

NI Recruitment Holdings Limited

Financial statements

1 July 2012

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NI Recruitment Holdings Limited

Financial statements

Year ended 1 July 2012

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NI Recruitment Holdings Limited

The directors' report

Year ended 1 July 2012

The directors present their report and the financial statements of the company for the year ended 1 July 2012

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 principal 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. News Corporation has committed to provide financial support until 28 June 2013, the date of the expected separation of the publishing and media and entertainment business. NI Group has prepared a rolling three year forecast in which the cash flows of the Group are assessed. These show the Group to be cash generative and a letter of support has also been received from NI Group Limited. These factors lead the directors to conclude that they have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

Results and dividends

The loss for the year amounted to £301,000. 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

C C S Longcroft

(Resigned 26 September 2012)

(Appointed 26 September 2012)

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

NI Recruitment Holdings Limited

The directors' report *(continued)*

Year ended 1 July 2012

Directors' responsibilities *(continued)*

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

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have 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 (2011 - £Nil)

Auditor

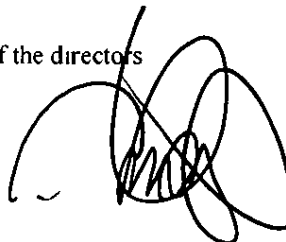
The Directors have passed a resolution to dispense with the requirement to reappoint auditors annually. Ernst & Young LLP are deemed to be reappointed as auditors in the absence of a notice that the appointment is to be terminated.

Registered office
3 Thomas More Square
London
E98 1XY

Signed on behalf of the directors

C C S Longcroft

Director



Approved by the directors on 26 November 2012

Company Registration Number 5891303

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

Year ended 1 July 2012

We have audited the financial statements of NI Recruitment Holdings Limited for the year ended 1 July 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 15. 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'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 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 1 July 2012 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.

Independent auditor's report to the shareholders of NI Recruitment Holdings Limited (continued)

Year ended 1 July 2012

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 in preparing the directors' report

Ernst & Young LLP

TONY McCARTNEY (Senior Statutory Auditor)

For and on behalf of
ERNST & YOUNG LLP
Cambridge
Statutory Auditor

26 November 2012

NI Recruitment Holdings Limited

Profit and loss account

Year ended 1 July 2012

	Note	2012 £000	2011 £000
Turnover		—	—
Operating profit		—	—
Interest payable and similar charges	5	(301)	(80)
Loss on ordinary activities before taxation		(301)	(80)
Tax on loss on ordinary activities	6	—	—
Loss for the financial year		<u>(301)</u>	<u>(80)</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

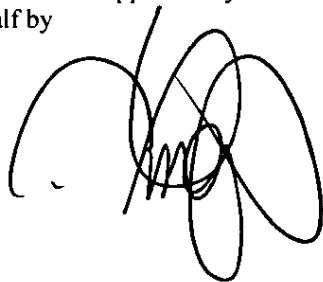
Balance sheet

1 July 2012

	Note	2012 £000	2011 £000
Fixed assets			
Investments	7	<u>14,756</u>	<u>14,756</u>
Creditors Amounts falling due within one year	8	<u>(20,404)</u>	<u>(20,103)</u>
Total assets less current liabilities		<u>(5,648)</u>	<u>(5,347)</u>
Capital and reserves			
Share capital	12	–	–
Profit and loss account	13	<u>(5,648)</u>	<u>(5,347)</u>
Shareholders' Deficit	14	<u>(5,648)</u>	<u>(5,347)</u>

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

C C S Longcroft
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 1 July 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Principles. News Corporation has committed to provide financial support until 28 June 2013, the date of the expected separation of the publishing and media and entertainment business. NI Group has prepared a rolling three year forecast in which the cash flows of the Group are assessed. These show the Group to be cash generative and a letter of support has also been received from NI Group Limited. These factors lead the directors to conclude that they have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they 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 52 weeks ended 1 July 2012.

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 United States of America and prepares consolidated financial statements. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

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.

NI Recruitment Holdings Limited

Notes to the financial statements

Year ended 1 July 2012

1. Accounting policies - continued

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.

Interest payable

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

2. Auditors' remuneration

	2012	2011
	£000	£000
Audit of the financial statements	<u>7</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).

3. Particulars of employees

The company has no employees (2011 - Nil).

4. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£000	£000
Remuneration receivable	<u>1,398</u>	<u>1,522</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012	2011
	No	No
Defined benefit schemes	<u>2</u>	<u>2</u>

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 £1,398,000 (2011: £1,522,000), 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 (2011: 2).

5. Interest payable and similar charges

	2012	2011
	£000	£000
Interest on amounts payable to group undertakings	<u>301</u>	<u>80</u>

NI Recruitment Holdings Limited

Notes to the financial statements

Year ended 1 July 2012

6. 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 25.50% (2011 - 27.50%)

	2012 £000	2011 £000
Loss on ordinary activities before taxation	(301)	(80)
Loss on ordinary activities by rate of tax	(77)	(22)
Group relief surrendered	77	22
Total current tax	-	-

Factors that may affect future tax charges

The standard rate of UK Corporation Tax reduced from 26% to 24% on 1 April 2012. The Finance Act 2012 received Royal Assent on 17 July 2012, with the 24% rate being substantively enacted from 26 March 2012.

The standard rate of corporation tax is set to reduce to 23% from 1 April 2013 and by a further 1% to a rate of 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.

7. Investments

	Total £000
Cost	
At 4 July 2011 and 1 July 2012	17,764
Amounts written off	
At 4 July 2011 and 1 July 2012	3,008
Net book value	
At 1 July 2012 and 3 July 2011	14,756

The company owns 100% of the ordinary share capital of Milkround Holdings Limited, an investment company incorporated in England.

8. Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Overdrafts	5,388	5,308
Amounts owed to group undertakings	15,016	14,795
	20,404	20,103

NI Recruitment Holdings Limited

Notes to the financial statements

Year ended 1 July 2012

9. Guarantees

NI Group Limited (UK parent company) operates two collective overdraft facilities with its bankers, which allows individual companies in the 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. 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.

11. Funding

The financial statements are prepared on the going concern basis. The net liabilities of the company at 1 July 2012 are £5,648,000 (2011 - £5,347,000).

NI Group Limited (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.

12. Share capital

Authorised share capital:

	2012 £000	2011 £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:

	2012		2011	
	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.

13. Reserves

	Profit and loss account £000
Balance brought forward	(5,347)
Loss for the year	<u>(301)</u>
Balance carried forward	<u>(5,648)</u>

NI Recruitment Holdings Limited

Notes to the financial statements

Year ended 1 July 2012

14. Reconciliation of movements in shareholders' funds

	2012	2011
	£000	£000
Loss for the financial year	(301)	(80)
Opening shareholders' deficit	<u>(5,347)</u>	<u>(5,267)</u>
Closing shareholders' deficit	<u>(5,648)</u>	<u>(5,347)</u>

15. 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 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, NY10036. The smallest group in which they are consolidated is that headed by NI Group Limited, a company incorporated in England. The consolidated financial statements of these groups are available to the public and may be obtained from 3 Thomas More Square, London, E98 1XY.