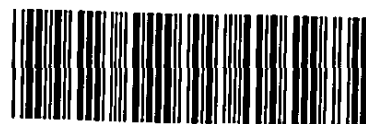


# **NI Recruitment Holdings Limited**

**Report and Financial Statements  
27 June 2010**

**Registered number: 5891303**

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## **Directors' report**

**For NI Recruitment Holdings Limited for the period ended 27 June 2010 (registered number 5891303)**

The Directors present their annual report on the affairs of NI Recruitment Holdings ("the Company") together with the financial statements and auditors' report for the 18 month period ended 27 June 2010 ("the period")

The financial statements of the Company have changed from the 52 weeks ended 31 December to the Sunday closest to the 30 June each year. Consequently, the financial statements for the current period cover 18 months ended 27 June 2010 and as a result the profit and loss account and related notes are not comparable to prior period

### **Principal activity**

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

### **Business review**

A business review has not been completed for the Company because it is defined under Section 382 of the Companies Act 2006 as a small company

### **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 defined under Section 382 of the Companies Act 2006 as a small Company. However during the period, an impairment charge totalling £3,008,000 was made to the Company's investments following a decline in economic conditions which has impacted the recruitment market

### **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

### **Results and dividends**

The Company's loss for the financial period was £3,461,000 (year ended 31 December 2008 - £835,000). The Company does not have any distributable reserves and accordingly no dividend can be paid (year ended 31 December 2008 - £Nil)

### **Directors and their interests**

The Directors of the Company who served during the period were as follows

M G Anderson	(resigned 1 July 2009)
P S Hayes	(appointed 1 July 2009)
T J Hughes	(resigned 10 June 2010)
Z R Leonard	(appointed 1 July 2009 and resigned 15 June 2010)
S L Panuccio	

Except as noted above, all Directors served throughout the period and are still Directors at the date of this report

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

### **Directors indemnity provision**

News Corporation has indemnified one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the period and is in force as at the date of approving the Directors' Report

### **Charitable and political contributions**

The Company has made no charitable or political contributions in the period

## Directors' report - continued

### Auditors

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

### Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of its profit or loss 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,
- state whether applicable 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 proper accounting records which 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.

### Directors' statement of disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware, and
- each Director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



S L Panuccio  
Director

3 Thomas More Square  
London  
E98 1XY

19 November 2010

## Independent Auditors' report

### To the members of News International Publishers Limited

We have audited the financial statements of NI Recruitment Holdings Limited for the period ended 27 June 2010 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 10. 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 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out 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 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 (APB'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.

### 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 27 June 2010 and of its loss for the period 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### 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 company 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.

Ernst & Young LLP

Tony McCartney (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Cambridge

24/11/2010

## Profit and loss account

For the period ended 27 June 2010

	Notes	Period ended 27 June 2010 £'000	Year ended 31 December 2008 £'000
Impairment of investment in group undertaking	2	(3,008)	-
<b>Operating loss</b>		<b>(3,008)</b>	<b>-</b>
Interest payable and similar charges	3	(453)	(835)
<b>Loss on ordinary activities before taxation</b>		<b>(3,461)</b>	<b>(835)</b>
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial period</b>	9	<b>(3,461)</b>	<b>(835)</b>

There are no recognised gains or losses other than the loss attributable to shareholders of the Company of £3,461,000 in the period ended 27 June 2010 (year ended 31 December 2008 - £835,000)

Details of movements in reserves are shown in note 9

All operations of the Company continued throughout both years and no operations were discontinued

The notes to the financial statements are an integral part of this profit and loss account

## Balance sheet

As at 27 June 2010

	Notes	Period ended 27 June 2010 £'000	Year ended 31 December 2008 £'000
<b>Fixed assets</b>			
Investments	6	14,756	17,764
		<hr/>	<hr/>
<b>Creditors: Amounts falling due within one year</b>	7	(20,023)	(19,570)
		<hr/>	<hr/>
<b>Net current liabilities</b>	8	(20,023)	(19,570)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		(5,267)	(1,806)
		<hr/>	<hr/>
<b>Net liabilities</b>	8	(5,267)	(1,806)
		<hr/>	<hr/>
<b>Equity capital and reserves</b>			
Called-up share capital	9	-	-
Profit and loss account	9	(5,267)	(1,806)
		<hr/>	<hr/>
<b>Equity shareholders' deficit</b>		(5,267)	(1,806)
		<hr/>	<hr/>

The financial statements on pages 4 to 11 were approved by the Board of Directors on 19 November 2010 and signed on its behalf by



S L Panuccio  
Director

19 November 2010

The notes to the financial statements are an integral part of this balance sheet

## Notes to the financial statements

27 June 2010

### 1 Principal accounting policies

#### Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with United Kingdom Generally Accepted Accounting Principles

The financial statements of the Company have changed from the 52 weeks ended 31 December to the Sunday closest to the 30 June each year. Consequently, the financial statements for the current period cover 18 months ended 27 June 2010 and as a result the profit and loss account and related notes are not comparable to prior period

In preparing the financial statements for the current year, the Company has adopted early FRS 30 'Heritage Assets' which becomes mandatory for all accounting periods beginning on or after 1 April 2010. As the Company does not hold any heritage assets, the adoption of FRS 30 has no impact on the financial statements

The principal accounting policies have been applied consistently throughout the period

#### 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

#### Consolidated financial statements

Under Section 401 of the Companies Act 2006 the Company is exempt from the requirement to prepare group financial statements since it is a wholly owned subsidiary of News Corporation which 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

#### 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



## Notes to the financial statements - continued

### 1 Principal accounting policies - continued

#### Investments

Investments are stated at cost or valuation less provision for impairment

#### 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 members of the group headed by News Corporation

### 2 Operating loss

This is stated after charging

	Period ended 27 June 2010 £'000	Year ended 31 December 2008 £'000
Impairment of investments in group undertakings	(3,008)	-

An impairment charge totalling £3,008,000 was made to the Company's investments following a decline in economic conditions which has impacted the recruitment market

The Directors of the Company received no remuneration for their services to the Company during the period  
The Directors received emoluments for their services provided to other group undertakings as disclosed in the financial statements of those companies

The Company has no employees (2008 – Nil)

### 3 Interest payable and similar charges

	Period ended 27 June 2010 £'000	Year ended 31 December 2008 £'000
Interest payable to group undertakings	453	835

### 4 Auditors' remuneration

	Period ended 27 June 2010 £'000	Year ended 31 December 2008 £'000
Audit of the financial statements	6	6

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 News International Limited

## Notes to the financial statements - continued

### 5 Tax on loss on ordinary activities

#### a) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is £Nil (year ended 31 December 2008 - £Nil)  
The difference between the tax assessed and the standard rate of corporation tax in the UK of 28% (2008 – 28.5%) is explained below

	Period ended 27 June 2010 £'000	Year ended 31 December 2008 £'000
Loss on ordinary activities before taxation	(3,461)	(835)
Corporation tax at 28% (2008 – 28.5%)	(969)	(238)
Impairment of investments in group undertakings	842	-
Group relief surrendered	127	238
Total current tax	-	-

#### b) Factors affecting future tax charge

The Chancellor announced in the emergency budget on 22 June 2010 that the standard rate of UK Corporation Tax will be reduced from 28% to 27% from 1 April 2011, and there will be progressive annual reductions of a further 1% until a rate of 24% is reached with effect from 1 April 2014. The Finance Act (No 2) 2010 received Royal Assent on 27 July 2010, with the first of the rate reductions being substantively enacted from 21 July 2010 under UK GAAP.

## Notes to the financial statements - continued

### 6 Fixed asset investments

#### a) Subsidiary undertakings

	Period ended 27 June 2010 £'000	Year ended 31 December 2008 £'000
The movement in the period was as follows		
Beginning of year	17,764	20,710
Additions	-	11
Reduction in deferred consideration payable	-	(2,957)
Impairment charge	(3,008)	-
End of the year	14,756	17,764

### 7 Creditors: Amounts falling due within one year

	Period ended 27 June 2010 £'000	Year ended 31 December 2008 £'000
Bank overdraft	5,229	2,018
Due to group undertakings	14,794	14,509
Deferred consideration on the purchase of investments	-	3,043
	20,023	19,570

### 8 Funding

The financial statements are prepared on the going concern basis

The net liabilities of the Company are £5,267,000 at 27 June 2010 (year ended 31 December 2008 - £1,806,000) and the net current liabilities of the Company are £20,023,000 at 27 June 2010 (year ended 31 December 2008 - £19,570,000). Newscorp Investments has confirmed its intention of providing financial support to enable the Company to meet its liabilities as they fall due for the foreseeable future.

## Notes to the financial statements - continued

### 9 Equity capital and reserves

#### a) Called-up equity share capital

	Period ended 27 June 2010 £	Year ended 31 December 2008 £
Authorised		
900 ordinary 'A' shares of £1 each	900	900
100 ordinary 'B' shares of £1 each	100	100
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>
	2010 £	2008 £
Allotted and fully-paid		
90 ordinary 'A' shares of £1 each	90	90
10 ordinary 'B' shares of £1 each	10	10
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

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

#### b) Reserves

	Profit and loss account £'000
Beginning of the year	(1,806)
Loss for the financial period	(3,461)
	<hr/>
End of the year	(5,267)
	<hr/>

#### c) Reconciliation of movements in shareholders' deficit

	Period ended June 2010 £'000	Year ended 31 December 2008 £'000
Opening shareholders' deficit	(1,806)	(971)
Loss for the financial year	(3,461)	(835)
	<hr/>	<hr/>
Closing shareholders' deficit	(5,267)	(1,806)
	<hr/>	<hr/>

## Notes to the financial statements - continued

### 10 Ultimate parent Company

The Company's immediate parent company is News International Publishers Limited, a company incorporated in England and Wales

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 of 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