

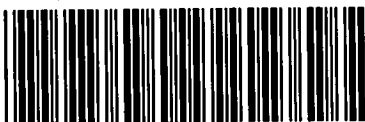
Registration number: 05891478

# News UK Broadcasting Limited

Report and financial statements

for the year ended 2 July 2023

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## **News UK Broadcasting Limited**

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## **News UK Broadcasting Limited**

### **Directors' Report for the year ended 2 July 2023**

The directors present their report and the financial statements of the company for the year ended 2 July 2023.

#### **Principal activity**

News Broadcasting Limited forms part of News Corporation which is a global diversified media and information services company focused on creating and distributing authoritative and engaging content and other products and services to consumers and businesses throughout the world. News Corporation comprises businesses across a range of media, including news and information services, radio broadcasting, subscription video services in Australia, book publishing and digital real estate services, that are distributed under some of the world's most recognizable and respected brands, including The Wall Street Journal, Dow Jones, The Australian, Herald Sun, The Sun, The Times, HarperCollins Publishers, Foxtel, FOX SPORTS Australia, realestate.com.au, realtor.com®, talkSPORT and many others.

The principal activity of the company is that of national commercial television broadcasting via linear, connected TV and social media platforms as well as distribution of content through its digital platforms including Talk.tv and the Talk TV app.

Talk TV launched in April 2022 around the flagship show Piers Morgan Uncensored, with a focus to build an audience across multiple platforms including Freeview, connected TV and social media. Talk TV aims to produce original opinionated news content providing a varied debate on matters that concern the British public and exclusive interviews for a worldwide audience.

#### **Business Review**

Talk TV launched initially on national linear platforms including Sky on channel 522, Virgin on channel 606 and Freeview on channel 237. During the fiscal year it has expanded its linear distribution into LocalTV for 8 cities on regional linear platforms based around Birmingham, Leeds, Bristol, Cardiff, Liverpool, Middlesbrough, Mold and Newcastle.

Throughout the fiscal, Talk TV delivered on its editorial strategy consisting of clear opinion and news, expanding its primetime schedule and introducing both Jeremy Kyle and Vanessa Feltz as additions into the current line up of talent including Piers Morgan, Mike Graham and Julia Hartley Brewer. Additionally, Piers Morgan delivered high profile interviews generating global interest with celebrities such as Christian Ronaldo, Kanye West, Jordan Peterson and Andrew Tate.

At launch Talk TV established a social audience primarily based on Piers Morgan Uncensored within YouTube. This has been complemented with an additional TalkTV social channel. By the end of the fiscal Piers Morgan Uncensored subscribers reached 1.3m with TalkTV subscribers reaching 0.5m.

Losses for the year increased due to the increased programming following the launch of the channel only running for two months in the prior year.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £53,924,000 (2022 - £33,960,000).

The directors do not recommend a dividend (2022 - £Nil).

#### **Principal risks and uncertainties**

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.

## **News UK Broadcasting Limited**

### **Directors' Report for the year ended 2 July 2023 (continued)**

#### **Directors of the company**

The directors who held office during the period were as follows:

M.C. Gill

C.C.S. Longcroft (resigned 25 July 2022)

S.W. Taunton

E. Humphreys (appointed 25 July 2022)

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 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 judgement is given against the director; and 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.

#### **Going Concern**

The company is in a net current liability position as at 2nd July 2023 and is utilising the collective overdraft facility which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, not being exceeded in aggregate. The overdraft facility is also guaranteed by News Corporation.

The directors have considered the financial position and trading activities of the company, including forecasts, for the going concern assessment period to 31 December 2024 (the 'assessment period'). Given the utilisation of, and access to, the group facility indicated above, the ultimate parent undertaking, News Corporation (the 'Parent company') has provided a support letter indicating that they will continue to provide the financial support to enable the company to meet its liabilities as and when they fall due for the assessment period.

The Parent Company will continue to review group and company liquidity needs in light of the business and financial impacts it may face in light of economic factors such as higher rates of interest and inflation and any mitigating actions which may be required. The parent company also has available borrowing capacity under its undrawn \$750 million revolving credit facility.

After making due enquiries and considering the forecasts of the News UK group, incorporating the impact of global macroeconomic inflationary pressures, the general challenging market environment, access to funds through the group facility and the Parent Company support, the directors have a reasonable expectation that the Company has adequate resources to continue in operation and meet its liabilities as they fall due for the going concern assessment period to 31 December 2024. These considerations include the company, as well as the wider News Corp. group. Accordingly, the financial statements are prepared on the going concern basis.

## News UK Broadcasting Limited

### Directors' Report for the year ended 2 July 2023 (continued)

#### Directors' responsibilities statement

The directors acknowledge their responsibilities 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable United Kingdom 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Disclosure of information to the auditor

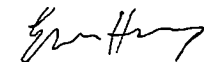
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### 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.

Approved and authorised by the Board on 21 November 2023 and signed on its behalf by:

PP



E. Humphreys  
Director

## **Independent Auditor's Report to the Members of News UK Broadcasting Limited**

### **Opinion**

We have audited the financial statements of News UK Broadcasting Limited for the year ended 2 July 2023 which comprise Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes 1 to 16 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 July 2023 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

## **Independent Auditor's Report to the Members of News UK Broadcasting Limited (continued)**

### **Other information (continued)**

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 the requirement to prepare a Strategic Report.

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent Auditor's Report to the Members of News UK Broadcasting Limited (continued)**

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal matters and compliance. We corroborated these enquiries through our review of policies and board meeting minutes. We reviewed management's entity level controls to understand the company culture of honest and ethical behaviour, including the emphasis on fraud prevention.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through inquiry of management and those charged with governance as to established policies and procedures that exist. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and to respond to the assessed risks. We determined there to be a risk of management override and a fraud risk over manual adjustments to revenue. To address the fraud risk on revenue, we used data analytics to identify the population of manual journal entries impacting revenue and selected a sample of specific transactions. We understood the transactions identified for testing and agreed them to source documentation. To address the risk of management override of controls we used data analytics to sample from the entire population of journal entries, identifying transactions which did not meet our expectations based on specific criteria, to investigate, gain an understanding and agree to source documentation. Our procedures also included verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations was covered through inquiry with management and the Directors, reading of the board meeting minutes and correspondence with the relevant authorities with no indication of non-compliance identified. Furthermore, we performed procedures to conclude on the compliance of disclosures made in the annual report and accounts with all applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Independent Auditor's Report to the Members of News UK Broadcasting Limited  
(continued)**

**Use of our report**

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.

*Ernst & Young LLP*

.....  
Luke Little (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor, Cambridge

Date: 24/11/2023

## News UK Broadcasting Limited

### Profit and Loss Account for the year ended 2 July 2023

	Note	2023 £ 000	2022 £ 000
Turnover	3	5,604	1,102
Cost of sales		<u>(8,319)</u>	<u>(15,741)</u>
Gross loss		(2,715)	(14,639)
Administrative expenses		<u>(51,017)</u>	<u>(19,468)</u>
Operating loss	4	<u>(53,732)</u>	<u>(34,107)</u>
Loss before tax		(53,732)	(34,107)
Tax on loss	8	<u>(192)</u>	147
Loss for the financial year		<u><u>(53,924)</u></u>	<u><u>(33,960)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

### Statement of Comprehensive Income for the year ended 2 July 2023

	2023 £ 000	2022 £ 000
Loss for the financial year	<u>(53,924)</u>	<u>(33,960)</u>
Total comprehensive income for the financial year	<u><u>(53,924)</u></u>	<u><u>(33,960)</u></u>

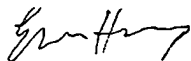
The notes on pages 11 to 21 form an integral part of these financial statements.

**News UK Broadcasting Limited****(Registration number: 05891478)****Balance Sheet as at 2 July 2023**

	Note	2023 £ 000	2022 £ 000
<b>Fixed assets</b>			
Intangible assets	9	293	-
Tangible assets	10	<u>7,054</u>	<u>5,144</u>
		<u>7,347</u>	<u>5,144</u>
<b>Current assets</b>			
Debtors	11	2,367	3,433
<b>Creditors: Amounts falling due within one year</b>	12	<u>(104,927)</u>	<u>(49,866)</u>
<b>Net current liabilities</b>		<u>(102,560)</u>	<u>(46,433)</u>
<b>Net liabilities</b>		<u>(95,213)</u>	<u>(41,289)</u>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Retained earnings		<u>(95,213)</u>	<u>(41,289)</u>
<b>Shareholders' deficit</b>		<u>(95,213)</u>	<u>(41,289)</u>

Approved and authorised by the Board on 21 November 2023 and signed on its behalf by:

pp



.....  
E. Humphreys  
Director

The notes on pages 11 to 21 form an integral part of these financial statements.

## News UK Broadcasting Limited

### Statement of Changes in Equity for the year ended 2 July 2023

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 4 July 2022	-	(41,289)	(41,289)
Loss for the financial year	-	(53,924)	(53,924)
Total comprehensive loss for the financial year	-	(95,213)	(95,213)
At 2 July 2023	-	(95,213)	(95,213)

### Statement of Changes in Equity for the year ended 3 July 2022

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 28 June 2021	-	(7,329)	(7,329)
Loss for the financial year	-	(33,960)	(33,960)
Total comprehensive loss for the financial year	-	(41,289)	(41,289)
At 3 July 2022	-	(41,289)	(41,289)

The notes on pages 11 to 21 form an integral part of these financial statements.

## **News UK Broadcasting Limited**

### **Notes to the Financial Statements for the year ended 2 July 2023**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England under the Companies Act.

The address of its registered office is:

1 London Bridge Street

London

SE1 9GF

These financial statements were authorised for issue by the Board on 21 November 2023.

The nature of the company's operations and its principal activities are set out in the Directors' report on page 1.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

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

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown 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 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 below.

The financial statements are made up to the Sunday closest to 30 June in each year. Consequently, the financial statements for the current period cover 52 weeks ended 2 July 2023 (prior period 53 weeks ended 3 July 2022). The financial statements are presented in pounds sterling which is the function currency of the company, and rounded to the nearest £'000.

## **News UK Broadcasting Limited**

### **Notes to the Financial Statements for the year ended 2 July 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Summary of 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 paragraph 11.42 to 11.48A and paragraphs 12.26 to 12.27, 12.29 (a) & (b) and 12.29A, 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.

##### **Going concern**

The company is in a net current liability position as at 3 July 2022 and is utilising the collective overdraft facility which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, not being exceeded in aggregate. The overdraft facility is also guaranteed by News Corporation.

The directors have considered the financial position and trading activities of the company, including forecasts, for the going concern assessment period to 31 December 2024 (the 'assessment period'). Given the utilisation of, and access to, the group facility indicated above, the ultimate parent undertaking, News Corporation (the 'Parent company') has provided a support letter indicating that they will continue to provide the financial support to enable the company to meet its liabilities as and when they fall due for the assessment period.

The Parent Company will continue to review group and company liquidity needs in light of the business and financial impacts it may face in light of economic factors such as higher rates of interest and inflation and any mitigating actions which may be required. The parent company also has available borrowing capacity under its undrawn \$750 million revolving credit facility.

After making due enquiries and considering the forecasts of the News UK group, incorporating the impact of global macroeconomic inflationary pressures, the general challenging market environment, access to funds through the group facility and the Parent Company support, the directors have a reasonable expectation that the Company has adequate resources to continue in operation and meet its liabilities as they fall due for the going concern assessment period to 31 December 2024. These considerations include the company, as well as the wider News Corp. group. Accordingly, the financial statements are prepared on the going concern basis.

## News UK Broadcasting Limited

### Notes to the Financial Statements for the year ended 2 July 2023 (continued)

#### 2 Accounting policies (continued)

##### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises turnover when (a) the amount of revenue can be recognised reliably; (b) the costs incurred or to be incurred in respect of the transaction can be measured reliably and (c) 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:

- TV advertising revenue is recognised as adverts are broadcast
- TV syndication revenue is recognised on a straight line basis over the duration of the syndication contract

##### Tax

Taxation 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 resulting 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 there will be suitable taxable profits or deferred tax liabilities 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 balance sheet date.

##### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as the write off the cost of assets, other than land and assets under construction over their estimated useful lives, as follows:

Assets under construction - No depreciation charge

Fixtures and Fittings - 5 years

Broadcasting & Studio equipment - 3 years

## News UK Broadcasting Limited

### Notes to the Financial Statements for the year ended 2 July 2023 (continued)

#### 2 Accounting policies (continued)

##### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Internal use software	3 years

##### 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.

##### Creditors

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

##### Defined contribution pension obligation

The employees of the company participate in a defined contribution pension scheme, the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### 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.



## News UK Broadcasting Limited

### Notes to the Financial Statements for the year ended 2 July 2023 (continued)

#### 2 Accounting policies (continued)

##### Critical accounting judgements and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are discussed below.

##### a) Recoverability of deferred tax assets

The company makes estimates regarding the recoverability of deferred tax assets, based on forecasts of future taxable profits which are, by their nature, uncertain. The deferred tax asset recognised at 2 July 2023 was £Nil (2022 - £147,000)

##### b) Impairment of fixed assets

Determining whether fixed assets are impaired requires an estimation of the value in use of the cash generating unit (CGU) to which the fixed asset has been allocated. Key areas of judgement in the value in use calculation include the estimation of future cash flows expected to arise from the CGU, the long term growth rate and a suitable discount rate to apply to cash flows in order to calculate present value.

#### 3 Turnover

All turnover arose wholly within the United Kingdom. Turnover is attributable to one principal area of activity, TV broadcasting. All turnover is attributable to continuing operations.

The analysis of the company's turnover for the period from continuing operations is as follows:

	2023	2022
	£ 000	£ 000
Net advertising income	3,914	1,011
TV syndication	1,690	91
	<u>5,604</u>	<u>1,102</u>

#### 4 Operating loss

Arrived at after charging:

	Note	2023	2022
		£ 000	£ 000
Depreciation expense	10	1,275	1,080
Amortisation expense	9	574	-
Loss on disposal of property, plant and equipment	10	<u>428</u>	<u>-</u>

#### 5 Staff costs

	2023	2022
	£ 000	£ 000
Wages and salaries	8,285	4,218
Social security costs	982	518
Pension costs	<u>379</u>	<u>199</u>
	<u>9,646</u>	<u>4,935</u>

## News UK Broadcasting Limited

### Notes to the Financial Statements for the year ended 2 July 2023 (continued)

#### 5 Staff costs (continued)

The average number of persons employed by the company during the year, analysed by category was as follows:

	2023 No.	2022 No.
Administration and support	77	51
Sales, marketing and distribution	38	9
	<u>115</u>	<u>60</u>

The employees of the company participate in a defined contribution pension scheme operated by News Corp UK & Ireland (note 13).

#### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £ 000	2022 £ 000
Allocation of directors qualifying services to the company	<u>552</u>	<u>684</u>

The directors of this company provide services to this company and a number of other group companies. The amounts above relate to the share of qualifying services that have been allocated to this company.

The number of directors who through participating in News Corporation's long term incentive plan were remunerated in News Corporation Common A stock as follows:

	2023 No.	2022 No.
Received or were entitled to receive shares under long term incentive schemes	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2023 £ 000	2022 £ 000
Allocation of directors qualifying services to the company	<u>450</u>	<u>472</u>

#### 7 Auditor's remuneration

	2023 £ 000	2022 £ 000
Audit of the financial statements	<u>24</u>	<u>18</u>

Auditor's remuneration is borne by another group undertaking, without right of recharge.

# News UK Broadcasting Limited

## Notes to the Financial Statements for the year ended 2 July 2023 (continued)

### 8 Taxation

Tax charged/(credited) in the profit and loss account

	2023 £ 000	2022 £ 000
Foreign tax	45	-
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	34	(147)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	113	-
Total deferred taxation	147	(147)
Tax expense/(receipt) in the income statement	192	(147)

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 20.5% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
Loss before tax	(53,732)	(34,107)
Corporation tax at standard rate	(11,013)	(6,480)
Effect of expense not deductible in determining taxable profit (tax loss)	4	2
Deferred tax credit relating to changes in tax rates or laws	(65)	(35)
Increase in UK and foreign current tax from unrecognised tax loss or credit	45	-
Deferred tax expense/(credit) from unrecognised tax loss or credit	393	(3)
Adjustments to deferred tax charge in respect of previous periods	113	-
Tax increase from effect of capital allowances and depreciation	177	-
Tax decrease from other short-term timing differences	(9)	-
Tax increase arising from group relief	10,547	6,369
Total tax charge/(credit)	192	(147)

### Deferred tax

Deferred tax assets and liabilities

2022	Asset £ 000	Liability £ 000
Fixed asset timing differences	147	-
	147	-

## News UK Broadcasting Limited

### Notes to the Financial Statements for the year ended 2 July 2023 (continued)

#### 8 Taxation (continued)

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

The UK Corporation Tax rate increased mid-year from 19% to 25%. This was following an announcement of the rate increase in the March 2021 budget which received Royal Assent on 10 June 2021. The rate used in the financial statements is a blended rate consisting of 19% for the year to 31 March 2023 and 25% from 1 April onwards. This leads to a composite rate of 20.5% for the full year.

There are £1,574,000 of losses (2022 - £nil) for which no deferred tax asset is recognised in the balance sheet.

#### 9 Intangible assets

	Internally generated software development costs £ 000	Total £ 000
<b>Cost or valuation</b>		
Transfers between classes	867	867
At 2 July 2023	867	867
<b>Amortisation</b>		
Amortisation charge	574	574
At 2 July 2023	574	574
<b>Carrying amount</b>		
At 2 July 2023	293	293

## News UK Broadcasting Limited

### Notes to the Financial Statements for the year ended 2 July 2023 (continued)

#### 10 Tangible assets

	Furniture, fittings and equipment £ 000	Assets under construction 000's	Broadcasting and studio equipment 000's	Total £ 000
<b>Cost or valuation</b>				
At 4 July 2022	3,127	2,905	192	6,224
Additions	-	4,472	-	4,472
Disposals	(138)	-	(406)	(544)
Transfers	697	(2,901)	1,337	(867)
Transfers to group companies	8	-	-	8
At 2 July 2023	<u>3,694</u>	<u>4,476</u>	<u>1,123</u>	<u>9,293</u>
<b>Depreciation</b>				
At 4 July 2022	1,042	-	38	1,080
Charge for the period	986	-	289	1,275
Eliminated on disposal	(42)	-	(74)	(116)
At 2 July 2023	<u>1,986</u>	<u>-</u>	<u>253</u>	<u>2,239</u>
<b>Carrying amount</b>				
At 2 July 2023	<u>1,708</u>	<u>4,476</u>	<u>870</u>	<u>7,054</u>
At 3 July 2022	<u>2,085</u>	<u>2,905</u>	<u>154</u>	<u>5,144</u>

#### 11 Debtors

	Note	2023 £ 000	2022 £ 000
Other debtors and accrued income		824	-
Prepayments		1,543	3,286
Deferred tax assets	8	-	147
		<u>2,367</u>	<u>3,433</u>

#### 12 Creditors

	2023 £ 000	2022 £ 000
<b>Due within one year</b>		
Trade creditors	100	1,542
Amounts due to related parties	103,212	45,591
Accruals and deferred income	<u>1,615</u>	<u>2,733</u>
	<u>104,927</u>	<u>49,866</u>

## News UK Broadcasting Limited

### Notes to the Financial Statements for the year ended 2 July 2023 (continued)

#### 12 Creditors (continued)

All amounts owed to group undertakings relate to trading balances with no fixed repayment terms and no interest charged.

#### 13 Pension and other schemes

The company participates in pension schemes operated by News Corp UK & Ireland Limited. The defined contribution scheme covers the majority of the executive, staff and works personnel. The remaining employees, mainly senior executives, are covered by defined benefit multi employer schemes and their share of the underlying assets and liabilities are not readily identifiable. The assets of the pension schemes are held in separate externally administered funds. The pension costs of the defined benefit schemes are in accordance with the advice of a qualified actuary using the projected unit method. The schemes are valued by an independent actuary on a triennial basis. During 2011, News Corp UK & Ireland Limited closed the main UK defined benefit pension plan to future accrual. The latest full actuarial valuation of the defined benefit schemes range from 30 September 2019 to 30 June 2021 with a roll forward valuation for 30 June 2023.

Following a group restructure on 4 July 2011, all pension expenses were transferred to News Corp UK & Ireland Limited, where the group's pension provision is held. A recharge is made to the company for the services of the personnel working for the company. No defined benefit scheme costs are recharged.

The total pension cost for the company was £379,000 (2022 - £199,000) all of which relates to the defined contribution scheme.

Retirement benefit obligation disclosures for the defined benefit schemes are not presented in these company accounts, as the defined benefit scheme is a group scheme, and there is no group policy in place for charging the net defined benefit cost to individual group companies. Under FRS 102, this means that the defined benefit scheme deficit is recognised in the financial statements of the group company that is legally responsible for the plan, which is News Corp UK & Ireland Limited. The News Corp UK & Ireland Limited net pension asset as at 2 July 2023 is £35,965,000 (2022 - £20,208,000). The fair value of the plans assets amounts to £298,420,000 (2022 - £343,866,000) whilst the benefit obligations amounts to £262,455,000 (2022 - £323,658,000).

#### 14 Share capital

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

	2023		2022	
	No.	£	No.	£
Ordinary of £1 each of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 15 Funding

The financial statements are prepared on the going concern basis.

The net liabilities of the company are £94,819,000 at 2 July 2023 (2022 - £41,289,000). News Corporation, the ultimate parent company, has confirmed its intention of providing continuing financial support to enable the company to meet its liabilities as they fall due for the foreseeable future.

## **News UK Broadcasting Limited**

### **Notes to the Financial Statements for the year ended 2 July 2023 (continued)**

#### **16 Parent and ultimate parent undertaking**

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

The ultimate parent is News Corporation, incorporated in Delaware in the United States.

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.