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COMPANY REGISTRATION NUMBER FC013171

NewsCorp Finance Limited

Financial statements

1 July 2012

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Newscorp Finance Limited

Financial statements

Year ended 1 July 2012

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Newscorp Finance Limited

The director's report

Year ended 1 July 2012

The director presents his report and the unaudited financial statements of the company for the year ended 1 July 2012

Principal activities and business review

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 2006 that apply to an overseas company.

A business review has not been completed for the company because it is entitled to claim the exemption from doing so under Section 415A of the Companies Act 2006.

Principal risks and uncertainties facing the business

A summary of the principal risks and uncertainties facing the company has not been completed because it is entitled to claim the exemption from preparing the business review under Section 415A of the Companies Act 2006.

Going concern

The company is a finance company and therefore does not actively trade.

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the annual financial statements.

Results and dividends

The loss for the year amounted to US\$28,000. The director has not recommended a dividend.

Director

The director who served the company during the year was as follows:

M C Gill

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

Directors' indemnity provision

News Corporation has indemnified the director 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.

The Articles of Association does not require the director to retire either by rotation or in the year of appointment.

Donations

The company has made no charitable or political contributions in the year (2011 - £Nil).

Newscorp Finance Limited

The director's report *(continued)*

Year ended 1 July 2012

Registered office
3 Thomas More Square
London
E98 1XY

Signed by



M C Gill

Director

Approved by the director on 26 November 2012

Company Registration Number FC013171

Newscorp Finance Limited

Profit and loss account

Year ended 1 July 2012

	Note	2012 US\$000	2011 US\$000
Turnover		—	—
Administrative income/(expenses)		(28)	83
(Loss)/profit on ordinary activities before taxation		<u>(28)</u>	<u>83</u>
Tax on (loss)/profit on ordinary activities	5	—	—
(Loss)/profit for the financial year		<u>(28)</u>	<u>83</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 5 to 7 form part of these financial statements

NewsCorp Finance Limited

Balance sheet

1 July 2012

	Note	2012 US\$000	2011 US\$000
Current assets			
Debtors	6	1,189	1,217
Total assets		<u>1,189</u>	<u>1,217</u>
Capital and reserves			
Called-up equity share capital	8	420	420
Profit and loss account	9	<u>769</u>	<u>797</u>
Shareholders' funds	10	<u>1,189</u>	<u>1,217</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act

The director acknowledges his responsibility for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements were approved and signed by the director and authorised for issue on 26 November 2012



M C Gill
Director

The notes on pages 5 to 7 form part of these financial statements

Newscorp Finance Limited

Notes to the financial statements

Year ended 1 July 2012

1. Accounting policies

Basis of accounting

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

The financial statements of the company are made up to the Sunday closest to the 30 June each year. Consequently the financial statements for the current period cover 52 weeks ended 1 July 2012

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

Going concern

The company is a finance company and therefore does not actively trade

After making enquires, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements

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

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

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 director considers 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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

NewsCorp Finance Limited

Notes to the financial statements

Year ended 1 July 2012

2. Administrative expenses

	2012	2011
	US\$000	US\$000
Foreign currency exchange loss/(profit)	<u>28</u>	<u>(83)</u>

3. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting)

	2012	2011
	US\$000	US\$000
Net loss/(profit) on foreign currency translation	<u>28</u>	<u>(83)</u>

4. Particulars of employees

The company has no employees (2011 - None)

5. Taxation on ordinary activities

(a) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 25.50% (2011 - 27.50%)

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

	2012	2011
	US\$000	US\$000
(Loss)/profit on ordinary activities before taxation	<u>(28)</u>	<u>83</u>
(Loss)/profit on ordinary activities by rate of tax	(7)	23
Group relief surrendered / (claimed)	<u>7</u>	<u>(23)</u>
Total current tax	<u>-</u>	<u>-</u>

(b) Factors that may affect future tax charges

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

The standard rate of corporation tax is set to reduce to 23% from 1 April 2013 and by a further 1% to a rate of 22% from 1 April 2014. These further reductions had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements.

6. Debtors

	2012	2011
	US\$000	US\$000
Amounts owed by group undertakings	<u>1,189</u>	<u>1,217</u>

NewsCorp Finance Limited

Notes to the financial statements

Year ended 1 July 2012

7. Guarantees

NI Group Limited (UK parent company) operates two collective overdraft facilities with its bankers, which allows individual companies in the Group to overdraw subject to an agreed limit of £20 million, for each facility, not being exceeded in aggregate. The overdraft facilities are also guaranteed by News Corporation.

8. Share capital

Authorised share capital

	2012	2011
	US\$000	US\$000
900,000 Ordinary shares of US\$1 each	900	900

Allotted, called up and fully paid:

	2012		2011	
	No	US\$000	No	US\$000
420,000 Ordinary shares of US\$1 each	420,000	420	420,000	420

9. Profit and loss account

	2012	2011
	US\$000	US\$000
Balance brought forward	797	714
(Loss)/profit for the financial year	(28)	83
Balance carried forward	769	797

10. Reconciliation of movements in shareholders' funds

	2012	2011
	US\$000	US\$000
(Loss)/Profit for the financial year	(28)	83
Opening shareholders' funds	1,217	1,134
Closing shareholders' funds	1,189	1,217

11. Ultimate parent company

The company's immediate parent company is NI Group Limited, a company incorporated in England.

The ultimate parent company is News Corporation, a company incorporated in Delaware.

The largest group in which the results of the company are consolidated is that headed by News Corporation, whose principal place of business is at 1211 Avenue of the Americas, New York, NY 10036. The smallest group in which they are consolidated is that headed by NI Group Limited, a company incorporated in England. The consolidated financial statements of these groups are available to the public and may be obtained from 3 Thomas More Square, London, E98 1XY.