

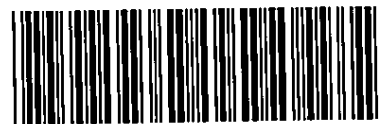
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## **Newscorp Finance Limited**

**Financial statements**  
**30 June 2007**

**Registered number: FC13171**

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## Contents

	Page
Profit and loss account	1
Balance sheet	2
Notes to the financial statements	3

## **Profit and loss account**

**For the year ended 30 June 2007**

	Notes	2007 US\$'000	2006 US\$'000
Interest receivable	3	120	59
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		120	59
Tax on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>	7	120	59
		<hr/>	<hr/>

There are no recognised gains or losses other than the profit attributable to shareholders of Newscorp Finance Limited ("the Company") of US\$120,000 for the year ended 30 June 2007 (2006 – US\$59,000)

Details of movements on reserves are shown in note 7

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

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

## Balance sheet

As at 30 June 2007

	Notes	2007 US\$'000	2006 US\$'000
<b>Current assets</b>			
Debtors	5	1,525	1,405
		<hr/>	<hr/>
<b>Net assets</b>		1,525	1,405
		<hr/>	<hr/>
<b>Equity capital and reserves</b>			
Called-up share capital	7	420	420
Profit and loss account	7	1,105	985
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	7	1,525	1,405
		<hr/>	<hr/>

The financial statements on pages 1 to 6 were approved by the Board of Directors on 19 October 2007 and signed on its behalf by



S W Daintith  
Director

19 October 2007

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

# Notes to the financial statements

30 June 2007

## 1 Principal accounting policies

### **Incorporation and residence**

The Company was incorporated on 9 September 1985 in the Cayman Islands. Its principal operations are the financing of affiliated companies. The Company is tax resident in the United Kingdom. Consequently these financial statements have been prepared in accordance with the provisions of the UK Companies Act 1985 that apply to an Overseas Company.

### **Basis of preparation**

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

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

The Company has adopted FRS 20 'Share-based Payment' for this financial year. There has been no significant impact on the Company from adopting this standard.

### **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 of News Corporation which prepares consolidated financial statements which are publicly available, in which a consolidated cash flow statement is included.

### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

### **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.

### **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.

## Notes to the financial statements - continued

### 2 Operating profit

The Directors received no remuneration for their services to the Company (2006 - \$Nil) 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 (2006 - None)

### 3 Interest receivable

	2007 US\$'000	2006 US\$'000
Foreign exchange gain	120	59
	<hr/>	<hr/>
	120	59
	<hr/>	<hr/>

### 4 Tax on profit on ordinary activities

#### a) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is US\$ Nil (2006 - US\$ Nil) The difference between the tax assessed and the standard rate of corporation tax in the UK of 30% (2006 - 30%) is reconciled below

	2007 US\$'000	2006 US\$'000
Profit on ordinary activities before tax	120	59
	<hr/>	<hr/>
Corporation tax at 30% (2006 - 30%)	36	18
Group relief claimed	(36)	(18)
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

No payment will be made for group relief The Company is certified as being exempt from taxation in the Cayman Islands

#### b) Factors affecting future tax charge

On 21 March 2007, the Chancellor announced that with effect from 1 April 2008 the standard rate of UK Corporation tax will reduce from 30 per cent to 28 per cent

## Notes to the financial statements - continued

### 5 Debtors

	2007 US\$'000	2006 US\$'000
Due from group undertakings	1,525	1,405

### 6 Cash at bank and in hand

The Newscorp Investments group operates a collective overdraft facility with its bankers which allows individual companies in the Newscorp Investments group to overdraw subject to an agreed limit not being exceeded in aggregate. This facility is guaranteed by News Corporation.

### 7 Equity capital and reserves

#### a) Called-up share capital

	2007 US\$'000	2006 US\$'000
Authorised 900,000 US\$1 ordinary shares	900	900
Allotted and fully-paid 420,000 US\$1 ordinary shares	420	420

#### b) Reserves

	Profit and loss account US\$'000
Beginning of the year	985
Profit for the financial year	120
End of the year	1,105

#### c) Reconciliation of movements in equity shareholders' funds

	2007 US\$'000	2006 US\$'000
Profit for the financial year	120	59
Net addition to equity shareholders' funds	120	59
Opening equity shareholders' funds	1,405	1,346
Closing equity shareholders' funds	1,525	1,405

## Notes to the financial statements - continued

### 8 Guarantees

Under a collective group banking facility the Company has given multilateral guarantees in respect of bank overdrafts of other group companies

### 9 Ultimate parent company

The immediate parent company is News International 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 Newscorp Investments, a company incorporated in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from 1 Virginia Street, London, E98 1FN.

### 10 Directors

The following Directors held office during the year:

S W Daintith  
S F Hutson

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

No remuneration was paid to any Director for their services to the company during the year or prior year, nor were any loans made to or guaranteed by the company to any Director, spouse or related entity.

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 1985. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the financial statements.