

Registration number: 01437199

News Corp Investments UK & Ireland

Report and financial statements

for the year ended 2 July 2023



News Corp Investments UK & Ireland

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News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023

The directors present their Strategic Report and the financial statements of the company for the year ended 2 July 2023.

Principal activity

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 (2022- £25,640,000) relates to the interest accrued on amounts due to group undertakings of £25,156,000 (2022 - £25,640,000)

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 financial statements of News Group Newspapers Limited and Times Media 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.

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

During Financial Year 2023, 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.

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

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

Engagement with and interests of employees

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

Engaging employees

Annually, News UK & Ireland Limited ("News UK") runs an employee engagement survey across the News UK Group to enable it to better understand its colleagues' views on what it is like to work for the company. The results are shared with the Board and business leaders and result in a series of departmental plans being drawn up with the objective of continuing to improve engagement across the business. For the survey conducted in this period we saw improvements in overall completion rate and across the core questions driving overall colleague engagement. 'This company builds teams that are diverse' saw the greatest improvement score year-on-year, along with 'alignment & involvement'.

In addition, News UK also encourages potential, current and outgoing employees of the News UK Group to complete experience surveys to ensure that colleagues' 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), onboarding surveys, as well as 360 degree and team effectiveness surveys. News UK also invites colleagues to take part in an exit interview prior to leaving the company both in person and via a survey.

Equity, Diversity and Inclusion

The Board is proud to be building an inclusive business which is a welcoming place for all colleagues to work. Our diversity strategy remains clear as do our targets on representation - 50:50 on gender and 20% on minority ethnic employment. We have 11 well established employee networks which run across the business including News for Parent & Carers; GenZ; Christian Fellowship; Disability Network and many more. A now-well established internship and apprenticeship scheme is in place with a focus on bringing in and developing diverse talent, along with a number of work experience programmes. We launched Britain's first-ever forum and conference aimed at improving representation of disabled staff in newsrooms across the UK and alongside this we invested in accessibility programmes to support our current colleagues and those of the future. We have fostered a number of successful outreach programmes partnering with a range of well-respected organisations including Brixton Finishing School and the Raheem Sterling Foundation. We have also created a number of internally designed and delivered programmes including an Executive Sponsorship scheme and mentoring & coaching programmes.

Health and Wellbeing

The Board considers that wellbeing is the foundation stone 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 all round wellbeing.

The Board continues to support, organise and promote talks, competitions and activities, designed to help employees with their wellbeing, and to help employees to help others.

A broad and varied range of support services are available to colleagues including gym membership, health assessment, private medical & mental health support services (via AXA) and an expert in-house occupational health team. Alongside these we have trained a number of colleagues as Mental Health Practitioners and have a very established and engaged network of Mental Health First Aiders. We are proud to have Executive/Board sponsors for each strand of our wellbeing strategy and they help engage and inform our colleagues of all the support and resources available to them as well as encourage them to speak up if they need support and share new thinking, ideas and inspiration. A number of free-to-all tools including Headspace, Peppy and EAP are all easily accessible via our benefits portal for ease of use.

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

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

Engagement with and interests of employees (continued)

Board Communication

The Board is active in communicating its messages to its employees across a range of formats, from in-person events to bi-annual all hands virtual strategic briefings. Each division holds regular Town Hall events to provide strategic updates, celebrate success and share information from other parts of the business. The Board also shares information directly to staff via email, the intranet and the regular News UK email newsletter, News United. Weekly virtual 'Huddle' events, often hosted by Board members, also provide ways for the company to come together to hear about a range of topics related to the business.

During the period the Board has updated colleagues on the News UK and News Corp approach to Generative AI. Updates have also covered: the detention of Evan Gershkovich; cyber security; compliance; realignment of business units; strategic priorities; the importance of journalism in Ukraine; several new HR and employee benefits initiatives; charity projects and fundraising; Gender Pay Gap reporting; and EDI strategy updates.

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 for the benefit of the News UK Group.

The Board recognises the integral role that 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 seek to ensure that the News UK Group only engages with third parties that comply with all applicable laws and regulations, and that meet News UK's standards for ethical conduct. It also helps to ensure that the News UK Group's third party database is proportionate to its size and product portfolio.

All third parties must be onboarded via 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 the 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, digital traffic and digital subscriptions) and the businesses' engagement with customers, content themes and improvements to overall customer experience. The Board has also received progress reports on customer service performance updates and on 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.

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

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)

Community and Environment

The News UK Group is committed to minimising the impact of its activities on the environment and our sustainability strategy is aligned with the three key News Corp sustainability pillars of 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 continued to build on the partnership with the Marine Conservation Society throughout FY23, carrying out four beach cleans across the country and collecting over 33 kg of marine litter.

The Board regularly hosts internal Huddle events, streamed to all staff, covering sustainability issues. In FY23, we held a week of events to mark Earth Day, which included a Huddle with musician-turned-campaigner Feargal Sharkey, talking about The Times' Clean It Up campaign, and a waste awareness event with our waste partner at The News Building, Recorra. These events are designed to increase engagement with sustainability and to embed a sustainability culture within the organisation.

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 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; 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 updates and Corporate Audit updates.

Principal decisions of the Board

Realignment of Business

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 its Broadcasting brands will each run as separate business units, with an executive having responsibility for each to manage all of the revenue and cost levers, giving them a more targeted focus and greater control.

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

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

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

Principal decisions of the Board (continued)

Realignment of Business (continued)

The Board reminded employees that its brands' readers, listeners and viewers must always be at the heart of everything 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 and technology-powered business, the realignment would assist News UK to continue to build audiences and offer ever greater value to its clients.

The realignment continued to take effect during the Financial Year 2023 and is now complete.

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 and current affairs programming.

The Board has been instrumental in shaping how Talk TV operates and has made it clear to all stakeholders that the investment in TV and video infrastructure is key to News UK's digital growth ambitions. 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.

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.

Talk TV has been broadcast fully from The News Building since April 2023, from state-of-the-art studio and gallery facilities, bringing production resources and staff under one roof. There has continued to be a growth in audience - as a channel, TalkTV has over one billion total digital views across all platforms since launch, and averages one million views a day of TalkTV content. The schedule continues to evolve around a presenter roster which includes Piers Morgan, Vanessa Feltz, Jeremy Kyle, Nicola Thorp, Mike Graham and Julia Hartley-Brewer.

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, online in various formats and through streaming platforms. Another example of this has been the growth of thesun.com in the US, a launch which has grown in short order to be the fastest growing new news website in the US.

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.

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

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

Principal decisions of the Board (continued)

Launch of Talk TV (continued)

The Board is confident that it is building infrastructure for the delivery of news and views (from showbiz and sport to politics and business) via streamed and online video that will benefit the whole of its business. 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 continued 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 brilliant maps and charts, showing the Russian advance – telling the world the truth about what's happening. Times Radio and TalkRADIO are brilliantly covering every angle of this rapidly evolving situation, with contributions from newspaper reporters to our live radio reporting and podcasts. Amongst much industry recognition, The Sun's Defence Editor, Jerome Starkey won News Reporter of the Year at the Press Awards and Multimedia Journalist of the Year at the London Press Awards, having reported from the frontline in Ukraine since the invasion by Russia.

News UK and its brands have also continued to stand by imprisoned Wall Street Journal reporter Evan Gershkovich. Our brands have used key moments including the 100th day of his captivity to focus audience attention, and The Times and Times Radio recognise his continued detention on a daily basis.

The Board communicates this fantastic work to employees on an on-going basis 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.

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.

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

Non-financial and sustainability information statement: Climate-related financial disclosures

Climate-related Financial Disclosures (CFD)

The company (referred to as “News UK” in this NFSI Statement) is required under sections 414C, 414CA and 414CB of the Companies Act 2006 (as amended by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the “CFD Regulations”)) to provide this Non-Financial and Sustainability Information Statement (the “NFSI Statement”). This NFSI Statement is for the financial year ended 2 July 2023 (“FY 2023”).

News UK is a parent company of certain United Kingdom (“UK”) and non-UK entities (together, the “News UK Group”), but has no physical operations or employees.

This is the first NFSI Statement prepared by News UK under the CFD Regulations, taking into account the UK Government’s Guidance on mandatory climate-related financial disclosures. For purposes of this first NFSI Statement, News UK has not utilised its discretion to omit certain climate-related financial disclosures in accordance with section 414CB(4A) of the Companies Act 2006.

Governance

(Section 414CB(2A)(a) of the Companies Act 2006)

The directors of News UK have considered that the climate-related risks and opportunities of News UK are integrated with those of our parent company, News Corporation (“News Corp” or the “Group”), and that any climate-related impact on News UK itself would originate in the operating businesses of the News UK Group. News UK’s directors have considered climate change in relation to potential changes in the carrying value of News UK’s assets, including its investments in subsidiaries and amounts due from News UK Group undertakings, which would be driven by factors arising in the wider Group. The assessment of carrying values is carried out at least annually, or when a triggering event occurs. No impairment charge has resulted to date.

News Corp is primarily responsible for governance related to these matters for the Group’s global operations, including the News UK Group. As News Corp (including the News UK Group) strives to educate, enlighten and entertain people around the world, News Corp believes in helping to protect the environment. The News Corp Board’s oversight of environmental, social and governance (“ESG”) matters informs their oversight of News Corp’s strategy (including the strategy for the News UK Group), which is typically discussed at every regular News Corp Board meeting and as part of the annual review of News Corp’s long-term strategic plan.

To facilitate a comprehensive review of News Corp’s ESG priorities, in 2022 News Corp undertook to identify and validate those ESG topic areas that News Corp believes are most relevant to its business and stakeholders, taking into account guidance and feedback from News Corp’s leadership, subject matter experts, employees, regulators and investors. This exercise informed the focus areas highlighted in News Corp’s ESG Report. Transparency and accountability are essential components of News Corp’s ESG goals, and News Corp expects to continue to report on its most relevant focus areas annually.

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

Climate-related Financial Disclosures (CFD) (continued)

Governance (continued)

News Corp's relevant Governance Practices:

- Oversight of climate matters by News Corp's Board and its committees, which report to News Corp's Board on such matters regularly.
- Centralised management of climate issues through News Corp's cross functional ESG Steering Committee, comprising senior leadership, and ESG Governance Committee, comprising subject matter experts in News Corp's climate areas of focus.
- News Corp's Global Director of ESG Initiatives with responsibility for providing holistic and comprehensive oversight of News Corp's ESG initiatives; reports to News Corp's Chief Human Resources Officer, who in turn reports to News Corp's Chief Executive.
- Publication of News Corp's annual ESG report, including GRI, SASB and TCFD indices, since 2021, providing ongoing transparency and accountability.

Global Environmental Initiative

News Corp's Global Environmental Initiative ("GEI"), the Group's corporate-wide sustainability program, has been in place since News Corp's inception as a public company in 2013.

News Corp's Global Head of Sustainability oversees a committee of leaders from each of News Corp's businesses, including the Head of Energy & Sustainability at News UK. This committee is responsible for driving the program, setting business unit goals and strategies, managing local program implementation (including in the UK) and overseeing policies in support of News Corp's environmental goals, including in the areas of climate change, waste reduction and responsible sourcing of materials. The goals and time frames for each business unit are designed to align with News Corp's overall sustainability goals. News Corp's corporate and local GEI teams (including in the UK) communicate regularly with senior executives across News Corp about energy, carbon and waste reduction projects and other aspects of News Corp's environmental sustainability efforts, as well as the businesses' progress toward sustainability goals, via regular summary reports, video conferences and other meetings. Additionally, the GEI team and all "Green Team" leaders (including representatives from the News UK Group) conduct regular meetings to discuss strategy, share successes and challenges and invite external experts to share perspectives.

The Nominating and Corporate Governance Committee of the News Corp Board typically receives reports on News Corp's environmental sustainability programs, goals and progress at least annually as part of its oversight of ESG matters.

Risk management

(Sections 414CB(2A)(b) and 414CB(2A)(c) of the Companies Act 2006)

News Corp's Board of Directors oversees the identification, assessment and management of risks and opportunities for its global operations. News Corp's Board does not view risk in isolation and instead considers risks in making significant business decisions and as part of News Corp's overall business strategy for its global operations. News Corp's Board and its committees regularly receive and discuss periodic updates from News Corp's Chief Executive, Chief Financial Officer, General Counsel and other members of senior management regarding significant risks to News Corp and its global operations (including the News UK Group). These discussions include plans to address these risks.

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

Climate-related Financial Disclosures (CFD) (continued)

Risk management (continued)

To assist News Corp's Board in its oversight of critical risks, News Corp also undertakes a risk assessment process culminating in semi-annual reports to News Corp's Audit Committee and Board. News Corp's Corporate Audit Department regularly monitors the risk profile of the Group and works with management at News Corp's headquarters and the business units to conduct a risk assessment survey based on inputs from hundreds of employees throughout News Corp's businesses (including from the News UK Group) to identify, review and update an assessment of short-, intermediate- and long-term risks that the Group faces, in light of strategic priorities and industry and emerging trends.

As part of this process, News UK, like each of the Group's other primary business units, holds executive endorsement meetings focused on risk twice a year. At these meetings, News UK's senior management discusses a heat map that identifies the key risks to News UK, their probability and impact, risk ownership and key risk insights. These exercises inform the preparation of a risk-based audit plan and are consolidated into a Group-wide key risk heat map that informs the Group-wide risk-based audit plan, which are reviewed twice a year by News Corp's Audit Committee.

News UK's Board receives updates in respect of risk and risk management activities twice annually in the News UK & Ireland Board meeting in addition to ongoing management forums.

Strategy

(Sections 414CB(2A)(d), 414CB(2A)(e) and 414CB(2A)(f) of the Companies Act 2006)

The principal climate-related risks and opportunities of News UK identified in FY 2023, and its current arrangements for managing them, are summarily described further below.

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

Risk / opportunity	Description	Potential financial impact	Proposed response
Increase in competition for manufacturing capacity, materials and distribution	There has been a global rise in competition for print manufacturing capacity, raw materials and distribution, driving up cost of sales.	Inflated cost of sales for 'greener'/more sustainable options.	<p>Seek opportunities to enter in agreements with suppliers for fixed pricing.</p> <p>Assess any opportunities to increase efficiency in production.</p>
Transition to net zero and carbon pricing	UK and international net carbon commitments will likely result in the acceleration and implementation of carbon pricing mechanisms including emission caps with offsetting requirements and carbon taxes.	<p>Increased direct costs associated with News UK's emission footprint and indirect costs through News UK's suppliers passing on carbon costs.</p> <p>Increased capital expenditure for new technologies/low carbon materials.</p>	<p>Monitor carbon prices and consider adjustment to product pricing.</p> <p>Consider becoming more digitalised to reduce focus on print and therefore lower carbon emissions.</p>
Increasing energy efficiencies	Opportunity to develop innovative and more efficient ways to make and deliver content.	Lost opportunities for cost savings.	Implement energy efficient solutions in buildings, warehouses etc.
Depletion of natural resources	Risk that this will affect the production run use of electricity and materials.	Depletion of natural resources is likely to result in higher electricity and material prices. Using other resources could also be more expensive.	To help mitigate this, News UK's utility usage is monitored through site metering and Energy Savings Opportunity Scheme (ESOS) reports undertaken by an appointed expert. All utilities usage and waste is meant to be recorded on the site tracker. Duty of care visits are to be carried out at disposal/reprocessing sites and where possible, suppliers are asked to recycle.

No specific timeline has been set for the risks and opportunities above as they all arise from external factors. The proposed responses are based on the current landscape and may continue to develop and change over time, with developments in regulations, technology and best practices.

News Corp Investments UK & Ireland

Strategic Report for the year ended 2 July 2023 (continued)

Climate-related Financial Disclosures (CFD) (continued)

Strategy (continued)

Subject to the pace at which the risks and opportunities set forth above materialise, they may be material. Management has taken, and continues to take, steps to mitigate the risks set forth above such that the expected impact upon the carrying value of the investments held by News UK is not material. Changes from climate related matters have been factored into management's forecast estimates where appropriate.

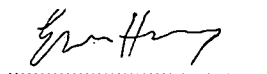
News UK's directors do not consider that it is necessary for an understanding of News UK's business to include here a description of the actual or potential impacts on the business model and strategy or their resilience under different climate-related scenarios as required by the climate-related financial disclosures due to the directors' reasonable belief that these will not have a significant impact on News UK's assets or operations.

Targets and KPIs

(Sections 414CB(2A)(g) and 414CB(2A)(h) of the Companies Act 2006)

News UK's directors do not consider that it is necessary for an understanding of News UK's business to include here a description of the targets or key performance indicators used as required by the climate-related financial disclosures due to the directors' reasonable belief that these will not have a significant impact on News UK's assets or operations.

Approved and authorised by the Board on 25 January 2024 and signed on its behalf by:



.....
E. Humphreys
Director

News Corp Investments UK & Ireland

Directors' Report for the year ended 2 July 2023

The directors present their report and the financial statements of the company for the year ended 2 July 2023.

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)

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 2nd July 2023 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 directors have considered the financial position and trading activities of the company, including forecasts, for the going concern assessment period to 31 January 2025 (the 'assessment period'). Given the utilisation of, and access to, the group facility indicated above, the ultimate parent undertaking, News Corporation (the 'Parent company') has provided a support letter indicating that they will continue to provide the financial support to enable the company to meet its liabilities as and when they fall due for the assessment period.

The Parent Company will continue to review group and company liquidity needs in light of the business and financial impacts it may face in light of economic factors such as higher rates of interest and inflation and any mitigating actions which may be required. The parent company also has available borrowing capacity under its undrawn \$750 million revolving credit facility.

After making due enquiries and considering the forecasts of the News UK group, incorporating the impact of global macroeconomic inflationary pressures, the general challenging market environment, access to funds through the group facility and the Parent Company support, the directors have a reasonable expectation that the Company has adequate resources to continue in operation and meet its liabilities as they fall due for the going concern assessment period to 31 January 2025. These considerations include the company, as well as the wider News Corp. group. Accordingly, the financial statements are prepared on the going concern basis.

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 for the year ended 2 July 2023 (continued)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 United Kingdom 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

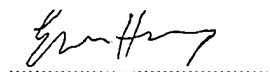
News Corp Investments UK & Ireland

Directors' Report for the year ended 2 July 2023 (continued)

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 and authorised by the Board on 25 January 2024 and signed on its behalf by:



E. Humphreys
Director

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 2 July 2023, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 Financial Reporting Standard 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 state of the company's affairs as at 2 July 2023 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 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, 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.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

- 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 January 2025 ('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 2024;
- 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 January 2025;
- 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
- 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.

Our key observations

We agreed with the Directors' conclusion that the company is reliant upon the support of its ultimate parent, News Corporation and they have a reasonable basis for relying on that support.

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 January 2025.

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. |

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

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

Stakeholders are increasingly interested in how climate change will impact the company. The company has determined that the most significant future impacts from climate change are on the operations of its subsidiaries and are disclosed on pages 7-11 in the required Task Force for Climate related Financial Disclosures and on page 1 in the principal risks and uncertainties. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited 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, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the company's business and any consequential material impact on its financial statements.

The company has explained in the basis of preparation how they have reflected the impact of climate change in their financial statements and that the identified risks will not have a significant impact on the company's assets, liabilities or operations.

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 26. We also challenged the Directors' considerations of climate change in their assessment of going concern and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

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 2 July 2023, the Company has £277.9 million (2022: £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 8 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 2 July 2023 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. 	

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>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>	

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 (2022: £2.8 million), which is 1% (2022: 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% (2022: 75%) of our planning materiality, namely £2.1m (2022: £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.

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

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 (2022: £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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, 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 13, 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.

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

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 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 entity and management.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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" and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal matters and compliance. We corroborated these enquiries through our review of policies and 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 inquiry of 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 to 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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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: *30 January 2024*

News Corp Investments UK & Ireland

Profit and Loss Account for the year ended 2 July 2023

	Note	2023 £ 000	2022 £ 000
Operating profit/(loss)		-	-
Interest payable and similar expenses	6	<u>(25,156)</u>	<u>(25,640)</u>
Loss before tax		(25,156)	(25,640)
Tax on loss	7	<u>-</u>	<u>(7,059)</u>
Loss for the financial year		<u><u>(25,156)</u></u>	<u><u>(32,699)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Statement of Comprehensive Income for the year ended 2 July 2023


	2023 £ 000	2022 £ 000
Loss for the financial year	<u>(25,156)</u>	<u>(32,699)</u>
Total comprehensive income for the financial year	<u><u>(25,156)</u></u>	<u><u>(32,699)</u></u>

News Corp Investments UK & Ireland

(Registration number: 01437199)
Balance Sheet as at 2 July 2023

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Investments	8	277,933	277,933
Creditors: Amounts falling due within one year	10	<u>(826,114)</u>	<u>(800,958)</u>
Net liabilities		<u>(548,181)</u>	<u>(523,025)</u>
Capital and reserves			
Called up share capital		30,997	30,997
Share premium reserve	12	59,389	59,389
Other reserves	12	134,621	134,621
Retained earnings	12	<u>(773,188)</u>	<u>(748,032)</u>
Shareholders' deficit		<u>(548,181)</u>	<u>(523,025)</u>

Approved and authorised by the Board on 25 January 2024 and signed on its behalf by:



E. Humphreys
 Director

News Corp Investments UK & Ireland

Statement of Changes in Equity for the year ended 2 July 2023

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 4 July 2022	30,997	59,389	134,621	(748,032)	(523,025)
Loss for the financial year	-	-	-	(25,156)	(25,156)
Total comprehensive loss for the financial year	-	-	-	(25,156)	(25,156)
At 2 July 2023	30,997	59,389	134,621	(773,188)	(548,181)

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

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Retained earnings £ 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)

The notes on pages 26 to 35 form an integral part of these financial statements.
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News Corp Investments UK & Ireland

Notes to the Financial Statements for the year ended 2 July 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

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 25 January 2024.

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 United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown 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 2 July 2023 (prior period 53 weeks ended 3 July 2022). The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to 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 2 July 2023.

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);

News Corp Investments UK & Ireland

Notes to the Financial Statements for the year ended 2 July 2023 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

- (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

The company is in a net current liability position as at 2nd July 2023 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 directors have considered the financial position and trading activities of the company, including forecasts, for the going concern assessment period to 31 January 2025 (the 'assessment period'). Given the utilisation of, and access to, the group facility indicated above, the ultimate parent undertaking, News Corporation (the 'Parent company') has provided a support letter indicating that they will continue to provide the financial support to enable the company to meet its liabilities as and when they fall due for the assessment period.

The Parent Company will continue to review group and company liquidity needs in light of the business and financial impacts it may face in light of economic factors such as higher rates of interest and inflation and any mitigating actions which may be required. The parent company also has available borrowing capacity under its undrawn \$750 million revolving credit facility.

After making due enquiries and considering the forecasts of the News UK group, incorporating the impact of global macroeconomic inflationary pressures, , the general challenging market environment, access to funds through the group facility and the Parent Company support, the directors have a reasonable expectation that the Company has adequate resources to continue in operation and meet its liabilities as they fall due for the going concern assessment period to 31 January 2025. These considerations include the company, as well as the wider News Corp. group. Accordingly, the financial statements are prepared on the going concern basis.

Group accounts not prepared

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 receivable

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 2 July 2023 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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

Investments in subsidiaries are recorded at costs 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 and cash equivalents comprise cash on hand and call deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors

Short term creditors are recognised 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 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

News Corp Investments UK & Ireland

Notes to the Financial Statements for the year ended 2 July 2023 (continued)

2 Accounting policies (continued)

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 preceeding year.

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 2 July 2023 (2022 - £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 (2022 - £2,579,000)

3 Auditor's remuneration

	2023 £ 000	2022 £ 000
Audit of the financial statements	<u>35</u>	<u>29</u>

Auditor's remuneration is borne by another group undertaking.

4 Staff costs

The company has no employees (2023 - 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 2 July 2023 (continued)

5 Directors' remuneration (continued)

During the period the number of directors who were receiving benefits and share incentives was as follows:

	2023 No.	2022 No.
Received or were entitled to receive shares under long term incentive schemes	<u>3</u>	<u>3</u>

6 Interest payable

	2023 £ 000	2022 £ 000
Interest payable on loans from group undertakings	<u>25,156</u>	<u>25,640</u>

7 Taxation

Tax charged/(credited) in the profit and loss account

	2023 £ 000	2022 £ 000
Current taxation		
UK corporation tax adjustment to prior periods	<u>-</u>	<u>7,059</u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 20.5% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
Loss before tax	<u>(25,156)</u>	<u>(25,640)</u>
Corporation tax at standard rate	(5,156)	(4,872)
Effect of expense not deductible in determining taxable profit (tax loss)	5,156	4,872
Increase in UK and foreign current tax from adjustment for prior periods	<u>-</u>	<u>7,059</u>
Total tax charge	<u>-</u>	<u>7,059</u>

The company has not recognised a deferred tax asset in respect of certain short term timing differences totalling £2,579,000 (2022 - £2,579,000) due to the uncertainty over whether these will be deductible when the underlying timing differences reverse.

The UK Corporation Tax rate increased mid-year from 19% to 25%. This was following an announcement of the rate increase in the March 2021 budget which received Royal Assent on 10 June 2021. The rate used in the financial statements is a blended rate consisting of 19% for the year to 31 March 2023 and 25% from 1 April onwards. This leads to a composite rate of 20.5% for the full year.

News Corp Investments UK & Ireland

Notes to the Financial Statements for the year ended 2 July 2023 (continued)

8 Investments

	2023 £ 000	2022 £ 000
Investments in subsidiaries	<u>277,933</u>	<u>277,933</u>
Subsidiaries		£ 000
Cost		
At 4 July 2022 and at 2 July 2023		2,351,532
Provision		
At 4 July 2022 and at 2 July 2023		<u>2,073,599</u>
Carrying amount		
At 2 July 2023		<u>277,933</u>
At 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% (2022 - ranged from 11.1% to 14.2%). The long term growth rates used are in the range of 0% to 2.5% (2022 range of 0% to 2.5%). This resulted in an impairment charge of £nil (2022 - £nil).

9 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.

News Corp Investments UK & Ireland

Notes to the Financial Statements for the year ended 2 July 2023 (continued)

10 Creditors

	2023 £ 000	2022 £ 000
Due within one year		
Amounts due to related parties	819,055	793,899
Income tax liability	7,059	7,059
	<u>826,114</u>	<u>800,958</u>

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

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

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 to 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 with a subsequent further extension in November 2022 for the repayment date to be 30 November 2023.

Post year end the repayment date was extended to be repaid on 30 November 2024. Interest continues to be charged at 4%.

11 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.01 each	<u>3,099,745</u>	<u>30,997</u>	<u>3,099,745</u>	<u>30,997</u>

News Corp Investments UK & Ireland

Notes to the Financial Statements for the year ended 2 July 2023 (continued)

12 Reserves

	2023 £ 000	2022 £ 000
Other reserves	<u>(134,621)</u>	<u>(134,621)</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 smallest and largest group in which the results of the company are consolidated is that headed by News Corporation, whose principal place of business is at 1211 Avenue of the Americas, New York, NY 10036. The consolidated financial statements are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF.

14 Subsidiary undertakings

News Corp Holdings UK & Ireland is the only direct shareholding of News Corp Investments UK & Ireland (see note 8). 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 Media 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)

News Corp Investments UK & Ireland

Notes to the Financial Statements for the year ended 2 July 2023 (continued)

14 Subsidiary undertakings (continued)

- 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)
- Wireless Group Limited - Holding company
- Wireless Group Media (GB) Limited - Holding company
- The Wireless Group Holdings Limited - Holding company
- talkSport Limited - Radio broadcaster
- William Collins Holdings Limited - Holding company
- 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 Corp Investments UK & Ireland

Notes to the Financial Statements for the year ended 2 July 2023 (continued)

14 Subsidiary undertakings (continued)

- News UK Broadcasting Limited - TV broadcaster
- Farshore Books Limited - Book publishing

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%)