

Wireless Group New Media Limited

(formerly UTV New Media Limited)

Report and financial statements

For the 18 months ended 30 June 2017

Registered number: NI 053107



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COMPANIES HOUSE

Corporate information

Directors

M Gill

C Longcroft

Auditors

Ernst & Young LLP

Bedford House

16 Bedford Street

Belfast

BT2 7DT

Bankers

Bank of Ireland

28 University Road

Belfast

BT7 1NH

Solicitors

A&L Goodbody

6th Floor

42-46 Fountain Street

Belfast

BT1 5EF

Registered office

Havelock House

Ormeau Road

Belfast

BT7 1EB

Directors' report

Registered number: NI 053107

The directors present their report for the 18 months ended 30 June 2017.

Directors of the company

The directors who served the Company during the period were as follows:

J McCann	(resigned 12 May 2016)
M Gill	(appointed 30 November 2016)
C Longcroft	(appointed 30 November 2016)
N McKeown	(resigned 30 April 2017)

Change of accounting reference date

During the period, the Company changed its accounting reference date from 31 December to 30 June. The change is to align the year end of Wireless Group New Media Limited with the year end of News Corporation, which is 30 June. As a result, the financial statements of the Company are prepared for the 18 month period ending 30 June 2017. The comparatives are for the year ended 31 December 2015.

Results and dividends

The loss for the period, after taxation, amounted to £4,935,260 (2015: £96,769). No dividends were paid during the period (2015: £nil).

Principal activity and future developments

The principal activity of the Company during the period continued to be that of a holding company. The investments held by the Company are listed in note 8 to the financial statements. The directors do not presently expect the activities of the Company to change significantly within the foreseeable future. The directors aim to maintain management policies and continue to monitor its investments.

Change of name

On 3 March 2016 the Company changed its name from UTV New Media Limited to Wireless Group New Media Limited.

Going concern

News Corporation has committed to provide financial support until at least 31 March 2019 to News Corp Investments UK & Ireland which in turn supports News Corp UK & Ireland Limited and its subsidiary undertakings.

News Corp UK & Ireland Limited operates two collective overdraft facilities, in which News Corp UK & Ireland Limited (the company's intermediary parent) 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.

Directors' report (continued)

Registered number: NI 053107

Directors' liabilities

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.

Auditors

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.

Directors statement at to disclosure of information to auditors

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

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

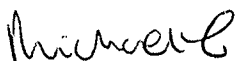
Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Strategic report

The directors have not prepared a Strategic report as the Company is entitled to the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the board,



M Gill

Director

28 March 2018

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; 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.

Independent auditors' report

to the members of Wireless Group New Media Limited (*formerly UTV New Media Limited*)

Opinion

We have audited the financial statements of Wireless Group New Media Limited (formerly UTV New Media Limited) for the 18 month period ended 30 June 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 30 June 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; 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, 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.
- ▶ the Directors' Report has been prepared in accordance with applicable legal requirements.

Independent auditors' report

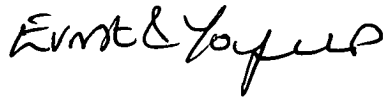
to the members of Wireless Group New Media Limited (*formerly UTV New Media Limited*)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.



Michael Kidd (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

29 March 2018

Income statement

for the period ended 30 June 2017

		For the period from 1 January 2016 to 30 June 2017	For the year ended 31 December 2015
	Notes	£	£
Impairment loss	3	(4,671,365)	
Operating loss after exceptional items		(4,671,365)	-
Interest payable	5	(263,895)	(96,769)
Loss on ordinary activities before taxation		(4,935,260)	
Tax	7(a)	-	-
Loss for the financial period		(4,935,260)	(96,769)

All amounts relate to continuing operations.

Statement of comprehensive income

for the period ended 30 June 2017

There are no items of other comprehensive income other than the loss attributable to the shareholders of the Company of £4,935,260 (2015: £96,769).


Balance sheet

at 30 June 2017

Registered number: NI 053107

	Notes	30 June 2017 £	31 December 2015 £
Fixed assets			
Investments	8	21,774	4,693,139
Creditors: amounts falling due within one year	9	(5,254,269)	(4,990,374)
Net current liabilities		(5,254,269)	(4,990,374)
Total assets less current liabilities		(5,232,495)	(297,235)
Net liabilities		(5,232,495)	(297,235)
Capital and reserves			
Share capital	10	11,513	11,513
Retained earnings		(5,244,008)	(308,748)
Total deficit		(5,232,495)	(297,235)

The financial statements were approved by the Board of Directors and authorised for issue on 28 March 2018. They were signed on its behalf by:



M Gill

Director

28 March 2018

Statement of changes in equity

for the period ended 30 June 2017

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	11,513	(211,979)	(200,466)
Loss for the financial year	—	(96,769)	(96,769)
At 31 December 2015	11,513	(308,748)	(297,235)
Loss for the financial period	—	(4,935,260)	(4,935,260)
At 30 June 2017	11,513	(5,244,008)	(5,232,495)

Notes to the financial statements

for the period ended 30 June 2017

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Wireless Group New Media Limited (formerly UTV New Media Limited) (the "Company") for the 18 months ended 30 June 2017 were authorised for issue by the board of directors on 28 March 2018 and the balance sheet was signed on the board's behalf by M Gill. Wireless Group New Media Limited is incorporated and domiciled in Northern Ireland.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and Companies Act 2006.

The Company financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise indicated.

The Company has taken advantage of the exemption under s.400 of the Companies Act 2006 not to prepare group accounts as it was a wholly owned subsidiary of News Corporation at 30 June 2017.

The results of News Corporation are included in the financial statements of News Corporation available from 1 London Bridge Street, London, SE1 9GF.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

The accounting policies which follow set out those policies which apply in preparing the financial statements for the 18 months ended 30 June 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of paragraphs 62 and B67 of IFRS 3 Business Combinations
- b) the requirements of IFRS 7 Financial Instruments: Disclosures;
- c) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of;
 - i) paragraph 79 (a) (iv) of IAS1;
- d) the requirements of paragraphs 10(d), 38A, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- e) the requirements of IAS 7 Statement of Cash Flows;
- f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

Judgements and key sources of uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Board do not consider there to be any key sources of judgement or estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Notes to the financial statements (continued)

for the period ended 30 June 2017

2. Accounting policies (continued)

Income taxes (continued)

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Investments

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

3. Impairment loss

The impairment of £4,671,365 during the period ended 30 June 2017 related to the Company's investment in Simply Zesty Limited. As Simply Zesty Limited has negative reserves, this investment was written down to £nil.

4. Auditor's remuneration

Auditor's remuneration has been paid by a fellow group undertaking in the current and prior period.

5. Interest payable

	For the period from 1 January 2016 to 30 June 2017	For the year ended 31 December 2015
	£	£
Interest payable to group undertakings	<u>263,895</u>	<u>96,769</u>

6. Directors' remuneration

The directors of the Company are also directors of fellow subsidiaries. The directors received total remuneration for the period of £765,099 (2015: £903,335), all of which was paid by fellow subsidiary companies. 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 fellow subsidiary companies.

Notes to the financial statements (continued)

for the period ended 30 June 2017

7. Taxation*a) Tax charged in the income statement:*

	For the period from 1 January 2016 to 30 June 2017	For the year ended 31 December 2015
	£	£
Tax charged in the income statement	<u>–</u>	<u>–</u>

b) Reconciliation of the total tax charge:

The tax on loss before tax for the period is lower than the standard rate of corporation tax in the UK (2015: lower than the standard rate of corporation tax in the UK) of 19.83% (2015: 20.25%). The differences are reconciled below:

	For the period from 1 January 2016 to 30 June 2017	For the year ended 31 December 2015
	£	£
Loss before tax	<u>(4,935,260)</u>	<u>(96,769)</u>
Corporation tax at standard rate	(978,662)	(19,595)
Provision against investments	926,332	–
Group relief and intra group adjustments	<u>52,330</u>	<u>19,595</u>
Total tax credit	<u>–</u>	<u>–</u>

c) Factors that may affect future tax charges:

Following the 2015 summer budget and the 2016 budget, the UK corporation tax rate reduced from 20% to 19% from 1 April 2017 and will reduce to 17% from 1 April 2020.

Notes to the financial statements (continued)

for the period ended 30 June 2017

8. InvestmentsSubsidiary
undertakings
£

Cost:

At 1 January 2016 and 30 June 2017 9,169,152

Impairment:

At 1 January 2016 4,476,013

Charged in the year (note 3) 4,671,365At 30 June 2017 9,147,378

Net book value:

At 30 June 2017 21,774At 31 December 2015 4,693,139

Details of the investments in which the Company holds 20% or more of the nominal value of ordinary share capital are as follows:

Name of company	Country of incorporation	Nature of business	Holding	Proportion of voting rights & of share held
The Internet Business Ltd	Northern Ireland	Web hosting	Ordinary shares	100%
Simply Zesty Ltd	Republic of Ireland	Web design	Ordinary shares, 'A', 'B', 'C', 'D', 'E', 'F' ordinary shares	100%
Simply Zesty UK Ltd	England	Web design	Ordinary shares	100%*
Wireless Connect Ltd	Northern Ireland	Non trading	Ordinary shares	100%
Recruitment Northern Ireland Ltd	Northern Ireland	Non trading	Ordinary shares	100%
Wireless Drive Ltd	Northern Ireland	Non trading	Ordinary shares, 'A', 'B' ordinary shares	100%

* Held by a subsidiary undertaking

9. Creditors: amounts falling due within one year

	30 June 2017	31 December 2015
	£	£
Amounts owed to group undertakings	<u>5,254,269</u>	<u>4,990,374</u>

10. Share capital

	30 June 2017	31 December 2015
	No. £	No. £
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>11,513</u> <u>11,513</u>	<u>11,513</u> <u>11,513</u>

Notes to the financial statements (continued)

for the period ended 30 June 2017

11. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

12. Ultimate group undertaking and controlling party

The company's immediate parent company is Wireless Group Limited (formerly Wireless Group Plc), a company incorporated in Northern Ireland.

The ultimate parent company and controlling party is News Corporation, a company 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, NY10036. The consolidated financial statements are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF.