

**Registered number: 2271425**

## **News Promotions Limited**

**Report and financial statements**

**for the year ended 3 July 2016**



## **News Promotions Limited**

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## **News Promotions Limited**

### **Directors' report For the year ended 3 July 2016**

The directors present their report and the financial statements for the year ended 3 July 2016.

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

The principal activity of the company is the organisation of promotions on behalf of other companies in the News Corp Investments UK & Ireland group ("News UK" group).

A strategic report and a business review have not been completed for the company because it is entitled to claim the exemption from doing so under Sections 414B and 415A of the Companies Act 2006.

#### **Principal risks and uncertainties facing the business**

A summary of the principal risks and uncertainties facing the company has not been completed because it is entitled to claim the exemption from preparing the strategic report under Section 414B of the Companies Act 2006.

#### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £106,000 (2015 - £132,000).

The directors do not recommend a dividend (2015 - £Nil).

#### **Directors**

The directors who served during the year were:

D. Dinsmore (appointed 14 September 2015)

C. C. S. Longcroft

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.

#### **Directors' indemnity provisions**

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; any liability of the director to pay a fine imposed by criminal proceedings; any liability incurred by 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 Promotions Limited**

### **Directors' report (continued) For the year ended 3 July 2016**

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 for the company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **Disclosure of information to auditor**

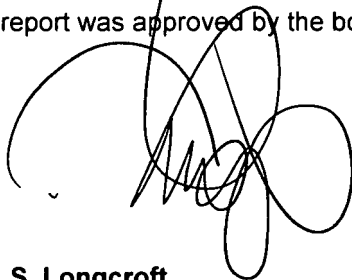
Each of the persons who is director at the time when this Directors' report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **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.

This report was approved by the board and signed on its behalf by:



**C. C. S. Longcroft**  
Director

Date: **25 OCT 2016**

Registered office:  
1 London Bridge Street,  
London  
SE1 9GF

## **Independent auditor's report to the members of News Promotions Limited**

We have audited the financial statements of News Promotions Limited for the year ended 3 July 2016 which comprise the Profit and loss Account, the Balance sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

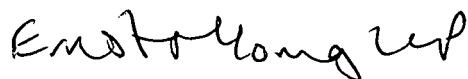
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those accounts.

## Independent auditor's report to the members of News Promotions Limited (continued)

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

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

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report and take advantage of the small companies' exemption in preparing the Directors' report.



Neil Cullum (Senior statutory auditor)

for and on behalf of  
**Ernst & Young LLP**  
Statutory Auditor  
London

Date: 27/01/2016

## News Promotions Limited

### Profit and loss account For the year ended 3 July 2016

	Note	2016 £000	2015 £000
Turnover	3	4,582	1,729
Cost of sales		(4,476)	(1,597)
<b>Profit on ordinary activities before taxation</b>		<b>106</b>	<b>132</b>
Tax on profit on ordinary activities	7	-	-
<b>Profit for the financial year</b>		<b>106</b>	<b>132</b>

### Statement of comprehensive income For the year ended 3 July 2016

	2016 £000	2015 £000
Profit for the financial year	106	132
<b>Total comprehensive income for the year</b>	<b>106</b>	<b>132</b>

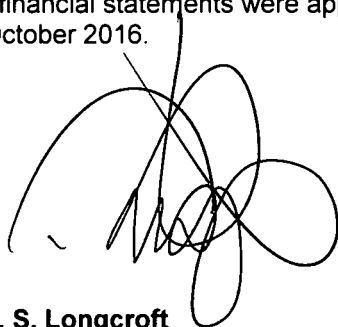
The notes on pages 8 to 14 form part of these financial statements.

**News Promotions Limited**  
**Registered number:2271425**

**Balance sheet**  
**As at 3 July 2016**

	Note	2016 £000	2015 £000
<b>Current assets</b>			
Debtors	8	918	1,766
Cash at bank and in hand	9	246	-
		<u>1,164</u>	<u>1,766</u>
Creditors: amounts falling due within one year	10	(718)	(1,426)
<b>Net current assets</b>		<u>446</u>	<u>340</u>
<b>Total assets less current liabilities</b>		<u>446</u>	<u>340</u>
<b>Net assets</b>		<u>446</u>	<u>340</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account		<u>446</u>	<u>340</u>
		<u>446</u>	<u>340</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 October 2016.



**C. C. S. Longcroft**  
Director

The notes on pages 8 to 14 form part of these financial statements.



## News Promotions Limited

### Statement of changes in equity For the year ended 3 July 2016

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 29 June 2015	-	340	340
Profit for the financial year	-	106	106
<b>Total comprehensive income for the year</b>	-	106	106
<b>At 3 July 2016</b>	-	446	446

### Statement of changes in equity For the year ended 28 June 2015

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 30 June 2014	-	208	208
Profit for the financial year	-	132	132
<b>Total comprehensive income for the year</b>	-	132	132
<b>At 28 June 2015</b>	-	340	340

The notes on pages 8 to 14 form part of these financial statements.

## **News Promotions Limited**

### **Notes to the financial statements For the year ended 3 July 2016**

#### **1. Accounting policies**

##### **1.1 General information**

News Promotions Limited is a limited liability company incorporated in the United Kingdom under the Companies Act. The address of the registered office is 1 London Bridge Street, London, SE1 9GF. The nature of the company's operations and its principal activities are set out in the Directors' report on page 1.

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

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

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

The financial statements of News Promotions Limited were approved for issue by the Board of Directors on 25 October 2016. 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's 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 in note 2.

The financial statements are made up to the Sunday closest to 30 June each year. Consequently, the financial statements for the current period cover 53 weeks ended 3 July 2016. The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest £'000.

The company transitioned from previously extant UK GAAP to FRS 102 as at 30 June 2014. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

##### **1.4 FRS 102 reduced 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 11.39 to 11.48A and paragraphs 12.26 to 12.29, 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.

## **News Promotions Limited**

### **Notes to the financial statements For the year ended 3 July 2016**

#### **1.5 Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **1.6 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.

#### **1.7 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company, VAT and other sales taxes or duty.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably (d) the costs incurred or to be incurred in respect of the transaction can be measured reliably and (e) it is probable that future economic benefits will flow to the entity. Specific revenue recognition criteria also apply depending on the revenue stream, as described below:

Revenue is recognised over the duration of the promotions as appropriate.

#### **1.8 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 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 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.

#### **1.9 Debtors**

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

## News Promotions Limited

### Notes to the financial statements For the year ended 3 July 2016

#### 1.10 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.

#### 1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at present value of future payments discounted at a market rate of interest, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

No critical judgements or key sources of estimation uncertainty in applying the company's accounting policies have been identified in the current or preceding year.

#### 3. Turnover

The company's turnover and profit are derived in both the current and prior year, from its principal activity of the organisation of promotions on behalf of other companies within the News UK group in the United Kingdom.

#### 4. Auditor's remuneration

	2016 £000	2015 £000
Audit of financial statements	9	9

Auditor's remuneration is borne by another group undertaking.

#### 5. Particulars of employees

The company has no employees (2015 - None).

## News Promotions Limited

### Notes to the financial statements For the year ended 3 July 2016

#### 6. Directors' remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2016 £000	2015 £000
Remuneration receivable	5,802	2,867
Value of company pension contributions to money purchase schemes	33	40
<b>Total</b>	<b>5,835</b>	<b>2,907</b>

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:

	2016 No	2015 No
Long term incentive plan	2	2

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

During the year £2,682,000 was payable to former directors as compensation for loss of office (2015 - £1,121,000).

#### 7. Taxation

##### a) Analysis of tax charge for the year

	2016 £000	2015 £000
<b>UK corporation tax</b>		
Current tax on profits for the year	-	-

## News Promotions Limited

### Notes to the financial statements For the year ended 3 July 2016

#### 7. Taxation (continued)

##### b) Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	106	132
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	21	27
Effects of:		
Group relief	(21)	(27)
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

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

The standard rate of UK corporation tax reduced from 21% to 20% on 1 April 2015. The 2015 summer budget stated that the rate of corporation tax will be reduced from 20% to 19% from 1 April 2017, and 18% from 1 April 2020. This change received Royal Assent on 18 November 2015. Subsequently the 2016 Budget stated that from 1 April 2020 the rate will instead reduce to 17%. This change received Royal Assent on 15 September 2016.

#### 8. Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	900	1,708
Other debtors	18	-
Prepayments and accrued income	-	58
	918	1,766

## News Promotions Limited

### Notes to the financial statements For the year ended 3 July 2016

#### 9. Cash and cash equivalents

	2016 £000	2015 £000
Cash at bank and in hand	246	-
Less: bank overdrafts (see note 10)	-	(735)
	<u>246</u>	<u>(735)</u>

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

#### 10. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Bank overdrafts (see note 9)	-	735
Amounts owed to group undertakings	-	80
Taxation and social security	716	22
Other creditors	2	34
Accruals and deferred income	-	555
	<u>718</u>	<u>1,426</u>

#### 11. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Authorised</b>		
100,000- Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
2- Ordinary shares of £1 each	<u>2</u>	<u>2</u>

## **News Promotions Limited**

### **Notes to the financial statements For the year ended 3 July 2016**

#### **12. Ultimate parent company**

The company's immediate parent company is News Corp UK & Ireland Limited, a company incorporated in England.

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

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.

#### **13. First time adoption of FRS 102**

This is the first year that the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 28 June 2015.

The date of transition to FRS 102 was 30 June 2014.

The transition had no impact on the profit or loss for the financial year ended 28 June 2015 and the total equity as at 30 June 2014 and 28 June 2015, hence no reconciliation between UK GAAP as previously reported and FRS 102 is presented.