

COMPANY REGISTRATION NUMBER 5891303

News UK & Ireland Recruitment Holdings Limited

Report and financial statements

29 June 2014

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News UK & Ireland Recruitment Holdings Limited

Report and financial statements

Year ended 29 June 2014

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News UK & Ireland Recruitment Holdings Limited

Strategic report

Year ended 29 June 2014

The directors present their Strategic report and the financial statements of the company for the year ended 29 June 2014

Principal activities and business review

The principal activity of the company is that of an investment holding company within the News Corp Investments UK & Ireland group ("News UK" group) and therefore does not actively trade

The loss for the financial year of £3,085,000 (2013 - loss of £307,000) relates to net interest paid to companies within the News UK group and an impairment charge on its investments

The company is part of the News UK group and therefore is subject to the KPI's as disclosed in the News Corp Investments UK & Ireland Limited consolidated financial statements

Future developments

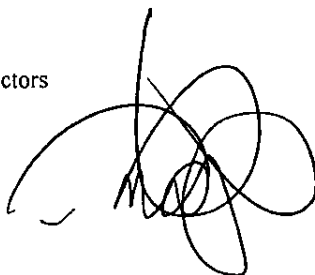
The directors expect the general level of activity to continue for the foreseeable future

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 News Corp Investments UK & Ireland consolidated financial statements

Signed on behalf of the directors

C C S Longcroft
Director

A handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke, positioned to the right of the text 'Signed on behalf of the directors'.

Approved by the directors on 4 November 2014

News UK & Ireland Recruitment Holdings Limited

Directors' report

Year ended 29 June 2014

The directors present their report and the financial statements of the company for the year ended 29 June 2014

Going concern

News Corporation (the company's ultimate parent company) has committed to provide financial support until 5 December 2015 to News Corp Investments UK & Ireland which in turn supports News Corp UK & Ireland Limited and its subsidiary undertakings. As highlighted in note 9 to the financial statements, News Corp UK & Ireland Limited (the company's immediate parent company) operates two collective overdraft facilities, in which it has provided multilateral guarantees of up to £20 million in respect of each of these bank overdrafts of subsidiary undertakings. These facilities are ultimately guaranteed by News Corporation.

The News UK 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 News Corp UK & Ireland Limited.

The above 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.

Results and dividends

The loss for the year amounted to £3,085,000. The directors have not recommended a dividend.

Directors

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

M W Darcey
C C S Longcroft

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 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 year.

News UK & Ireland Recruitment Holdings Limited

Directors' report *(continued)*

Year ended 29 June 2014

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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,
- 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.

Directors' disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirm 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 steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

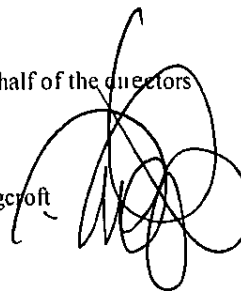
The directors have passed a resolution to dispense with the requirement to reappoint auditors annually. Ernst & Young LLP are deemed to be reappointed as auditor in the absence of a notice that the appointment is to be terminated.

Registered office
1 London Bridge Street
London
SE1 9GF

Signed on behalf of the directors

C C S Longcroft

Director



Approved by the directors on 4 November 2014

Company Registration Number 5891303

Independent auditor's report to the members of News UK & Ireland Recruitment Holdings Limited

Year ended 29 June 2014

We have audited the financial statements of News UK & Ireland Recruitment Holdings Limited for the year ended 29 June 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 2 to 3, 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 29 June 2014 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 Strategic report and 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 members of News UK & Ireland Recruitment Holdings Limited
(continued)

Year ended 29 June 2014

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



NEIL CULLUM (Senior Statutory
Auditor)
For and on behalf of
ERNST & YOUNG LLP
Statutory Auditor
London

6 November 2014

News UK & Ireland Recruitment Holdings Limited

Profit and loss account

Year ended 29 June 2014

	Note	2014 £000	2013 £000
Turnover		—	—
Operating profit		—	—
Amounts written off investments	4	(2,775)	—
Interest payable and similar charges	5	(310)	(307)
Loss on ordinary activities before taxation		(3,085)	(307)
Tax on loss on ordinary activities	6	—	—
Loss for the financial year		<u>(3,085)</u>	<u>(307)</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 8 to 12 form part of these financial statements

News UK & Ireland Recruitment Holdings Limited

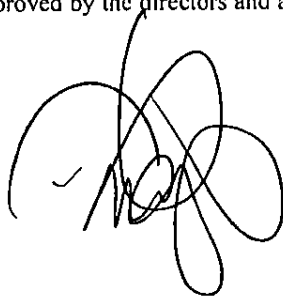
Balance sheet

29 June 2014

	Note	2014 £000	2013 £000
Fixed assets			
Investments	7	<u>11,981</u>	<u>14,756</u>
Creditors: Amounts falling due within one year	8	<u>(21,021)</u>	<u>(20,711)</u>
Total assets less current liabilities		<u>(9,040)</u>	<u>(5,955)</u>
Capital and reserves			
Share capital	11	—	—
Profit and loss account	12	<u>(9,040)</u>	<u>(5,955)</u>
Shareholders' deficit	13	<u>(9,040)</u>	<u>(5,955)</u>

These accounts were approved by the directors and authorised for issue on 4 November 2014, and are signed on their behalf by

C C S Longcroft
Director



The notes on pages 8 to 12 form part of these financial statements

News UK & Ireland Recruitment Holdings Limited

Notes to the financial statements

Year ended 29 June 2014

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 (the company's ultimate parent company) has committed to provide financial support until 5 December 2015 to News Corp Investments UK & Ireland which in turn supports News Corp UK & Ireland Limited and its subsidiary undertakings. As highlighted in note 9 to the financial statements, News Corp UK & Ireland Limited (the company's immediate parent company) operates two collective overdraft facilities, in which it has provided multilateral guarantees of up to £20 million in respect of each of these bank overdrafts of subsidiary undertakings. These facilities are ultimately guaranteed by News Corporation.

The News UK 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 News Corp UK & Ireland Limited.

The above 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.

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 29 June 2014.

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.

News UK & Ireland Recruitment Holdings Limited

Notes to the financial statements

Year ended 29 June 2014

1 Accounting policies (continued)

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

Interest payable

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

2. Auditor's remuneration

	2014	2013
	£000	£000
Audit of the financial statements	<u>4</u>	<u>7</u>

Auditor's remuneration is borne by another group undertaking

3. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2014	2013
	£000	£000
Remuneration receivable	3,135	2,801
Value of company pension contributions to money purchase schemes	<u>46</u>	<u>136</u>
	<u>3,181</u>	<u>2,937</u>

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

	2014	2013
	No	No
Defined benefit schemes	<u>-</u>	<u>3</u>

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

	2014	2013
	No	No
Long term incentive plan	<u>2</u>	<u>4</u>

News UK & Ireland Recruitment Holdings Limited

Notes to the financial statements

Year ended 29 June 2014

3 Directors' remuneration (continued)

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.

Total payments in respect of compensation for loss of office of £nil (2013 - £1,138,000) were made in the year.

4 Amounts written off investments

	2014 £000	2013 £000
Amount written off investments	<u>2,775</u>	<u>-</u>

5 Interest payable and similar charges

	2014 £000	2013 £000
Interest on amounts payable to group undertakings	<u>310</u>	<u>307</u>

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 22.50% (2013 - 23.75%).

	2014 £000	2013 £000
Loss on ordinary activities before taxation	<u>(3,085)</u>	<u>(307)</u>
Loss on ordinary activities by rate of tax	(694)	(73)
Group relief surrendered	70	73
Expenses not deductible for tax purposes	<u>624</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The standard rate of UK Corporation Tax reduced from 23% to 21% on 1 April 2014, and will reduce to 20% from 1 April 2015. The Finance Act 2013 received Royal Assent on 17 July 2013, with both rate reductions being substantively enacted from 2 July 2013. As these changes were substantively enacted as at the balance sheet date, deferred tax balances have been calculated as appropriate in these financial statements.

News UK & Ireland Recruitment Holdings Limited

Notes to the financial statements

Year ended 29 June 2014

7. Investments

	Total £000
Cost	
At 1 July 2013 and 29 June 2014	<u>17,764</u>
Amounts written off	
At 1 July 2013	3,008
Amounts written off in year	<u>2,775</u>
At 29 June 2014	<u>5,783</u>
Net book value	
At 29 June 2014	<u>11,981</u>
At 30 June 2013	<u>14,756</u>

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

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. Value in use is determined by discounting future expected cash flows, based on management approved budgets and 3 year projections. These reflect management's current experience and future expectations of the markets in which the investments operate.

The pre-tax discount rate used by the Company in its impairment test is 13.1% (2013 – 12.9%). The growth rate used in the projections that are extrapolated beyond the formally approved budgets and forecasts prepared by management is 2% and therefore does not exceed the long term average growth rate. This has resulted in an impairment charge of £2,775,000 (2013 - £nil).

8. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Overdrafts	5,551	5,470
Amounts owed to group undertakings	<u>15,470</u>	<u>15,241</u>
	<u>21,021</u>	<u>20,711</u>

9. Group banking arrangements

News Corp UK & Ireland Limited 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. Funding

The financial statements are prepared on the going concern basis. The net liabilities of the company at 29 June 2014 are £9,040,000 (2013 - £5,955,000).

News Corp UK & Ireland Limited 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.

News UK & Ireland Recruitment Holdings Limited

Notes to the financial statements

Year ended 29 June 2014

11 Share capital

Authorised share capital:

	2014 £000	2013 £000
900 Ordinary A share of £1 each	1	1
100 Ordinary B share of £1 each	-	-
	<u>1</u>	<u>1</u>

Allotted, called up and fully paid:

	2014 No	£000	2013 No	£000
Ordinary A shares of £1 each	90	-	90	-
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

12. Reserves

	Profit and loss account £000
Balance brought forward	(5,955)
Loss for the financial year	<u>(3,085)</u>
Balance carried forward	<u>(9,040)</u>

13. Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Loss for the financial year	(3,085)	(307)
Opening shareholders' deficit	<u>(5,955)</u>	<u>(5,648)</u>
Closing shareholders' deficit	<u>(9,040)</u>	<u>(5,955)</u>

14 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 in the United States

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 News Corp UK & Ireland Limited, a company incorporated in England. The consolidated financial statements of these groups are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF.