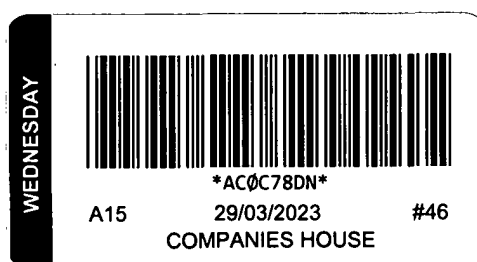


Registration number: 01437199

News Corp Investments UK & Ireland

Report and financial statements

for the year ended 3 July 2022



News Corp Investments UK & Ireland

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News Corp Investments UK & Ireland

Strategic Report For the year ended 3 July 2022

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

Principal activities and business review

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 £25,640,000 (2021- £25,156,000) relates to the interest accrued on amounts due to group undertakings of £25,640,000 (2021- £25,156,000)

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 financial statements of News Group Newspapers Limited and Times Newspapers Limited.

Climate-related issues have been considered in terms of potential for contribution to principal risks and uncertainties. The issues considered include both the risk of physical disruption to the business from climate change, and the risks and opportunities as the global economy transitions to significantly lower carbon emissions. In the current period, it was concluded that climate-related risks did not rise to the level of a principal risk, except as part of Legal and Regulatory compliance.

Future developments

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

Report on compliance with section 172 of Companies Act 2006

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

The board for the News UK Group is situated within News Corp UK & Ireland Limited as this is the highest level trading company within the News UK Group structure.

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

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

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

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

Engagement with and interests of employees

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

News Corp Investments UK & Ireland

Strategic Report For the year ended 3 July 2022

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

Engagement with and interests of employees (continued)

Engaging employees

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

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

Inclusion

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

Health and Wellbeing

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

Board Communication

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

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

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

Suppliers

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

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

News Corp Investments UK & Ireland

Strategic Report For the year ended 3 July 2022

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

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

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

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

Customers

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

Community and Environment

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

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

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

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

Shareholders

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

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

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

News Corp Investments UK & Ireland

Strategic Report For the year ended 3 July 2022

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

Principal decisions of the Board

Realignment of Business Units

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

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

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

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

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

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

Launch of Talk TV

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

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

News Corp Investments UK & Ireland

Strategic Report For the year ended 3 July 2022

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

Principal decisions of the Board (continued)

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

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

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

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

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

Response to Ukraine

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

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

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

Focus on wellbeing services

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

News Corp Investments UK & Ireland

Strategic Report For the year ended 3 July 2022

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

Principal decisions of the Board (continued)

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

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

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

Engagement with Regulators

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

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

Approved by the Board on 16 November 2022 and signed on its behalf by:

PP



E. Humphreys
Director

News Corp Investments UK & Ireland

Directors' Report For the year ended 3 July 2022

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

Results and dividends

The loss for the year, after taxation, amounted to £32,699,000 (2021- £25,156,000).

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

Directors of the company

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

M.C. Gill

R.M. Brooks

C.C.S. Longcroft (resigned 25 July 2022)

The following director was appointed after the period end:

E. Humphreys (appointed 25 July 2022)

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

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

Going concern

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

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

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

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

News Corp Investments UK & Ireland

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

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.

Directors' responsibilities statement

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

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

- select suitable accounting policies in accordance with Section 10 of FRS 102 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

News Corp Investments UK & Ireland

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

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 16 November 2022 and signed on its behalf by:

PP



E. Humphreys
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 (the 'company') for the year ended 3 July 2022 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes 1 to 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 3 July 2022 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. 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 as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We have obtained and evaluated management's going concern assessment of the company covering the period from date of approval of the financial statements to 31 December 2023 ('the review period'). The company is an intermediate holding company within the News Corporation group ('the Group') and is reliant upon support from the Group to continue to adopt the going concern basis of accounting in preparing these financial statements.
- We understood the current debt position of the Company through inspecting a copy of the underlying loan note agreements and documentation supporting the expected repayment date in November 2023;
- We obtained a copy of the letter of support from the company's ultimate parent, News Corporation, confirming News Corporation's commitment to continue to provide necessary financial support from the date of approval of the financial statements to 31 December 2023;
- We obtained Group management's going concern assessment of the Group covering the review period. Assisted by members of the audit team of News Corporation, our audit procedures included understanding and challenging the forecasts prepared by management in respect of the News Corporation group, including reasonably plausible downside scenarios;
- We challenged the assumptions included in each scenario for the cash flow forecasts, including assessing management's historical forecasting accuracy and comparing the assumptions to external market data.
- We considered the appropriateness of the methods used to calculate the cash flow forecasts and covenant calculations, and determined through inspection and testing of the calculations that the methods were appropriate to be able to make a going concern assessment for the Company; and

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

Conclusions relating to going concern (continued)

- We read the Company's going concern disclosures included in the annual report in order to assess whether the disclosures were consistent with the underlying assumptions observed in the going concern assessment and supporting cash flow models, and in conformity with the reporting standards.

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

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

Overview of our audit approach

| | |
|------------------|---|
| Key audit matter | • Assessment of the carrying value of investments |
| Materiality | • Overall materiality of £2.8m which represents 1% of total assets. |

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact the company. The company has determined that there are no future impacts from climate change on its operations as this is borne by News Group Newspapers Limited and Times Newspapers Limited. This is explained on page 1 in the principal risks and uncertainties which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on evaluating management's assessment that there is no impact of climate change risk, the adequacy of the company disclosures in the financial statements and the conclusion that no issues were identified that would impact the carrying values of investments or have any other impact on the financial statements as disclosed on page 19. We also challenged the Directors' considerations of climate change in their assessment of going concern and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

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

| Risk | Our response to the risk | Key observations communicated to the Board of Directors |
|---|---|--|
| <p>Assessment of the carrying value of investments At 3 July 2022, the Company has £277.9 million (2021: £277.9 million) of investments in subsidiaries</p> | <p>We obtained an understanding and evaluated the design of controls over the Company's investment impairment review process.</p> | <p>Based on our audit procedures we consider that management's impairment assessment is appropriate.</p> |
| <p>As more fully described in the accounting policies Note 2 and within Note 9 of the Financial Statements, investments are tested for impairment when indicators of impairment are identified or at least annually.</p> | <p>To test the estimated recoverable amount of the Company's investment, we performed audit procedures that included, among others</p> | <p>We are satisfied with the disclosures in the Annual Report and financial statements.</p> |
| <p>The risk is that the asset's carrying values are not supported by the future cash flows the assets will generate, resulting in an impairment charge that has not been recognised by management.</p> | <ul style="list-style-type: none"> • assessing methodologies and testing the significant assumptions and the underlying data used by the Company in its analysis. | |
| <p>As a result of having identified indicators of impairment, management completed an impairment test of the investment value. Management concluded that the recoverable amount, determined as the value in use, was greater than the carrying value at 3 July 2022 and that no impairment was required to be recorded in the Financial Statements.</p> | <ul style="list-style-type: none"> • comparing the significant assumptions used by management to current industry and economic trends, changes to the Company's business model, customer base or product mix. | |
| <p>Auditing management's impairment test involved auditor judgment due to the estimation required in determining the recoverable amount of the investment. The estimate of the value in use of the investment is determined using a discounted cash flow model to determine the recoverable amount. The estimate of recoverable amount was sensitive to significant assumptions such as the Company's business projections, long term revenue growth rate, and discount rate. Specifically, the Company's growth assumptions can be affected adversely by changes in expectations about future market or economic conditions.</p> | <ul style="list-style-type: none"> • assessing the historical accuracy of management's estimates and performed sensitivity analyses of the significant assumptions to evaluate the changes in the recoverable amount of the Company's investment. <p>We involved valuation specialists, where appropriate, to assist in our evaluation of the Company's analysis, valuation methodology and discount rate assumptions.</p> | |

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

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £2.8 million (2021: £2.8 million), which is 1% (2021: 1%) of total assets. We believe that total assets provides us with the most appropriate basis to set materiality given the principal activity of the company is that of an investment holding company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely £2.1m (2021: £2.1m). We have set materiality at this percentage based upon a combination of risk factors including our expectation of audit adjustments based upon our experience of adjustments in the prior year.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Directors that we would report to them all uncorrected audit differences in excess of £139k (2021: £139k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1-9, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members of 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 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Companies Act 2006 and the relevant direct and indirect tax compliance regulations in the United Kingdom.

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

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

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

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

Use of our report

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

Ernst & Young LLP

Lauren Houghton (Senior statutory auditor)

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

Date: 18/11/2022

News Corp Investments UK & Ireland

Profit and Loss Account For the year ended 3 July 2022

| | Note | 2022 £ 000 | 2021 £ 000 |
|-----------------------------|------|------------------------|------------------------|
| Operating profit/(loss) | | - | - |
| Interest payable | 7 | <u>(25,640)</u> | <u>(25,156)</u> |
| Loss before tax | | (25,640) | (25,156) |
| Taxation | 8 | <u>(7,059)</u> | <u>-</u> |
| Loss for the financial year | | <u><u>(32,699)</u></u> | <u><u>(25,156)</u></u> |

The above results were derived from continuing operations.

Statement of Comprehensive Income For the year ended 3 July 2022

| | 2022 £ 000 | 2021 £ 000 |
|---|------------------------|------------------------|
| Loss for the financial year | <u>(32,699)</u> | <u>(25,156)</u> |
| Total comprehensive loss for the financial year | <u><u>(32,699)</u></u> | <u><u>(25,156)</u></u> |

The notes on pages 19 to 28 form part of these financial statements.

News Corp Investments UK & Ireland
Registered number: 01437199

Balance Sheet as at 3 July 2022

| | Note | 2022 £ 000 | 2021 £ 000 |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Investments | 9 | 277,933 | 277,933 |
| Creditors: Amounts falling due within one year | 11 | <u>(800,958)</u> | <u>(768,259)</u> |
| Total assets less current liabilities | | <u>(523,025)</u> | <u>(490,326)</u> |
| Creditors: Amounts falling due after more than one year | 11 | <u>-</u> | <u>-</u> |
| Net liabilities | | <u><u>(523,025)</u></u> | <u><u>(490,326)</u></u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 30,997 | 30,997 |
| Share premium reserve | | 59,389 | 59,389 |
| Other reserves | 12 | 134,621 | 134,621 |
| Profit and loss account | | <u>(748,032)</u> | <u>(715,333)</u> |
| Shareholder deficit | | <u><u>(523,025)</u></u> | <u><u>(490,326)</u></u> |

Approved and authorised by the Board on 16 November 2022 and signed on its behalf by:

PP



E. Humphreys
 Director

The notes on pages 19 to 28 form part of these financial statements.

News Corp Investments UK & Ireland

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

| | Share capital £ 000 | Share premium £ 000 | Other reserves £ 000 | Profit and loss account £ 000 | Total £ 000 |
|---|------------------------|---------------------------|-------------------------|-------------------------------------|----------------|
| At 28 June 2021 | 30,997 | 59,389 | 134,621 | (715,333) | (490,326) |
| Loss for the financial year | - | - | - | (32,699) | (32,699) |
| Total comprehensive loss for the financial year | - | - | - | (32,699) | (32,699) |
| At 3 July 2022 | 30,997 | 59,389 | 134,621 | (748,032) | (523,025) |

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

| | Share capital £ 000 | Share premium £ 000 | Other reserves £ 000 | Profit and loss account £ 000 | Total £ 000 |
|---|------------------------|---------------------------|-------------------------|-------------------------------------|----------------|
| At 29 June 2020 | 30,997 | 59,389 | 134,621 | (690,177) | (465,170) |
| Loss for the financial year | - | - | - | (25,156) | (25,156) |
| Total comprehensive loss for the financial year | - | - | - | (25,156) | (25,156) |
| At 27 June 2021 | 30,997 | 59,389 | 134,621 | (715,333) | (490,326) |

The notes on pages 19 to 28 form part of these financial statements.

News Corp Investments UK & Ireland

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

1 General information

The company is an private 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 16 November 2022.

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

2 Accounting policies

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

In preparing the financial statements, the Directors considered the impact of the physical and transition risks of climate change and concluded that it does not have a material impact on the carrying values of investments or the recognition and measurement of the assets and liabilities in these financial statements as at 3 July 2022.

News Corp Investments UK & Ireland

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

2 Accounting policies (continued)

Summary of disclosure exemptions

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

The company has taken advantage of the following exemptions:

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

Going concern

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

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

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

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

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 3 July 2022 (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 3 July 2022 (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. No impairment was reported for the year ended 3 July 2022 (2021 - £Nil).

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 £2,579,000 (2021-£1,960,000).

3 Auditor's remuneration

| | 2022 £ 000 | 2021 £ 000 |
|-------------------------------|---------------|---------------|
| Audit of financial statements | 29 | 26 |

Auditor's remuneration is borne by another group undertaking.

4 Employees

The company has no employees (2021 - none).

5 Directors' remuneration

All the Directors are remunerated by other group undertakings. It is considered that the level of their qualifying services to the company is negligible compared to their main roles. There are no management charges from these group undertakings for their services. Consequently they determine that given the level of the services required, that the proportion of their salary relating to their services provided to this company is insignificant. Therefore a £nil apportionment is made (2021: £nil).

News Corp Investments UK & Ireland

Notes to the Financial Statements For the year ended 3 July 2022 (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:

| | 2022 No. | 2021 No. |
|--------------------------|-------------|-------------|
| Long term incentive plan | <u>3</u> | <u>3</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.

The impact of the easing of Covid related restrictions and increasing inflation has impacted market conditions globally. This has led to the impairment review in the context of adversely impacted print advertising and print circulation trends for the business as well as increased costs.

In the year the pre tax discount rate used by the company in its impairment test ranged from 11.1% to 14.2% (2021 - ranged from 12.3% to 13.0%). The long term growth rates used are in the range of 0% to 2.5% (2021 - range of 0% to 2.5%). This resulted in an impairment charge of £Nil (2021 - £Nil).

7 Interest payable

| | 2022 £ 000 | 2021 £ 000 |
|---|---------------|---------------|
| Interest payable on loans from group undertakings | <u>25,640</u> | <u>25,156</u> |

News Corp Investments UK & Ireland

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

8 Taxation

Tax charged/(credited) in the income statement

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Current taxation | | |
| UK corporation tax adjustment to prior periods | <u>7,059</u> | <u>-</u> |

The tax on loss before tax for the period is higher than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

| | 2022 £ 000 | 2021 £ 000 |
|--|-----------------|-----------------|
| Loss before tax | <u>(25,640)</u> | <u>(25,156)</u> |
| Corporation tax at standard rate | (4,872) | (4,780) |
| Expenses not deductible for tax | 4,872 | 4,780 |
| Increase in UK and foreign current tax from adjustment for prior periods | <u>7,059</u> | <u>-</u> |
| Total tax charge | <u>7,059</u> | <u>-</u> |

Factors that may affect future tax charges

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

The company has not recognised a deferred tax asset in respect of certain short term timing differences totalling £2,579,000 (2021 - £1,960,000) due to the uncertainty over whether these will be deductible when the underlying timing differences reverse.

9 Investments

| | 2022 £ 000 | 2021 £ 000 |
|-----------------------------|----------------|----------------|
| Investments in subsidiaries | <u>277,933</u> | <u>277,933</u> |

News Corp Investments UK & Ireland

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

9 Investments (continued)

| | |
|---------------------------------|------------------|
| Subsidiaries | £ 000 |
| Cost | |
| At 28 June 2021 and 3 July 2022 | <u>2,351,532</u> |
| Impairment | |
| At 28 June 2021 and 3 July 2022 | <u>2,073,599</u> |
| Carrying amount | |
| At 27 June 2021 and 3 July 2022 | <u>277,933</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 11.1% to 14.2% (2021 - ranged from 12.3% to 13.0%). The long term growth rates used are in the range of 0% to 2.5% (2021 - range of 0% to 2.5%). This resulted in an impairment charge of £Nil (2021 - £Nil).

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

| | 2022 | 2021 |
|------------------------------------|----------------|----------------|
| | £ 000 | £ 000 |
| Due within one year | | |
| Amounts owed to group undertakings | 793,899 | 768,259 |
| Income tax liability | <u>7,059</u> | <u>-</u> |
| | <u>800,958</u> | <u>768,259</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.

News Corp Investments UK & Ireland

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

11 Creditors (continued)

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.

The company's loan notes, totalling £622,000,000 were admitted to the Official List of The International Stock Exchange (Guernsey) on 27 March 2017. The loan notes have not been actively traded in the period since this date, nor are they available to be actively traded.

On 26 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 28 June 2021. On 21 June 2021 repayment of the loan notes amounting to £500,000,000, £98,838,000, £23,162,000 and accrued interest were all extended until 28 June 2022.

On 21 June 2022 repayment on all the loan notes and accrued interest were further extended to be repaid on 30 September 2022. Post year end the repayment date was further extended to be repaid on 30 November 2023. Interest continues to be charged at 4%.

12 Share capital and reserves

Allotted, called up and fully paid shares

| | 2022 | | 2021 | |
|-------------------------------|----------------------|---------------|----------------------|----------------------|
| | 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> |
| | | | | |
| | | | 2022 | 2021 |
| | | | £ | £ |
| Other reserves | | | <u>(134,620,619)</u> | <u>(134,620,619)</u> |

Other reserves relates to unrealised profits on the internal disposal of group investments.

13 Parent and ultimate parent undertaking

The company's immediate parent company is NC UK 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 3 July 2022 (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 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 - 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 3 July 2022 (continued)

14 Subsidiary undertakings (continued)

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)
News Live Limited - Provider of events and festivals
News UK Broadcasting Limited - TV broadcaster

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%)
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%)
Ozone Project Limited - Advertising and audience platform (25%)
Octave IP Limited (50%)