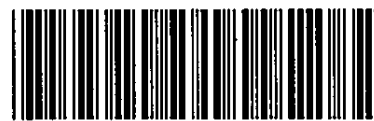


# **NI Recruitment Holdings Limited**

**Financial statements**

**3 July 2011**

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# **NI Recruitment Holdings Limited**

## **Financial statements**

**Year ended 3 July 2011**

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# **NI Recruitment Holdings Limited**

## **The directors' report**

### **Year ended 3 July 2011**

The directors present their report and the financial statements of the company for the year ended 3 July 2011

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

The principal activity of the company is that of an investment holding company within the Newscorp Investments group

A business review has not been completed for the company because it is entitled to claim the exemption from doing so under Section 415A of the Companies Act 2006

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

A summary of the principle risks and uncertainties facing the company has not been completed because it is entitled to claim the exemption from preparing the business review under Section 415A of the Companies Act 2006

#### **Going concern**

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Newscorp Investments has committed to providing financial support to enable the company to meet its liabilities as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements (See note 12)

#### **Results and dividends**

The loss for the year amounted to £80,000. The directors have not recommended a dividend.

#### **Directors**

The directors who served the company during the year were as follows

P S Hayes  
S L Panuccio

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

#### **Directors indemnity provision**

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

#### **Directors' responsibilities**

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 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,

## **NI Recruitment Holdings Limited**

### **The directors' report** *(continued)*

**Year ended 3 July 2011**

### **Directors' responsibilities** *(continued)*

- 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 auditors**

In so far as each of the persons who were directors at the date of approving these financial statements is aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Donations**

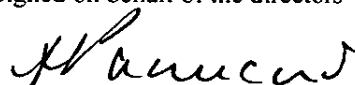
The company has made no charitable or political contributions in the year (2010 - £Nil).

### **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 auditors in the absence of a notice that the appointment is to be terminated.

Registered office  
3 Thomas More Square  
London  
E98 1XY

Signed on behalf of the directors



S. L. Panuccio

Director

Approved by the directors on 26 March 2012

Company Registration Number 5891303

# **NI Recruitment Holdings Limited**

## **Independent auditor's report to the shareholders of NI Recruitment Holdings Limited**

We have audited the financial statements of NI Recruitment Holdings Limited for the year ended 3 July 2011 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 16. 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).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 set out on pages 1 to 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 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. 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 2011 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.

### **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 the financial statements.

## NI Recruitment Holdings Limited

### Independent auditor's report to the shareholders of NI Recruitment Holdings 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
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report

*Ernst & Young LLP*

TONY McCARTNEY (Senior Statutory Auditor)

For and on behalf of

ERNST & YOUNG LLP

Cambridge

Chartered Accountants & Statutory Auditor

*30/3/2012*

## **NI Recruitment Holdings Limited**

### **Profit and loss account**

**Year ended 3 July 2011**

	<b>Note</b>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Turnover</b>		—	—
Administrative expenses		—	(3,008)
<b>Operating loss</b>	<b>2</b>	—	(3,008)
Interest payable and similar charges	<b>6</b>	(80)	(453)
<b>Loss on ordinary activities before taxation</b>		(80)	(3,461)
Tax on loss on ordinary activities	<b>7</b>	—	—
<b>Loss for the financial year</b>		<u>(80)</u>	<u>(3,461)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the  
year as set out above

The notes on pages 7 to 11 form part of these financial statements

# NI Recruitment Holdings Limited

## Balance sheet

3 July 2011

	Note	2011 £000	2010 £000
<b>Fixed assets</b>			
Investments	8	<u>14,756</u>	<u>14,756</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(20,103)</u>	<u>(20,023)</u>
<b>Total assets less current liabilities</b>		<u>(5,347)</u>	<u>(5,267)</u>
<b>Capital and reserves</b>			
Share capital	13	–	–
Profit and loss account	14	<u>(5,347)</u>	<u>(5,267)</u>
<b>Deficit</b>	15	<u>(5,347)</u>	<u>(5,267)</u>

These financial statements were approved by the directors and authorised for issue on 26 March 2012, and are signed on their behalf by



S L Panuccio  
Director

The notes on pages 7 to 11 form part of these financial statements



# **NI Recruitment Holdings Limited**

## **Notes to the financial statements**

**Year ended 3 July 2011**

### **1 Accounting policies**

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Principles. Newscorp Investments (the company's ultimate UK parent company) has committed to provide financial support and accordingly the directors continue to adopt the going concern basis in preparing the annual financial statements.

The financial statements of the company are made up to the Sunday closest to the 30 June each year. Consequently the financial statements for the current period cover 53 weeks ended 3 July 2011.

The principal accounting policies have been applied consistently throughout the year and the preceding year.

#### **Consolidated financial statements**

Under Section 401 of the Companies Act 2006, the company is exempt from the requirement to prepare and deliver group financial statements since it is a wholly owned subsidiary of News Corporation which is incorporated in the USA and prepares consolidated financial statements that are publicly available.

#### **Cash flow statement**

The company is exempt from the requirement of FRS 1 'Cash Flow Statements' to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary undertaking of a body corporate and a consolidated cash flow statement is included in the financial statements of News Corporation, the ultimate parent company.

#### **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 8 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the 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 reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Investments**

Investments are stated at cost and adjusted for any impairment provisions. When an impairment has been identified it is reflected in the profit and loss account.

# NI Recruitment Holdings Limited

## Notes to the financial statements

Year ended 3 July 2011

### 1. Accounting policies *(continued)*

#### Interest payable

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

### 2 Operating Loss

In the previous year, the operating loss was stated after charging an impairment charge of £3,008,000 in relation to the company's investment following a sustained decline in economic conditions which impacted the recruitment market. No impairment was charged in 2011.

### 3. Auditors' remuneration

	2011	2010
	£000	£000
Audit of the financial statements	<u>6</u>	<u>6</u>

Auditors' remuneration, including amounts in respect of non-audit services, is borne by another group undertaking.

Fees paid to the company's auditors, Ernst & Young LLP, for services other than statutory audit of the company are disclosed in the financial statements of NI Group Limited (Immediate parent company).

### 4. Particulars of employees

The company has no employees (2010 - Nil)

### 5. Directors' remuneration

The Directors of the company are also directors of the holding company or fellow UK subsidiaries. The directors received total remuneration for the year of £1,522,000 (2010: £1,678,000), 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.

2 of the directors were members of the defined benefit scheme (2010: 2)

### 6. Interest payable and similar charges

	2011	2010
	£000	£000
Interest on amounts payable to group undertakings	<u>80</u>	<u>453</u>

# NI Recruitment Holdings Limited

## Notes to the financial statements

Year ended 3 July 2011

### 7. Taxation on ordinary activities

#### Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 27.50% (2010 - 28%)

	2011 £000	2010 £000
Loss on ordinary activities before taxation	(80)	(3,461)
Loss on ordinary activities by rate of tax	(22)	(969)
Impairment of subsidiary undertaking	-	842
Group relief surrendered	22	127
Total current tax	-	-

#### Factors that may affect future tax charges

The standard rate of UK Corporation Tax reduced from 28% to 26% from 1 April 2011. The Finance Act 2011 received Royal Assent on 19 July 2011, with the 26% rate being substantively enacted from 29 March 2011.

The UK government announced on 21 March 2012 further reductions in the standard rate of corporation tax to 24% from 1 April 2012 and by a further 1% per annum to 22% from 1 April 2014. These further reductions had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements.

### 8. Investments

	Investment in subsidiary undertakings £000
<b>Cost</b>	
Balance brought forward and carried forward	17,764
<b>Amounts provided</b>	
Balance brought forward and carried forward	3,008
<b>Net book value</b>	
Balance brought forward and carried forward	14,756

The company owns 100% of the ordinary share capital of Milkround Holdings Limited, an investment company incorporated in England and Wales. In the previous year, an impairment charge of £3,008,000 was made in relation to the company's investment following a decline in economic conditions which impacted the recruitment market.

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

	2011 £000	2010 £000
Overdrafts	5,308	5,229
Amounts owed to group undertakings	14,795	14,794
	<u>20,103</u>	<u>20,023</u>

# NI Recruitment Holdings Limited

## Notes to the financial statements

Year ended 3 July 2011

### 10. Guarantees

The company is part of a collective group banking facility, in which NI Group Limited has provided multilateral guarantees of up to £20 million in respect of bank overdrafts of companies within the Newscorp Investment group

### 11 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 8 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation

### 12. Funding

The financial statements are prepared on the going concern basis The net liabilities of the company at 3 July 2011 are £5,347,000 (2010 - £5,267,000)

Newscorp Investments (Ultimate UK parent company) has confirmed its intention of providing continuing financial support to enable the company to meet its liabilities as they fall due, and for the foreseeable future

### 13. Share capital

#### Authorised share capital:

	2011 £000	2010 £000
900 Ordinary A shares of £1 each	1	1
100 Ordinary B shares of £1 each	-	-
	<u>1</u>	<u>1</u>

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

	2011		2010	
	No	£000	No	£000
90 Ordinary A shares of £1 each	90	-	90	-
10 Ordinary B shares of £1 each	10	-	10	-
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>

The ordinary 'A' shares of £1 each and the ordinary 'B' shares of £1 each rank pari passu

# NI Recruitment Holdings Limited

## Notes to the financial statements

Year ended 3 July 2011

### 14. Reserves

	Profit and loss account £000
Balance brought forward	(5,267)
Loss for the financial year	(80)
Balance carried forward	<u>(5,347)</u>

### 15. Reconciliation of movements in shareholders' funds

	2011 £000	2010 £000
Loss for the financial year	(80)	(3,461)
Opening shareholders' deficit	<u>(5,267)</u>	<u>(1,806)</u>
Closing shareholders' deficit	<u>(5,347)</u>	<u>(5,267)</u>

### 16. Ultimate parent company

The company's immediate parent company is NI Group 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 by headed by News Corporation, whose principal place of business is at 1211 Avenue of the Americas, New York, NY10036. The consolidated financial statements of this group are available to the public and may be obtained from 3 Thomas More Square, London E98 1XY