

Registration number: NI065086

# Wireless Group Limited

**Report and financial statements**  
**for the year ended 27 June 2021**



## **Wireless Group Limited**

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## **Wireless Group Limited**

### **Strategic Report for the year ended 27 June 2021**

The directors present their Strategic Report and the financial statements of the company for the year ended 27 June 2021

#### **Principal activities and business review**

The principal activity of the company is that of an employment and investment holding company and it does not actively trade.

The loss before tax for the financial year is £7,872,000 (2020 - loss of £6,105,000). In the current year the loss is primarily due to administrative expenses of £7,870,000 (2020 - £6,778,000) and a decrease in other operating income from £682,000 in the prior year to £5,000 in the current year.

#### **Future developments**

Throughout the financial year the directors have continued to monitor the impact of the COVID-19 pandemic that was declared in 2020. The company has continued to operate with minimal disruption and subsequent to the year end, the majority of the remaining restrictions imposed by the government have been lifted. Whilst the directors expect the removal of restrictions to be permanent, the pandemic has been unpredictable and its long term impacts remain uncertain. Despite the uncertainty the directors expect the company to continue as an investment holding company for the foreseeable future.

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

The company's trade and activities are largely dependent on other group companies within the Wireless group. Therefore the principal risks and uncertainties are borne by other group companies within the Wireless group and are disclosed in the other group companies' financial statements.

#### **Report on compliance with section 172 of Companies Act 2006**

Section 172 of the Companies Act 2006 requires company directors to act in a way which promotes the long term success of the company and in doing so to consider the interests of the company stakeholders.

The board for the News UK Group (including Wireless) is situated within News Corp UK & Ireland Limited as this is the highest level trading company within the News UK Group structure. The News Corp UK & Ireland Limited Board ("the Board") has oversight of the following trading News UK group companies: News Group Newspapers Limited; Times Newspapers Limited; News UK & Ireland Limited; talkSPORT Limited; Newsprinters Limited; and Newsprinters (Broxbourne) Limited ("the News UK Group").

During Financial Year 2021, the Board undertook a variety of activities to engage with stakeholders on behalf of the News UK Group and ensured that their status was recognised in the Boardroom.

This section of the report describes the impact of this engagement for the News UK Group and confirms that the Board has at all times during the year under review (and at all other times) acted in the way that they considered, in good faith, would be most likely to promote the success of the News UK Group for the benefit of its members as a whole, and in doing so had regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of employees;
- the need to foster business relationships with suppliers, customers and others;

## **Wireless Group Limited**

### **Strategic Report for the year ended 27 June 2021 (continued)**

#### **Report on compliance with section 172 of Companies Act 2006 (continued)**

- the impact of operations on the community and the environment;
- the desirability of maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members.

#### ***Engagement with and interests of employees***

The Board promotes colleagues' voices to be heard in the Boardroom through a variety of different channels.

#### ***Engaging employees***

In December 2020, News UK & Ireland Limited ran an employee engagement survey to the News UK Group to enable it to better understand its colleagues' views on what it's like to work for the company. The results were shared with the Board and resulted in a series of departmental plans being drawn up with the objective of continuing to improve engagement across the business.

In addition, News UK & Ireland Limited also encourages potential, current and outgoing employees of the News UK Group to complete experience surveys to ensure that colleague's opinions are shared throughout their lifecycle with the business. These take the form of recruitment surveys at the point of interview (whether successful or not), on-boarding surveys, and 360 degree and team effectiveness surveys.

#### ***Inclusion***

The Board is proud to be building an inclusive business which is a great place for all colleagues to work. In view of this, News UK & Ireland Limited surveyed employees of the News UK Group to better understand diversity across the business and this data is being used to inform a diversity strategy which is shared with the Board.

#### ***Health and Wellbeing***

A number of wellness initiatives have been successfully introduced since January 2020, such as "Wellness Wednesdays" which aim to cover a range of physical, mental, social and financial wellbeing issues. During the COVID-19 period, a Ways of Working survey was also launched and a mental health check-in to ensure voices were heard and issues were identified. New initiatives were launched to connect people within the business, including a daily 'News United' email, sharing inspirational stories and new digital training, on building resilience and dealing with change.

#### ***Board Communication***

The Board is active in communicating its messages to its employees. In particular, during the COVID-19 period, the Board sent regular emails to all News UK Group employees updating them on business objectives, well-being, support and charitable initiatives.

Colleagues continue to be able to report any concerns relating to wrongdoing or misconduct via Alertline, News Corporation's whistleblowing service.

#### ***Fostering relationships with suppliers, customers and others in a business relationship with the company***

##### ***Suppliers***

All material suppliers have a contractual relationship with News UK & Ireland Limited for the benefit of the News UK Group.

## Wireless Group Limited

### Strategic Report for the year ended 27 June 2021 (continued)

#### Report on compliance with section 172 of Companies Act 2006 (continued)

##### *Fostering relationships with suppliers, customers and others in a business relationship with the company (continued)*

###### *Suppliers (continued)*

The Board recognises the integral role our suppliers play in ensuring the News UK Group delivers a reliable service. In recognition of this News UK & Ireland Limited has a Supplier and Contributor Policy and Procurement Guidelines which govern the News UK Group's engagement with third parties and are reviewed by the Board periodically. The purpose of these policies is to ensure that the News UK Group only engages with third parties that comply with all applicable laws and regulations, and meet News UK & Ireland Limited's standards for ethical conduct. It also ensures that the News UK Group's third party database is proportionate to its size and product portfolio.

All third parties must be onboarded via the News UK Group's third party risk management tool. This tool enables the News UK Group to better assess the risks of engaging with third parties and exists as part of the News UK Group's wider commitment to complete proportionate and risk-based due diligence on all third parties it engages with. The tool also governs the ongoing management of such third party engagements.

Moreover, certain members of the Board are also engaged each month in a procurement meeting to review relevant activity with third parties for that period. This review provides oversight on contractual relationships, tender activity, projects and financial status. All material approvals for commitments or transactions with third parties must comply with News UK & Ireland Limited's Approval Policy which sets out thresholds for the levels of approvals required.

###### *Customers*

Customers are at the heart of everything that the News UK Group does. During the year, the Board has received updates on consumer Key Performance Indicators (including, but not limited to print sales, listeners, digital traffic and digital subscriptions) and the business' engagement with customers, content themes and improvements to overall customer experience. The Board has also received progress reports on customer service performance updates and how any issues with customers are resolved and has had the opportunity to review results and provide feedback on customer insights, analytics and other related data.

###### *Community and Environment*

The News UK Group is committed to managing the wider, social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to [news.co.uk](https://www.news.co.uk) for further information on News Corp Group's Modern Slavery Statement and Standards of Business Conduct.

###### *Shareholders*

The Board provides regular updates to its parent company, News Corporation. The financial results of the News UK Group are reported to News Corporation on a quarterly basis.

For example, a CEO report is prepared for News Corporation each quarter, which provides information on each News UK Group entity, including updates on: revenues and KPIs; COVID-19; subscriptions; changes in senior resource; audience engagement; advertising; sales performance; projects; key legal and HR issues; and technology.

Other examples of communications shared with News Corporation throughout the year include litigation reports and corporate audit updates.

## Wireless Group Limited

### Strategic Report for the year ended 27 June 2021 (continued)

#### Report on compliance with section 172 of Companies Act 2006 (continued)

##### *Principal decisions of the Board*

###### *COVID-19*

The Coronavirus pandemic had a significant impact on the business operations of the News UK Group since February 2020.

In response to this, an initial working group was established by the Board in early February 2020 with the aim of monitoring developments and initiating planning. The working group considered risk under 4 key categories including: operational business risk; risk to people; risk to facilities; and communications risks. This working group was made up of Board members; HR; Safety; Occupational, Health; Business Resilience; Security; Facilitations Management; Communications; and Legal.

As the pandemic developed, the News UK Group Crisis Management Plan was updated to detail the composition and structure of the various crisis committees. This provided a strong framework and broadened the scope of the original committees in place to include representation from all parts of the business (previous crises were geographically or functionally limited and did not require such comprehensive coordination).

As members of the committees, the Board has overseen and approved all decisions relating to employees' access to the offices and print sites. The Board has also worked closely with the business to develop policies, communications and staff support mechanisms to protect the health and safety of all staff across the News UK Group on an ongoing basis.

In addition, the Board has received regular updates on the impact on revenue and relationships with customers and suppliers and overseen all efforts to mitigate the impacts of the crisis. In doing this, the Board has considered the continuity of business to support long term relationships and has considered payment terms to balance the need of the News UK Group business and the needs of customers and suppliers equally.

##### *Engagement with Regulators*

The Board receives regular updates on the status of any regulatory issues relating to the News UK Group. These updates are provided by the News UK General Counsel and the Managing Editors and are discussed at Board meetings. In doing this, the Board monitors News UK Group's compliance with regulatory issues and the actions taken to maintain this such as the implementation of internal training and updates to policies and procedures.

In addition, the News UK Group's Legal team provides regular updates to News Corporation on regulatory and reputational issues and contributes to a Compliance Steering Committee meeting held by News Corporation each quarter.

Approved by the Board on 15 November 2021 and signed on its behalf by:



C.C.S. Longcroft  
Director

## **Wireless Group Limited**

### **Directors' Report For the year ended 27 June 2021**

The directors present their report and the financial statements for the year ended 27 June 2021.

#### **Going concern**

The ultimate parent undertaking, News Corporation (the "Parent Company") has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due until at least 31 December 2022.

The Parent Company has considered the impacts to the business of the ongoing COVID-19 global pandemic. The Parent Company will continue to review its liquidity needs in light of the business and economic impacts of COVID-19; however it expects that its current cash balances will enable it to meet its liquidity needs until 31 December 2022, including repayment of debt. The Parent Company also has available borrowing capacity under its undrawn \$750 million revolving credit facility and expects to have access to the worldwide credit and capital markets, subject to market conditions, in order to issue additional debt if needed or desired. Please refer to the latest financial statements of News Corp found at: <https://investors.newscorp.com/>.

Based on this information and on enquiries, the directors believe that News Corporation has the ability to provide financial support to the Company for the foreseeable future.

Taking into account the position of the ultimate parent, the directors are of the view, to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Results and dividends**

The loss for the year after taxation, amounted to £7,872,000 (2020 - loss of £6,105,000).

£Nil dividends were paid during the year (2020 - £nil). The directors do not recommend a final dividend (2020 - £nil).

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

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

S.W. Taunton

C.C.S. Longcroft

R.M. Brooks

D.W. Dinsmore

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.

## **Wireless Group Limited**

### **Directors' Report (continued) For the year ended 27 June 2021**

#### **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.

#### **Directors' responsibilities statement**

The directors acknowledge their responsibilities for preparing the Strategic Report, 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;
- 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.

#### **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.



## **Wireless Group Limited**

### **Directors' Report (continued) For the year ended 27 June 2021**

#### **Auditor**

The directors have passed a resolution to dispense with the requirement to reappoint the 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 by the Board on 15 November 2021 and signed on its behalf by:



C.C.S. Longcroft  
Director  
City Quays 2  
Belfast  
BT1 3YD

## **Independent Auditor's Report to the Members of Wireless Group Limited**

### **Opinion**

We have audited the financial statements of Wireless Group Limited for the year ended 27 June 2021 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes 1 to 19 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 company's affairs as at 27 June 2021 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 2022.

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 report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of Wireless Group Limited (continued)**

### **Opinions on other matters 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which 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

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 6, 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.

### **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.

## **Independent Auditor's Report to the Members of Wireless Group Limited (continued)**

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

Our approach was as follows:

- 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 (UK GAAP), the Companies Act 2006 and the relevant tax compliance regulations in the UK.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance. We corroborated these enquiries through our review of 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 our discussions with management to understand where there is susceptibility for fraud. We also considered management performance targets and how these could influence any attempts to manage earnings. We also gained an understanding and tested internal controls designed by the group to prevent, deter and detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journal entries, with an emphasis placed on manual journal entries recorded to revenue and any other large or unusual transactions to gain reasonable assurance that the financial statements were free from fraud and error. 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.

### **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.



Richard Addison (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor, London  
Date: 19 November 2021

## Wireless Group Limited

### Profit and Loss Account For the year ended 27 June 2021

	Note	2021 £ 000	2020 £ 000
Administrative expenses		(7,870)	(6,778)
Other operating income		<u>5</u>	<u>682</u>
Operating loss	3	(7,865)	(6,096)
Interest payable and similar expenses	7	<u>(7)</u>	<u>(9)</u>
Loss before tax		(7,872)	(6,105)
Taxation	8	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(7,872)</u></u>	<u><u>(6,105)</u></u>

The above results were derived from continuing operations.

### Statement of Comprehensive Income For the year ended 27 June 2021

	Note	2021 £ 000	2020 £ 000
Loss for the financial year		(7,872)	(6,105)
Remeasurement gain/loss on defined benefit pension schemes	15	<u>(31)</u>	<u>(37)</u>
Total comprehensive loss for the financial year		<u><u>(7,903)</u></u>	<u><u>(6,142)</u></u>

The notes on pages 14 to 26 form part of these financial statements.

**Wireless Group Limited**  
**Registered number: NI065086**

**Balance Sheet**  
**As at 27 June 2021**

	Note	2021 £ 000	2020 £ 000
<b>Fixed assets</b>			
Investments	9	139,616	139,616
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	6,896	7,046
Debtors: amounts falling due after more than one year	11	20,949	20,949
		27,845	27,995
Creditors: amounts falling due within one year	13	(53,475)	(45,760)
<b>Net current liabilities</b>		<u>(25,630)</u>	<u>(17,765)</u>
<b>Total assets less current liabilities</b>		113,986	121,851
<b>Provisions for liabilities</b>	14	<u>(456)</u>	<u>(418)</u>
<b>Net assets</b>		<u>113,530</u>	<u>121,433</u>
<b>Capital and reserves</b>			
Called up share capital	16	4,895	4,895
Capital redemption reserve	17	50	50
Profit and loss account		<u>108,585</u>	<u>116,488</u>
<b>Shareholder's funds</b>		<u>113,530</u>	<u>121,433</u>

Approved and authorised by the Board on 15 November 2021 and signed on its behalf by:

*Christopher Longcroft*

C.C.S. Longcroft  
 Director

The notes on pages 14 to 26 form part of these financial statements.

**Wireless Group Limited****Statement of Changes in Equity  
For the year ended 27 June 2021**

	<b>Share capital £ 000</b>	<b>Capital redemption reserve £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 29 June 2020	4,895	50	116,488	121,433
Loss for the financial year	-	-	(7,872)	(7,872)
Other comprehensive loss for the financial year	-	-	(31)	(31)
Total comprehensive loss for the financial year	-	-	(7,903)	(7,903)
At 27 June 2021	4,895	50	108,585	113,530

**Statement of Changes in Equity  
For the year ended 28 June 2020**

	<b>Share capital £ 000</b>	<b>Capital redemption reserve £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 July 2019	4,895	50	122,630	127,575
Loss for the financial year	-	-	(6,105)	(6,105)
Other comprehensive loss for the financial year	-	-	(37)	(37)
Total comprehensive loss for the financial year	-	-	(6,142)	(6,142)
At 28 June 2020	4,895	50	116,488	121,433

The notes on pages 14 to 26 form part of these financial statements.

## **Wireless Group Limited**

### **Notes to the Financial Statements For the year ended 27 June 2021**

#### **1 General information**

The company is a private company limited by shares incorporated in England and Wales under the Companies Act.

The address of its registered office is:

City Quays 2  
2 Clarendon Road  
Belfast  
BT1 3YD

These financial statements were authorised for issue by the Board on 15 November 2021.

The nature of the company's operations and its principal activities are set out in the Strategic 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 UK and Republic of Ireland' and the Companies Act 2006.

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

The financial statements of Wireless Group Limited have been prepared on a going concern basis, under the historical cost convention, modified to include certain items 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 each year. Consequently, the financial statements for the current period cover 52 weeks ended 27 June 2021 (prior period 52 weeks ended 28 June 2020). The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest £'000.

##### **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.



## **Wireless Group Limited**

### **Notes to the Financial Statements For the year ended 27 June 2021 (continued)**

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

##### **Summary of disclosure exemptions (continued)**

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.

##### **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. The consolidated financial statements are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

##### **Going concern**

The ultimate parent undertaking, News Corporation (the "Parent Company") has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due until at least 31 December 2022.

The Parent Company has considered the impacts to the business of the ongoing COVID-19 global pandemic. The Parent Company will continue to review its liquidity needs in light of the business and economic impacts of COVID-19; however it expects that its current cash balances will enable it to meet its liquidity needs until 31 December 2022, including repayment of debt. The Parent Company also has available borrowing capacity under its undrawn \$750 million revolving credit facility and expects to have access to the worldwide credit and capital markets, subject to market conditions, in order to issue additional debt if needed or desired. Please refer to the latest financial statements of News Corp found at: <https://investors.newscorp.com/>.

Based on this information and on enquiries, the directors believe that News Corporation has the ability to provide financial support to the Company for the foreseeable future.

Taking into account the position of the ultimate parent, the directors are of the view, to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

##### **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.

## **Wireless Group Limited**

### **Notes to the Financial Statements For the year ended 27 June 2021 (continued)**

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

##### **Operating leases**

Rentals payable under operating leases are charged on a straight line basis to the profit and loss account over the lease term. Benefits received and receivable as an incentive to sign an operating lease are similarly recognised on a straight line basis over the lease term.

##### **Interest receivable and payable**

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

##### **Taxation**

Taxation expense 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 result in 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 that 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 the balance sheet date.

##### **Foreign currency transactions and balances**

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

##### **Investments in subsidiaries**

Investments are recorded at cost and adjusted for any impairment provisions. When an impairment has been identified it is reflected in the profit and loss account.

##### **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.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Wireless Group Limited**

### **Notes to the Financial Statements For the year ended 27 June 2021 (continued)**

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

##### **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **Provisions for liabilities**

Provisions for liabilities are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

##### **Pensions**

The company is part of a group defined contribution scheme which requires contributions to be made to a separately administered fund. Contributions to the defined contribution scheme are recognised in the profit and loss account in the period in which they become payable. The company also operates an Employer-Financed Retirement Benefit Scheme (EFRBS) which is detailed in note 15.

##### **Critical judgements in applying the company's accounting policies**

No critical judgements in applying the company's accounting policies have been identified in the current or preceding period.

##### **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 within the next financial year are discussed below.

##### ***a. Impairment of investments***

Determining whether investments are impaired requires an estimation of the value in use of the cash generating unit (CGU) to which the investment has been allocated versus a calculation of the fair value less cost to sell. The recoverable amount is the higher of the two calculations. 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 rates and a suitable discount rate to apply to cash flows in order to calculate present value. £Nil impairment loss was recognised for the year ended 27 June 2021 (2020 - £Nil).

## Wireless Group Limited

### Notes to the Financial Statements For the year ended 27 June 2021 (continued)

#### 3 Operating loss

Arrived at after charging:

	2021	2020
	£ 000	£ 000
Foreign exchange loss/(gain)	378	(309)
Operating lease expense - property	1,784	1,908
Operating lease expense - other	98	79
	<u>          </u>	<u>          </u>

#### 4 Auditor's remuneration

	2021	2020
	£ 000	£ 000
Audit of the financial statements	8	8
	<u>          </u>	<u>          </u>

#### 5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£ 000	£ 000
Wages and salaries	2,235	2,045
Social security costs	240	199
Pension costs	117	118
Other employee expenses	-	17
	<u>          </u>	<u>          </u>
	<u>2,592</u>	<u>2,379</u>

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

	2021	2020
	No.	No.
Administration and support	11	6
	<u>          </u>	<u>          </u>

#### 6 Directors' remuneration

The directors' remuneration for the period was as follows:

	2021	2020
	£ 000	£ 000
Remuneration	7,609	5,289
	<u>          </u>	<u>          </u>

## Wireless Group Limited

### Notes to the Financial Statements For the year ended 27 June 2021 (continued)

#### 6 Directors' remuneration (continued)

The directors of the company are also directors of the holding company or fellow subsidiaries. The directors received total remuneration for the year as shown above, 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 holding company and fellow subsidiary companies.

#### 7 Interest payable and similar expenses

	Note	2021 £ 000	2020 £ 000
Interest cost on defined benefit pension liability	15	<u>7</u>	<u>9</u>

#### 8 Taxation

The tax on the loss before tax for the period is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Loss before tax	<u>(7,872)</u>	<u>(6,105)</u>
Corporation tax at standard rate	(1,496)	(1,160)
Expenses not deductible for tax purposes	2	4
Tax increase arising from group relief	1,494	1,234
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>(78)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

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

The UK Corporation Tax Rate has remained at 19% for several years. It was announced in the March 2021 Budget that the main rate would increase to 25%, with effect from 1 April 2023. The rate increase was substantially enacted when it received Royal Assent on 10 June 2021. The rate will remain at 19% until 31 March 2023.

#### 9 Fixed asset investments

	2021 £ 000	2020 £ 000
Investments in subsidiaries - cost	<u>139,616</u>	<u>139,616</u>

## Wireless Group Limited

### Notes to the Financial Statements For the year ended 27 June 2021 (continued)

#### 9 Fixed asset investments (continued)

##### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Name	Registered Office	Principal Activity	Holding	% Shares held
<i>Subsidiary undertakings:</i>				
Wireless Group Holding Limited*	England and Wales	Holding company	Ordinary shares	100%
talkSPORT Limited*	England and Wales	Commercial radio station operator	Ordinary shares	100%
Switchdigital (London) Limited*	England and Wales	Digital multiplex operator	Ordinary shares	80.5%
Switchdigital (Scotland) Limited*	Scotland	Digital multiplex operator	Ordinary shares	92%
Forever Broadcasting Limited*	England and Wales	Holding company	Ordinary shares	100%
Grand Central Broadcasting Limited*	England and Wales	Non trading	Ordinary shares	100%
Wolverhampton Area Radio Limited*	England and Wales	Non trading	Ordinary shares	100%
Tower 107.4 FM Limited*	England and Wales	Non trading	Ordinary shares	100%
Soccerbet Limited*	England and Wales	Non trading	Ordinary shares	100%
Wireless Radio Limited*	England and Wales	Holding company	Ordinary shares	100%
Perfecttaste Limited*	England and Wales	Non trading	Ordinary shares	100%
TWG Payments Limited*	England and Wales	Non trading	Ordinary shares	100%
Talk Radio UK limited*	England and Wales	Non trading	Ordinary shares	100%
The Wireless Group (ILRS) Limited*	England and Wales	Non trading	Ordinary shares	100%
Swansea Sound Limited*	England and Wales	Non trading	Ordinary shares	100%
Signal Radio Limited*	England and Wales	Non trading	Ordinary shares	100%
Pulse FM Limited*	England and Wales	Non trading	Ordinary shares	100%
Independent Radio Group Limited*	England and Wales	Holding company	Ordinary shares	100%
Wire FM (1997) Limited*	England and Wales	Non trading	Ordinary shares	100%
Wireless Group New Media Limited*	Northern Ireland	Holding company	Ordinary shares	100%
The Internet Business Limited*	Northern Ireland	Web development	Ordinary shares	100%

## Wireless Group Limited

### Notes to the Financial Statements For the year ended 27 June 2021 (continued)

#### 9 Fixed asset investments (continued)

Simply Zesty Limited*	Republic of Ireland	Social media agency	Ordinary shares	100%
Simply Zesty UK Limited*	England and Wales	Social media agency	Ordinary shares	100%
Direct Net Access Limited*	Northern Ireland	Non trading	Ordinary shares	100%
Wireless Radio (ROI) Limited	Republic of Ireland	Holding company	Ordinary shares	100%
Anotherway*	Republic of Ireland	Holding company	Ordinary shares	100%
County Media Limited*	Republic of Ireland	Holding company	Ordinary shares	100%
Radio County Sound Limited*	Republic of Ireland	Commercial radio	Ordinary shares	100%
Shawnee Limited*	Republic of Ireland	Sales agency	Ordinary shares	100%
Cork Media Enterprises Limited*	Republic of Ireland	Commercial radio	Ordinary shares	100%
Treaty Radio Limited*	Republic of Ireland	Commercial radio	Ordinary shares	100%
City Broadcasting Limited*	Republic of Ireland	Commercial radio	Ordinary shares	100%
The Independent Broadcasting Corporation Limited*	Republic of Ireland	Commercial radio	Ordinary shares	100%
Capital Radio Productions Limited*	Republic of Ireland	Commercial radio	Ordinary shares	100%
Babstova Limited*	Republic of Ireland	Non trading	Ordinary shares	100%
U105 Limited*	Northern Ireland	Commercial radio	Ordinary shares	100%
Wireless Group Media (GB) Limited	England and Wales	Holding company	Ordinary shares	100%
<i>Associates:</i>				
The Digital Radio Group (London) Limited*	England and Wales	Digital multiplex operator	Ordinary shares	30.2%
Main Street 1035 (Pty) Limited*	Republic of South Africa	Investment management	Ordinary shares	20%
Sound Digital Limited*	England and Wales	Commercial radio	Ordinary shares	30%

\*Held by a subsidiary undertaking

## Wireless Group Limited

### Notes to the Financial Statements For the year ended 27 June 2021 (continued)

#### 10 Debtors: amounts falling due within one year

	2021	2020
	£ 000	£ 000
Amounts owed by group undertakings	6,525	6,853
Prepayments	371	193
	<u>6,896</u>	<u>7,046</u>

All amounts owed by group undertakings relate to trading balances, are repayable on demand with no fixed repayment terms and interest is charged at between 0% and 1.75% above the 1 year UK LIBIOR rate.

#### 11 Debtors: amounts falling due after more than one year

	2021	2020
	£ 000	£ 000
Preference share capital	<u>20,949</u>	<u>20,949</u>

This debtor represents redeemable preference shares in Anotherway (an unlimited company), a subsidiary company of Wireless Group Limited which is incorporated in the Republic of Ireland.

The rights attaching to the preference shares are:

- The holders of the preference shares may be entitled to the payment of dividends pursuant to a resolution of the directors or the shareholders of the company, as the case may be. Such entitlement shall rank in priority to any such entitlement of the holders of the ordinary shares. The holders of the redeemable preference shares shall not have any further dividend entitlements. On a return of capital on a winding up or otherwise the assets of the company available for distribution among members shall be applied in repaying the amounts paid up or credited as paid up on the redeemable preference shares. The holders of the redeemable preference shares shall not be entitled to receive notice of, attend or vote at general meeting of the company or otherwise cast a vote in respect of any shareholders' resolution.
- The redeemable preference shares shall at any time at the discretion of the holders of such shares by two days' notice in writing to the Company be redeemed by the Company in all cases at a redemption price in cash equal to the subscription price per share plus all the declared but unpaid dividends (if any).



## Wireless Group Limited

### Notes to the Financial Statements For the year ended 27 June 2021 (continued)

#### 12 Cash and cash equivalents

	Note	2021 £ 000	2020 £ 000
Bank overdrafts	13	<u>(16)</u>	<u>(212)</u>

News Corp UK & Ireland operates a collective overdraft facility with its bankers, 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.

#### 13 Creditors: amounts falling due within one year

	Note	2021 £ 000	2020 £ 000
Bank overdrafts	12	16	212
Amounts owed to group undertakings		52,290	44,350
Accrued expenses		<u>1,169</u>	<u>1,198</u>
		<u>53,475</u>	<u>45,760</u>

All amounts owed to group undertakings relate to trading balances, are repayable on demand with no fixed repayment terms and no interest charged.

#### 14 Provisions for liabilities

	Note	Employee benefits £ 000
At 29 June 2020		418
Additional provisions		<u>38</u>
At 27 June 2021	15	<u>456</u>

## Wireless Group Limited

### Notes to the Financial Statements For the year ended 27 June 2021 (continued)

#### 15 Pension and other schemes

##### Employer-Financed Retirement Benefit Schemes

The company participates in the Wireless Employer-Financed Retirement Benefits Scheme (EFRBS) arrangement.

The liability for Wireless is based on individual membership data as at 30 June 2018 and valued as at that date.

The Wireless EFRBS arrangement is in respect of a single member who ceased pensionable service as at 29 February 2016. The plan provisions are valued based on the individual member's contract. This is a pension benefit on retirement at an assumed age of 60.

The total cost relating to defined benefit schemes for the period recognised in profit or loss as an expense was £9,000 (2020 - £9,000).

##### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

The amounts recognised in the balance sheet are as follows:

	2021	2020
	£ 000	£ 000
Present value of EFRBS obligation	<u>(456)</u>	<u>(418)</u>

##### *EFRBS obligation*

Changes in the EFRBS obligation are as follows:

	2021	2020
	£ 000	£ 000
Present value at start of year	418	372
Interest cost	7	9
Actuarial gains and losses	<u>31</u>	<u>37</u>
Present value at end of year	<u>456</u>	<u>418</u>

## Wireless Group Limited

### Notes to the Financial Statements For the year ended 27 June 2021 (continued)

#### 15 Pension and other schemes (continued)

##### *Principal actuarial assumptions*

The principal actuarial assumptions at the statement of financial position date are as follows:

	2021	2020
	%	%
Discount rate	2.00	1.70
Pension increase for deferred benefits	2.75	2.00
Pension increases for in-payment benefits	3.25	2.75
Price Inflation	3.25	2.75

#### 16 Share capital

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

	2021		2020	
	No.	£ 000	No.	£ 000
Ordinary shares of £0.07 each	69,925	4,895	69,925	4,895

#### 17 Capital redemption reserve

The capital redemption reserve was created on redemption of 50,000 redeemable preference shares on 19 December 2007.

#### 18 Commitments under operating leases

The company has entered into operating lease arrangements for certain properties, motor vehicles and office equipment. There are no restrictions placed upon the lessee by entering into these leases.

The total of future minimum lease payments is as follows:

	2021	2020
	£ 000	£ 000
Not later than one year	231	231
Later than one year and not later than five years	925	925
Later than five years	289	520
	1,445	1,676

## **Wireless Group Limited**

### **Notes to the Financial Statements For the year ended 27 June 2021 (continued)**

#### **19 Parent and ultimate parent undertaking**

The company's immediate parent is News Corp UK & Ireland Limited, 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.