instruments disclosures as required by FRS 102 paragraph 11.42 to 11.48A and paragraphs 12.26 to 12.27, 12.29 (a) & (b) and 12.29A including:
  - categories of financial instruments;
  - items of income, expenses, gains or losses relating to financial instruments; and
  - exposure to and management of financial risks.
- (c) From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

##### **Going concern**

News Corporation has committed to provide financial support until at least 31 March 2021 to News Corp Investments UK & Ireland, and a letter of support has been received from News Corporation.

As highlighted in note 10 to the financial statements, News Corp UK & Ireland Limited operates a collective facility, in which News Corp UK & Ireland Limited (the company's subsidiary) has provided multilateral guarantees of up to £20 million in respect of the bank overdrafts of subsidiary undertakings. This overdraft facility is ultimately guaranteed by News Corporation.

The News UK Group has prepared a rolling three year forecast in which the cash flows of the Group are assessed. These show the Group to be cash generative.

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

##### **Consolidated financial statements**

Under Section 401 of the Companies Act 2006 the company is exempt from the requirement to prepare and deliver group financial statements since it is a wholly owned subsidiary of News Corporation which is incorporated in the United States of America and prepares consolidated financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

##### **Interest payable**

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

## **News Corp Investments UK & Ireland**

### **Notes to the Financial Statements For the year ended 30 June 2019 (continued)**

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

##### **Taxation**

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

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

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

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

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

##### **Investments in subsidiaries**

Investments in subsidiaries 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.

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

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **Related party transactions**

As a wholly owned subsidiary undertaking of News Corporation whose financial statements are publicly available, the company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

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

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

## News Corp Investments UK & Ireland

### Notes to the Financial Statements For the year ended 30 June 2019 (continued)

#### 2 Accounting policies (continued)

##### Key sources of estimation uncertainty

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

##### *a. Impairment of investments*

Determining whether investments are impaired requires an estimation of the value in use of the cash generating unit (CGU) to which the investment has been allocated versus a calculation of the fair value less cost to sell. The recoverable amount is the higher of the two calculations. Key areas of judgement in the value in use calculation include the estimation of future cash flows expected to arise from the CGU, the long term growth rates and a suitable discount rate to apply to cash flows in order to calculate present value. An impairment loss of £42,200,000 was recognised for the year ended 30 June 2019 (2018 - £Nil). Details of the impairment reviews that the company performs are provided in note 6.

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

The company makes estimates regarding the recoverability of deferred tax assets relating to short term timing differences based on forecasts of future taxable profits which are, by their nature, uncertain. The company has not recognised a deferred tax asset in respect of certain short term timing differences totalling £1,754,000 (2018- £1,754,000).

#### 3 Auditors' remuneration

	2019	2018
	£ 000	£ 000
Audit of financial statements	25	25

Auditor's remuneration is borne by another group undertaking.

#### 4 Employees

The company has no employees (2018 - none).

#### 5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£ 000	£ 000
Remuneration	4,242	4,280
Value of company pension contributions to money purchase schemes	18	20
	4,260	4,300

## News Corp Investments UK & Ireland

### Notes to the Financial Statements For the year ended 30 June 2019 (continued)

#### 5 Directors' remuneration (continued)

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

	2019 No.	2018 No.
Long term incentive plan	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2019 £ 000	2018 £ 000
Remuneration (excluding pension contributions)	<u>2,787</u>	<u>2,808</u>

#### 6 Impairment of investments

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 or through a fair value less cost of sale model. Value in use is determined by discounting future expected cash flows, based on management approved budgets and long term forecasts. These reflect management's current experience and future expectations of the markets in which the investments operate.

In the year the pre tax discount rate used by the company in its impairment test ranged from 12.2% to 30.5% (2018 - ranged from 12.2% to 30.55%). The long term growth rates used are in the range of 3% to -1% (2018 - range of 3% to -1%). This resulted in an impairment charge of £42,200,000 (2018 - £Nil).

#### 7 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest payable on loans from group undertakings	<u>25,157</u>	<u>25,156</u>

#### 8 Taxation

The tax on loss before tax for the period is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Loss before tax	<u>(67,357)</u>	<u>(25,156)</u>
Corporation tax at standard rate	(12,798)	(4,780)
Expenses not deductible for tax	12,798	4,623
Group relief	<u>-</u>	<u>157</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

## News Corp Investments UK & Ireland

### Notes to the Financial Statements For the year ended 30 June 2019 (continued)

#### 8 Taxation (continued)

##### Factors that may affect future tax charges

The UK corporation tax rate reduced from 20% to 19% from 1 April 2017 and will reduce to 17% from 1 April 2020. The 2016 Budget announced that the rate would reduce to 17% from 1 April 2020, which was enacted on 16 September 2016. No subsequent changes have been announced in relation to UK corporation tax rates.

The company has not recognised a deferred tax asset in respect of certain short term timing differences totalling £1,754,000 (2018 - £1,754,000) due to the uncertainty over whether these will be deductible when the underlying timing differences reverse.

#### 9 Investments

	2019 £ 000	2018 £ 000
Investments in subsidiaries	<u>428,769</u>	<u>470,969</u>
<b>Subsidiaries</b>		<b>£ 000</b>
<b>Cost</b>		
At 2 July 2018 and 30 June 2019		2,351,532
<b>Impairment</b>		
At 2 July 2018		1,880,563
Provision		<u>42,200</u>
At 30 June 2019		<u>1,922,763</u>
<b>Carrying amount</b>		
At 30 June 2019		<u>428,769</u>
At 1 July 2018		<u>470,969</u>

The company owns 100% of the issued share capital of News Corp Holdings UK & Ireland, an investment company incorporated in England and Wales. A full list of Subsidiary undertakings is presented in note 14 and Investments in Associates and Joint Ventures in note 15.

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 or through a fair value less cost of sale model. Value in use is determined by discounting future expected cash flows, based on management approved budgets and long term forecasts. These reflect management's current experience and future expectations of the markets in which the investments operate.

In the year the pre tax discount rate used by the company in its impairment test ranged from 12.2% to 30.5% (2018 - ranged from 12.2% to 30.5%). The long term growth rates used are in the range of 3% to -1% (2018 - range of 3% to -1%). This resulted in an impairment charge of £42,200,000 (2018 - £Nil).



## News Corp Investments UK & Ireland

### Notes to the Financial Statements For the year ended 30 June 2019 (continued)

#### 10 Cash and cash equivalents

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

#### 11 Creditors

	2019 £ 000	2018 £ 000
<b>Due within one year</b>		
Amounts owed to group undertakings	<u>717,947</u>	<u>692,790</u>

On 26 June 2014 the company entered into loan notes with a value of £500,000,000 with a fellow subsidiary of News Corporation. The loan notes were due for repayment on 26 June 2019 and were subject to interest of 4%. Interest can be paid throughout the term of the loan or on the repayment date.

The company entered into further loan notes amounting to £98,838,000 on 6 July 2016 and £23,162,000 on 12 August 2016. These loan notes were also due for repayment on 26 June 2019 and were subject to interest of 4%. Interest can be paid throughout the term of the loan or on the repayment date.

On 24 June 2019 repayment of the loan notes amounting to £500,000,000, £98,838,000, £23,162,000 and accrued interest were all extended until 26 June 2020. Interest continues to be charged at 4%.

#### 12 Share capital and reserves

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

	2019		2018	
	No.	£ 000	No.	£ 000
Ordinary Shares of £0.01 each	<u>3,099,745,400</u>	<u>30,997</u>	<u>3,099,745,400</u>	<u>30,997</u>

#### 13 Parent and ultimate parent undertaking

The company's immediate parent company is News Preferred Holdings Inc, a company incorporated in Delaware in the United States.

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

The largest and smallest group in which the results of the company are consolidated are 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**

#### **For the year ended 30 June 2019 (continued)**

##### **14 Subsidiary undertakings**

News Corp Holdings UK & Ireland is the only direct shareholding of News Corp Investments UK & Ireland (see note 9). All other companies are indirect shareholdings of News Corp Investments UK & Ireland.

During the year the company's subsidiary Wireless Group Media (GB) Limited sold its investment in Switchdigital (S&S) Limited and Switchdigital (B&H) Limited.

**Indirect subsidiary undertakings** (Unless stated all ownership is 100% of ordinary shares and registered in England & Wales)

News Corp UK & Ireland Limited - Holding company  
News Group Newspapers Limited - Publisher of The Sun and Sun on Sunday  
Times Newspapers Holdings Limited - Holding company  
Times Newspapers Limited - Publisher of The Times and The Sunday Times  
The Times Literary Supplement Limited - Publisher of The Times Literary Supplement  
News UK & Ireland Direct Limited - Provision of distribution services to retail outlets  
News Promotions Limited - Newspaper promotions  
News UK & Ireland Limited - Provision of related personnel resources and shared service functions  
News UK & Ireland Trading Limited - Provision of related personnel resources and shared service functions  
News Printers Assets Limited - Holding company  
Newsprinters Limited (formerly known as News Solutions Limited) - Provision of production and related personnel resources  
Newsprinters (Broxbourne) Limited - Provision of production and related personnel resources  
Newsprinters (Eurocentral) Limited - Provision of production and related personnel resources (registered in Scotland)  
Newsprinters (Knowsley) Limited - Provision of production and related personnel resources  
KIP Limited - Provision of production and related personnel resources  
News Collins Limited - Holding and finance company  
HarperCollins (UK) - Holding company  
HarperCollins Publishers Limited - Book publishing  
Harlequin Enterprises UK Limited - Book publishing  
Dolphin Bookclub Limited - Book publishing  
HarperCollins Publishers (Holdings) PTY Limited - Holding company (registered in Australia)  
HarperCollins Publishers (Australia) PTY Limited - Book publishing (registered in Australia)  
HarperCollins Publishers Holdings (New Zealand) - Holding company (registered in New Zealand)  
HarperCollins Publishers (New Zealand) Limited - Book publishing (registered in New Zealand)  
HarperCollins Canada Limited - Book publishing (registered in Canada)  
HarperCollins Publishers Limited - Book publishing (registered in Canada)  
HarperCollins Publishers India Pvt - Book publishing (registered in India)  
Harlequin India Pvt Limited - Book publishing (registered in India)

## **News Corp Investments UK & Ireland**

### **Notes to the Financial Statements For the year ended 30 June 2019 (continued)**

#### **14 Subsidiary undertakings (continued)**

Unruly Holdings Limited - Holding company  
Unruly Group Limited - Provision of advertising and other media services  
Unruly Media AB - Provision of advertising and other media services (registered in Sweden)  
Unruly Media AS - Provision of advertising and other media services (registered in Norway)  
Unruly Media GmbH - Provision of advertising and other media services (registered in Germany)  
Unruly Media Sarl - Provision of advertising and other media services (registered in France)  
Unruly Media Pte.Limited - Provision of advertising and other media services (registered in Singapore)  
Unruly Media PTY Limited - Provision of advertising and other media services (registered in Australia)  
Unruly Media KK - Provision of advertising and other media services (registered in Japan)  
UNmedia Video Distribution Sdn. Bhd - Provision of advertising and other media services (registered in Malaysia)  
Wireless Group Limited - Holding company  
Wireless Group Media (GB) Limited - Holding company  
The Wireless Group Holdings Limited - Holding company  
talkSport Limited - Radio broadcaster  
The Wireless Group (ILRS) Limited - Radio broadcaster  
Switchdigital (London) Limited - Local digital multiplex operator (80.5%)  
Switchdigital (Scotland) Limited - Local digital multiplex operator (92.0%)  
Simply Zesty Limited - Provision of digital media services (registered in Republic of Ireland)  
Simply Zesty UK Limited - Provision of digital media services  
The Internet Business Limited - Provision of internet hosting and related services  
Wireless Radio (ROI) Limited - Holding company (registered in Republic of Ireland)  
City Broadcasting Limited - Radio broadcaster (registered in Republic of Ireland)  
Treaty Radio Limited - Radio broadcaster (registered in Republic of Ireland)  
U105 Limited - Radio broadcaster  
The Independent Broadcasting Corporation Limited - Radio broadcaster (registered in Republic of Ireland)  
Capital Radio Productions Limited - Radio broadcaster (registered in Republic of Ireland)  
Radio County Sound Limited - Radio broadcaster (registered in Republic of Ireland)  
Cork Media Enterprise Limited - Radio broadcaster (registered in Republic of Ireland)  
Shawnee Limited - Radio broadcaster (registered in Republic of Ireland)

#### **15 Investments in Associates and Joint Ventures**

News Corp Investments UK & Ireland has no direct associates, all companies are indirect.

**Indirect associates** (Unless stated all companies are registered in England & Wales)

HarperCollins Publishers Middle East Books Trading LLC - Book publishing (registered in United Arab Emirates) (49%)  
Main Street 1035 (Pty) Limited - Provision of digital media services (registered in Australia) (20%)  
First Radio Sales Limited - Radio broadcaster (50%)  
Sound Digital Limited - Radio broadcaster (30%)  
The Digital Radio Group (London) Limited - Radio broadcaster (30.2%)  
Mtag Limited - Provision of information technology service activities (20%)  
Tab Media Limited - Publisher of The Tab (19.49%)  
Ozone Project Limited - Advertising and audience platform (25%)  
Redcoat Events Limited (33.33%)