

Registration number: 01437199

News Corp Investments UK & Ireland

Report and financial statements

for the year ended 1 July 2018



News Corp Investments UK & Ireland

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News Corp Investments UK & Ireland

Strategic Report For the year ended 1 July 2018

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

Principal 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 £25,156,000 (2017- £301,737,000) relates to interest paid to group undertakings of £25,156,000 (2017 - £25,023,000) and an impairment of the investment in its subsidiary undertaking of £Nil (2017 - £276,714,000).

Future developments

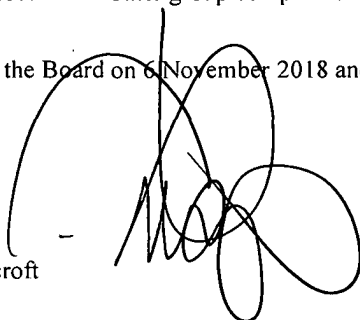
The directors expect the company to continue as an investment holding company for the foreseeable future.

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 6 November 2018 and signed on its behalf by:

C.C.S. Longcroft
Director

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News Corp Investments UK & Ireland

Directors' Report For the year ended 1 July 2018

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

Going concern

News Corporation has committed to provide financial support until at least 31 March 2020 to News Corp Investments UK & Ireland, 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 two collective overdraft facilities, in which News Corp UK & Ireland Limited (the company's subsidiary) has provided multilateral guarantees of up to £20 million in respect of each of these bank overdrafts of subsidiary undertakings. These facilities are ultimately guaranteed by News Corporation.

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

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 £25,156,000 (2017 - £301,737,000).

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

Directors of the company

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

R.M. Brooks

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 1 July 2018

Directors' responsibilities statement

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

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

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

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

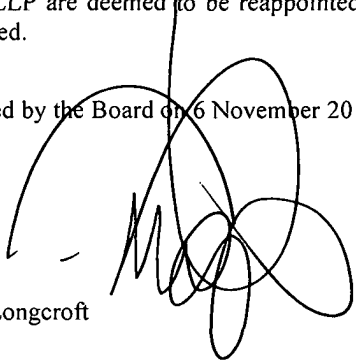
Disclosure of information to the auditor

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

Auditor

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

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



C.C.S. Longcroft
Director

Registered office:
1 London Bridge Street
London
SE1 9GF

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

Opinion

We have audited the financial statements of News Corp Investments UK & Ireland for the year ended 1 July 2018 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes 1 to 14 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 1 July 2018 and of its 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.

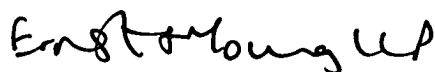
Auditor's responsibilities for the audit of the financial statements

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: 8/11/2018

News Corp Investments UK & Ireland

Profit and Loss Account For the year ended 1 July 2018

	Note	2018 £ 000	2017 £ 000
Impairment of investments	6	-	(276,714)
Operating loss		-	(276,714)
Interest payable and similar expenses	7	(25,156)	(25,023)
Loss before tax		(25,156)	(301,737)
Taxation	8	-	-
Loss for the financial year		<u>(25,156)</u>	<u>(301,737)</u>

The above results were derived from continuing operations.

Statement of Comprehensive Income For the year ended 1 July 2018

	2018 £ 000	2017 £ 000
Loss for the financial year	<u>(25,156)</u>	<u>(301,737)</u>
Total comprehensive income for the year	<u>(25,156)</u>	<u>(301,737)</u>

The notes on pages 9 to 18 form part of these financial statements.

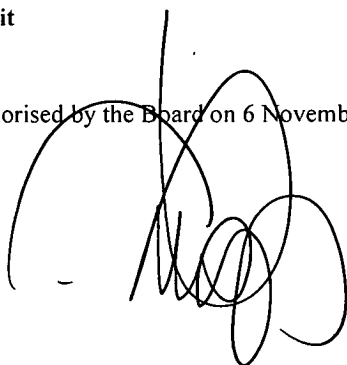
News Corp Investments UK & Ireland
Registered number: 01437199

Balance Sheet as at 1 July 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	9	470,969	470,969
Creditors: Amounts falling due within one year	11	<u>(692,790)</u>	<u>-</u>
Total assets less current liabilities		(221,821)	470,969
Creditors: Amounts falling due after more than one year	11	<u>-</u>	<u>(667,634)</u>
Net liabilities		<u>(221,821)</u>	<u>(196,665)</u>
Capital and reserves			
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>(446,828)</u>	<u>(421,672)</u>
Shareholder deficit		<u>(221,821)</u>	<u>(196,665)</u>

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

C.C.S. Longcroft
 Director



The notes on pages 9 to 18 form part of these financial statements.

News Corp Investments UK & Ireland

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 income for the year	-	-	-	(25,156)	(25,156)
At 1 July 2018	30,997	59,389	134,621	(446,828)	(221,821)

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

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 4 July 2016	30,997	-	134,621	(119,935)	45,683
Loss for the financial year	-	-	-	(301,737)	(301,737)
Total comprehensive income for the year	-	-	-	(301,737)	(301,737)
New share capital issued	-	59,389	-	-	59,389
At 2 July 2017	30,997	59,389	134,621	(421,672)	(196,665)

The notes on pages 9 to 18 form part of these financial statements.

News Corp Investments UK & Ireland

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

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 6 November 2018.

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

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

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

The financial statements are made up to the Sunday closest to the 30 June each year. Consequently, the financial statements for the current period cover 52 weeks ended 1 July 2018 (prior period 52 weeks ended 2 July 2017). The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest £'000.

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 1 July 2018 (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 2020 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 two collective overdraft facilities, in which News Corp UK & Ireland Limited (the company's subsidiary) has provided multilateral guarantees of up to £20 million in respect of each of these bank overdrafts of subsidiary undertakings. These facilities are ultimately guaranteed by News Corporation.

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

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 1 July 2018 (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.

Debtors

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

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 1 July 2018 (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 £Nil was recognised for the year ended 1 July 2018 (2017 - £276,714,000). 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 (2017-£1,754,000).

3 Auditors' remuneration

	2018 £ 000	2017 £ 000
Audit of financial statements	25	25

4 Employees

The company has no employees (2017 - none).

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £ 000	2017 £ 000
Remuneration	4,280	3,923
Value of company pension contributions to money purchase schemes	20	23
	4,300	3,946

News Corp Investments UK & Ireland

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

	2018 No.	2017 No.
Long term incentive plan	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2018 £ 000	2017 £ 000
Remuneration (excluding pension contributions)	<u>2,808</u>	<u>2,669</u>

The directors of the company are also directors of fellow UK subsidiaries. The directors received total remuneration for the year, as shown above, all of which was paid by a fellow News UK group company. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding company or subsidiary companies.

6 Impairment of investments

	2018 £ 000	2017 £ 000
Impairment of investments	<u>-</u>	<u>276,714</u>

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% (2017 - ranged from 12.5% to 31.25%). The long term growth rates used are in the range of 3% to -1% (2017 - range of 3% to -1%). This resulted in an impairment charge of £- (2017 - £276,714,000).

7 Interest payable and similar expenses

	2018 £ 000	2017 £ 000
Interest payable on loans from group undertakings	<u>25,156</u>	<u>25,023</u>

News Corp Investments UK & Ireland

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

8 Taxation

The tax on loss before tax for the period is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.75%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Loss before tax	<u>(25,156)</u>	<u>(301,737)</u>
Corporation tax at standard rate	(4,780)	(59,593)
Expenses not deductible for tax	4,623	55,436
Short term timing differences for which deferred tax not recognised	-	(4,027)
Group relief	<u>157</u>	<u>8,184</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

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 (2017 - £1,754,000) due to the uncertainty over whether these will be deductible when the underlying timing differences reverse.

News Corp Investments UK & Ireland

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

9 Investments

	2018 £ 000	2017 £ 000
Investments in subsidiaries	<u>470,969</u>	<u>470,969</u>
Subsidiaries		£ 000
Cost		
At 3 July 2017 and 1 July 2018		2,351,532
Impairment		
At 3 July 2017 and 1 July 2018		<u>1,880,563</u>
Carrying amount		
At 1 July 2018		<u>470,969</u>
At 2 July 2017		<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.

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% (2017 - ranged from 12.5% to 31.25%). The long term growth rates used are in the range of 3% to -1% (2017 - range of 3% to -1%). This resulted in an impairment charge of £Nil (2017 - £276,714,000).

10 Cash and cash equivalents

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

News Corp Investments UK & Ireland

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

11 Creditors

	2018 £ 000	2017 £ 000
Due within one year		
Amounts owed to group undertakings	<u>692,790</u>	<u>-</u>
Due after one year		
Amounts owed to group undertakings	<u>-</u>	<u>667,634</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 are due for repayment on 26 June 2019 and are 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 are also due for repayment on 26 June 2019 and are subject to interest of 4%. Interest can be paid throughout the term of the loan or on the repayment date.

12 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	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 1 July 2018 (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.

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

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 UK Ireland Recruitment Holdings Limited - Holding company
Admacroft Limited - Finance company
News Property Three Limited - Asset holding company
Newsprinters Limited (formerly known as News Solutions Limited) - Provision of production and related personnel resources
News Printers Assets Limited - Holding company
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
Muse Recruitment Holdings Limited - Holding company
News Collins Limited - Holding and finance company
HarperCollins (UK) - Holding company
HarperCollins Publishers Limited - Book publishing
HarperCollins Publishers (Australia) PTY Limited - Book publishing (registered in Australia)
HarperCollins Publishers (New Zealand) Limited - Book publishing (registered in New Zealand)
HarperCollins Canada Limited - Book publishing (registered in Canada)
HarperCollins Publishers India Pvt - Book publishing (registered in India)
Unruly Holdings Limited - Provision of advertising and other media service
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)
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

News Corp Investments UK & Ireland

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

14 Subsidiary undertakings (continued)

Switchdigital (S&S) Limited - Local digital multiplex operator
Switchdigital (B&H) Limited - Local digital multiplex operator
Switchdigital (London) Limited - Local digital multiplex operator (80.5%)
Switchdigital (Scotland) Limited - Local digital multiplex operator (92.0%)
Wireless Group New Media Limited - Holding company
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)
Anotherway Unlimited Company - Radio broadcaster (registered in Republic of Ireland)
County Media 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)