

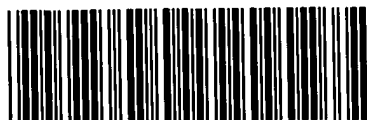
Registration number: 00894646

Times Media Limited

Report and financial statements

for the year ended 2 July 2023

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Times Media Limited

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Times Media Limited

Strategic Report for the year ended 2 July 2023

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

Principal activities and business review

Times Media Limited forms part of News Corporation, which is a global diversified media and information services company. It focuses on creating and distributing authoritative and engaging content and other products and services, to consumers and businesses throughout the world, across multiple platforms in print, digital, audio and video. News Corporation comprises businesses across a range of media. They include digital real estate services, subscription video products in Australia, news and information services and book publishing. It is all distributed under some of the world's most recognisable and respected brands, including The Wall Street Journal, Barron's, Dow Jones, The Australian, Herald Sun, The Sun, HarperCollins Publishers, Foxtel, FOX SPORTS Australia, realestate.com.au, realtor.com®, talkSPORT, OPIS and many others.

The company's principal activities are the publishing of its world-famous titles The Times and The Sunday Times and the distribution of content through its digital platforms and audio assets. The Times and The Sunday Times remain the most-read national print newspapers in the UK quality market and have the highest ABC1 composition of any newsbrand, based on PAMCo H2 2023 data (Publishers Audience Measurement Company). Across both print and digital platforms combined, they reach 15.1m readers per month.

The company generated turnover for the year of £385,793,000 (2022 - £373,421,000). The revenue increase was underpinned by growth in digital subscriptions and print circulation revenues which benefited from cover price increases. Revenues further benefited from higher digital advertising and brand extension revenues, particularly in the Travel category, which has rebounded since the easing of COVID-19 restrictions. This revenue growth was achieved despite the absence of an additional week of revenues that benefited 2022 by £6,784,000 due to an additional week 53 of trading.

The Times and The Sunday Times digital-only paid subscribers totalled 558,000 at June 30, 2023, representing 83% (2022 - 78%) of the overall total of 673,000 subscribers. Digital-only paid subscriptions grew 58,000 compared to the previous year. Throughout the year, the focus has been on increasing subscriber engagement, introducing new acquisition offers and enhancements to the retention strategy. Strong subscription growth has been achieved outside of the UK, and international growth is expected to continue to be an important area of focus.

Times Radio, a highly-regarded news and current affairs digital radio station, launched in conjunction with talkSPORT Ltd, has a weekly audience reach of 523,000 UK adults who increasingly tune in online, with connected listening hours up +25% (RAJAR Q2 2023). Video is a further area of opportunity in order to attract new audiences and advertisers, both on-platform and off-platform. In addition, in response to increased demand from readers and advertisers, Times Media has launched The Times Luxury Channel, a new 7-day luxury website, which brings an array of lifestyle products, events and services selected by award-winning journalists on The Times.

The Times and The Sunday Times remain committed to their positions at the forefront of quality news reporting. Both continue to provide the public with high-profile, in-depth editorial content, including exclusive investigations, interviews and analysis that demonstrate the titles' reach across politics, business, society and sport. Ongoing coverage of the Ukraine conflict has seen our journalists report courageously on the ground, acting as eyewitnesses for our readers, and providing a notable uplift in circulation – as did the editorial coverage of the King's coronation. During the year there have been changes in the leadership of both The Times and The Sunday Times: John Witherow and Emma Tucker stepped down as editors of their respective titles, to be succeeded by Tony Gallagher and Ben Taylor. John Witherow was appointed to the position of chairman of Times Media.

Times Media Limited

Strategic Report for the year ended 2 July 2023 (continued)

Principal activities and business review (continued)

The talent and high-quality journalism demonstrated by The Times and The Sunday Times continues to be a key driver of sales performance. This was evidenced again this year through the recognition the titles and their journalists received from the wider industry. In total, The Times and The Sunday Times won more than 40 awards for their achievements during the year. The Sunday Times won the coveted Newspaper of the Year at the Press Awards, while The Times was awarded Front Page of the Year. The Sunday Times was also awarded the Outstanding Impact Award at Amnesty International UK's International Media Awards for the Sunday Times Magazine project on the ISIS brides and children left in Syria. Individual talent was also rewarded. Some of the journalists recognised across the industry include Alice Thomson, who was named Interviewer of the Year at the British Journalism Awards, and Charlie Mitchell and Imogen Tew, who were honoured at the MHP Group 30 To Watch awards.

EBITDA for the year (excluding restructuring expense and one-off operating charges) was £74,618,000 (2022 - £82,897,000). The company's EBITDA has decreased compared to the previous year, partly due to the benefit of an additional week of trading in 2022 (£4,170,000). During the year, the cost base was adversely impacted by inflationary pressures, primarily relating to higher newsprint prices, resulting in higher production and distribution costs than the previous year. These were only partially offset by revenue growth and cost saving initiatives.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	2023	2022 excluding week 53	2022
	£'000	£'000	£'000
Turnover	385,792	366,637	373,421
EBITDA	66,699	75,751	79,921
EBITDA excluding restructuring expense	74,618	78,727	82,897

EBITDA is defined as earnings before interest, taxation, depreciation and amortisation charges.

PAMCo H2 2023 - Total Brand Reach (monthly) (source: Publishers Audience Measurement Company - Jun'21 to Jun'23 print data fused with Jun'23 Ipsos Iris data, measuring combined print and digital reach):

	2023	2022
The Times and The Sunday Times	15,100,000	15,809,000

Future developments

The future for The Times and The Sunday Times remains strong, with a continuing commitment to delivering high-quality journalism and incisive commentary from across the political spectrum during pivotal moments in British politics. Both titles are committed to showcasing their journalism and unique storytelling capabilities to new audiences in new, compelling formats across a range of platforms.

Growth in digital subscriptions remains key to the ongoing success of Times Media. Through enhanced product value, new content verticals as well as targeted investments in product innovation, the business will aim to attract additional premium subscribers, in the UK and internationally, and drive deeper loyalty and engagement.

Artificial Intelligence (AI) represents both a threat and opportunity. The company believes that original content, created by world-class journalists, will become more valuable as generative AI-created content proliferates. Relationships with major technology platforms remained strong during 2023, with news payment agreements continuing to provide sources of revenue. Looking ahead, further opportunities with the technology platforms will be explored that could benefit all parties within publishing, advertising and AI. These additions will in turn underpin further growth in digital advertising and customer revenue.

Times Media Limited

Strategic Report for the year ended 2 July 2023 (continued)

Future developments (continued)

Times Media continues to monitor and respond to macroeconomic factors that could impact the business. In June 2023, the cover price across all editions was increased to mitigate the impact of inflationary headwinds, particularly newsprint price rises and a challenging UK advertising market which affected the wider industry. Cost-saving initiatives identified during the year are expected to further mitigate these cost pressures going forward. Since year-end, there have been signs that inflationary forces are beginning to moderate, most notably in newsprint prices.

New legislation and regulations being introduced by the government, such as The Digital Markets Competition and Consumer Bill, are observed closely and could impact our industry in the future.

Principal risks and uncertainties

The company's advertising volume, circulation and the price of paper are the key variables whose fluctuations can have a material effect on its operating results and cash flows. The company has to anticipate the level of advertising volume, circulation and paper prices in managing its business to maximize operating profit during expanding and contracting economic cycles. The company continues to be exposed to the risks associated with paper used for printing. Paper is a basic commodity and its price is sensitive to the balance of supply and demand; as such, the company's expenses are affected by the cyclical increases and decreases in the price of paper. The company's products compete for readership and advertising amongst its competitors and also compete with other media alternatives in their respective markets. Competition for circulation and subscriptions is based on the content of the products provided, pricing and, from time to time, various promotions. The success of these products also depends upon advertisers' judgements as to the most effective use of their advertising budgets. Competition for advertising is based upon the reach of the products, advertising rates and advertiser results. Such judgements are based on factors such as cost, availability of alternative media, distribution and quality of readership demographics.

Like other newspaper groups, the company faces challenges to its traditional print business model from new media formats and shifting consumer preferences. The company is also exposed to the impact of long term structural movements in advertising spending, in particular, the move in advertising from print to digital. These new media formats could impact the company's overall performance, positively or negatively.

A Cyber-crime attack on systems and data could disrupt the digital service and thus damage advertising revenue. Response plans are in place with security policies, standards and procedures being well established.

A combination of vision, leadership and innovation is essential for senior roles in the managerial team and failure to secure and retain the right people for senior and business critical roles, or plan for the natural succession for these positions, could lead to untimely loss of critical knowledge, experience and competitive advantage. The appeal of our editorial talent supported by skilled and creative staff is a fundamental component of our business and failure to secure and retain talented people for these roles could impact the ability to maintain circulation volume, performance and deliver growth. The company remains committed to the recruitment, engagement, retention and reward of experienced and quality management.

As a multi platform news provider, the company recognises the importance of maximising revenues from new media, both in terms of paid for content and in new advertising models, and continues to invest in its digital products. The development of technologies such as smartphones, tablets and similar devices and their related applications provides continued opportunities for the company to make its journalism available to a new audience of readers, introduce new or different pricing schemes, develop its products to continue to attract advertisers and/or affect the relationship between publisher and consumer. The company continues to develop and implement strategies to exploit its content in new media channels, including the implementation of digital subscriptions and bundles with other News Corp subsidiaries.

Times Media Limited

Strategic Report for the year ended 2 July 2023 (continued)

Principal risks and uncertainties (continued)

The company has no third party trade debtors. The only debtors are with other companies within the News UK group collecting advertising and circulation revenue on behalf of the company. Bad debts associated with advertising and circulation revenue are recharged to the company. Credit checks are performed for all new advertising customers requesting credit in excess of £1,500. Advance payment is requested when credit ratings are not sufficient. Formal processes are in place to ensure overdue accounts are followed up on a timely basis, with accounts being blocked for further advertisements when overdue.

Risk to bad debt from circulation customers is limited due to the majority of customers paying by direct debit and any overdue accounts are blocked for further supply until full settlement is received.

The majority of the company's transactions are in sterling, and exposure to fluctuations in foreign currency exchange rates is therefore limited. Foreign currency is managed centrally by the News UK group, which takes into account the foreign currency transactions of the company.

The company is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The Group makes provision for the estimated costs to defend such claims when incurred and provides for any settlement costs when such an outcome is judged probable.

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 News Corp UK & Ireland Limited Board ("the Board") has oversight of the following News UK trading group companies: News Group Newspapers Limited; Times Media Limited; News UK & Ireland Limited; talkSPORT Limited; Newsprinters Limited; and Newsprinters (Broxbourne) Limited ("the News UK Group").

During Financial Year 2023, 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, acted in the way that it considers, 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 has 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;
- 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.

Times Media Limited

Strategic Report for the year ended 2 July 2023 (continued)

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

Engagement with and interests of employees (continued)

Engaging employees

Annually, News UK & Ireland Limited ("News UK") runs an employee engagement survey across the News UK Group to enable it to better understand its colleagues' views on what it is like to work for the company. The results are shared with the Board and business leaders and result in a series of departmental plans being drawn up with the objective of continuing to improve engagement across the business. For the survey conducted in this period we saw improvements in overall completion rate and across the core questions driving overall colleague engagement. 'This company builds teams that are diverse' saw the greatest improvement score year-on-year, along with 'alignment & involvement'.

In addition, News UK also encourages potential, current and outgoing employees of the News UK Group to complete experience surveys to ensure that colleagues' 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), onboarding surveys, as well as 360 degree and team effectiveness surveys. News UK also invites colleagues to take part in an exit interview prior to leaving the company both in person and via a survey.

Equity, Diversity and Inclusion

The Board is proud to be building an inclusive business which is a welcoming place for all colleagues to work. Our diversity strategy remains clear as do our targets on representation - 50:50 on gender and 20% on minority ethnic employment. We have 11 well established employee networks which run across the business including News for Parent & Carers; GenZ; Christian Fellowship; Disability Network and many more. A now-well established internship and apprenticeship scheme is in place with a focus on bringing in and developing diverse talent, along with a number of work experience programmes. We launched Britain's first-ever forum and conference aimed at improving representation of disabled staff in newsrooms across the UK and alongside this we invested in accessibility programmes to support our current colleagues and those of the future. We have fostered a number of successful outreach programmes partnering with a range of well-respected organisations including Brixton Finishing School and the Raheem Sterling Foundation. We have also created a number of internally designed and delivered programmes including an Executive Sponsorship scheme and mentoring & coaching programmes.

Health and Wellbeing

The Board considers that wellbeing is the foundation stone of what each of us are able to achieve and has highlighted to employees that it's important to News UK that all colleagues have the support they need to build a strong sense of all round wellbeing.

The Board continues to support, organise and promote talks, competitions and activities, designed to help employees with their wellbeing, and to help employees to help others.

A broad and varied range of support services are available to colleagues including gym membership, health assessment, private medical & mental health support services (via AXA) and an expert in-house occupational health team. Alongside these we have trained a number of colleagues as Mental Health Practitioners and have a very established and engaged network of Mental Health First Aiders. We are proud to have Executive/Board sponsors for each strand of our wellbeing strategy and they help engage and inform our colleagues of all the support and resources available to them as well as encourage them to speak up if they need support and share new thinking, ideas and inspiration. A number of free-to-all tools including Headspace, Peppy and EAP are all easily accessible via our benefits portal for ease of use.

Board Communication

The Board is active in communicating its messages to its employees across a range of formats, from in-person events to bi-annual all hands virtual strategic briefings. Each division holds regular Town Hall events to provide strategic updates, celebrate success and share information from other parts of the business. The Board also shares information directly to staff via email, the intranet and the regular News UK email newsletter, News United. Weekly virtual 'Huddle' events, often hosted by Board members, also provide ways for the company to come together to hear about a range of topics related to the business.

Times Media Limited

Strategic Report for the year ended 2 July 2023 (continued)

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

Engagement with and interests of employees (continued)

During the period the Board has updated colleagues on the News UK and News Corp approach to Generative AI. Updates have also covered: the detention of Evan Gershkovich; cyber security; compliance; realignment of business units; strategic priorities; the importance of journalism in Ukraine; several new HR and employee benefits initiatives; charity projects and fundraising; Gender Pay Gap reporting; and EDI strategy updates.

Colleagues continue to be able to report any concerns relating to wrongdoing or misconduct via their line managers; Legal or Compliance; or confidentially 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.

The Board recognises the integral role that our suppliers play in ensuring the News UK Group delivers a reliable service. In recognition of this, News UK 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 seek to ensure that the News UK Group only engages with third parties that comply with all applicable laws and regulations, and that meet News UK's standards for ethical conduct. It also helps to ensure that the News UK Group's third party database is proportionate to its size and product portfolio.

All third parties must be onboarded via 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 the News UK & Ireland Limited 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 businesses' engagement with customers, content themes and improvements to overall customer experience. The Board has also received progress reports on customer service performance updates and on 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 minimising the impact of its activities on the environment and our sustainability strategy is aligned with the three key News Corp sustainability pillars of Reduce, Engage and Source Responsibly.

Sustainability was the theme of News UK's News Corp Giving scheme in FY22, with the Marine Conservation Society and Trees For Cities receiving a £50,000 donation each. News UK continued to build on the partnership with the Marine Conservation Society throughout FY23, carrying out four beach cleans across the country and collecting over 33 kg of marine litter.

Times Media Limited

Strategic Report for the year ended 2 July 2023 (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)

The Board regularly hosts internal Huddle events, streamed to all staff, covering sustainability issues. In FY23, we held a week of events to mark Earth Day, which included a Huddle with musician-turned-campaigner Feargal Sharkey, talking about The Times' Clean It Up campaign, and a waste awareness event with our waste partner at The News Building, Recorra. These events are designed to increase engagement with sustainability and to embed a sustainability culture within the organisation.

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 for further information on News Corp Group's Modern Slavery Statement and Standards of Business Conduct, and find News Corporation's latest ESG report [here](#).

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; 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, Compliance Steering Committee updates and Corporate Audit updates.

Principal decisions of the Board

Realignment of Business Units

In March 2022, the Board made the decision to realign the responsibilities of the Executive team in order to focus on News UK's strategic priorities, namely to: drive digital advertising revenues; grow digital subscribers; accelerate connected listening; launch TV and grow video and CTV advertising revenues; negotiate new partnerships with the big technology platforms; and maximise print revenues.

The Board acknowledged that as a business of very strong consumer brands, each of the strategic priorities needed focus to have the best chance of succeeding. The Board therefore decided that The Sun, The Times & The Sunday Times, and its Broadcasting brands will each run as separate business units, with an executive having responsibility for each to manage all of the revenue and cost levers, giving them a more targeted focus and greater control.

A smaller number of departments continue to work as a centralised resource across the whole business, including Finance, HR, Corporate Affairs and Legal. Technology continues to have centralised oversight and resources, but some roles are dedicated to individual business units.

The Board reminded employees that its brands' readers, listeners and viewers must always be at the heart of everything News UK does. It also highlighted that the realignment would help commercial partners have the opportunity to buy premium advertising inventory across the whole portfolio of brands and formats, reaching those large and sought-after audiences at multiple touch points. The Board emphasised that as a data-led and technology-powered business, the realignment would assist News UK to continue to build audiences and offer ever greater value to its clients.

The realignment continued to take effect during the Financial Year 2023 and is now complete.

Times Media Limited

Strategic Report for the year ended 2 July 2023 (continued)

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

Response to Ukraine

This year, News UK's newsrooms have continued to deliver expert analysis on the war in Ukraine, as employees and all of its readers, listeners and viewers try to make sense of the conflict.

There have been so many examples of world-class reporting – from The Sun's first-hand accounts, vividly depicting the human cost of Putin's invasion, to The Times's brilliant maps and charts, showing the Russian advance – telling the world the truth about what's happening. Times Radio and TalkRADIO are brilliantly covering every angle of this rapidly evolving situation, with contributions from newspaper reporters to our live radio reporting and podcasts. Amongst much industry recognition, The Sun's Defence Editor, Jerome Starkey won News Reporter of the Year at the Press Awards and Multimedia Journalist of the Year at the London Press Awards, having reported from the frontline in Ukraine since the invasion by Russia.

News UK and its brands have also continued to stand by imprisoned Wall Street Journal reporter Evan Gershkovich. Our brands have used key moments including the 100th day of his captivity to focus audience attention, and The Times and Times Radio recognise his continued detention on a daily basis.

The Board communicates this fantastic work to employees on an on-going basis and have been actively discussing matters as they arise in the titles and Broadcasting quarterly Board meetings; 1-1s with the Executive teams and on an ad-hoc basis as the situation develops. The Board is also regularly updated by the Health & Safety team on the welfare and security of any employees working in dangerous territories and of sanctions risks by the Compliance team.

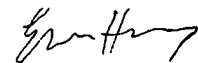
Engagement with Regulators

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

PP



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E. Humphreys
Director

Times Media Limited

Directors' Report for the year ended 2 July 2023

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

Results and dividends

The profit for the year, after taxation, amounted to £60,852,000 (2022: £73,235,000).

The directors do not recommend a dividend (2022: £nil).

Directors of the company

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

R. M. Brooks

D.W. Dinsmore

M. C. Gill

J. Witherow (resigned 1 February 2023)

C. C. S Longcroft

E. Tucker (resigned 1 February 2023)

E. Humphreys (appointed 25 July 2022)

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

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

Directors' indemnity provision

News Corporation has indemnified all directors of the company against liability in respect of proceedings brought by third parties, except that, in accordance with the Companies Act 2006, no indemnity is provided against: any liability incurred by the director in defending civil proceedings brought by the company, or an associated company, in which the final judgement is given against the director; and liability of the director to pay a fine imposed by criminal proceedings; any liability incurred by the director in defending criminal proceedings in which the director is convicted; any liability of the director to pay a penalty sum to a regulatory authority in respect of non compliance with any requirement of a regulatory nature, howsoever arising; or any liability of the director in connection with an application for relief in which the court refuses to grant him relief. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' report.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

It is the policy of the company to develop employee involvement throughout the organisation and to ensure that they are aware of the financial and economic factors affecting the company and the News UK group of which it is a member.

Communication meetings between management and employees are held both formally and informally, where matters of specific interest are discussed. Consultation with all employees occurs on a regular basis covering pensions and health and safety and their views are taken into consideration when making decisions. A range of training programmes are held for employees.

Times Media Limited

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

Going Concern

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

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

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

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

Streamlined energy and carbon report

A detailed report has been included within the financial statements of the company's immediate parent entity News Corp UK & Ireland Limited. The results cover the UK operations of the News UK group and cannot be allocated to individual companies.

Directors' responsibilities statement

The directors acknowledge their responsibilities for preparing the Strategic Report, 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 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 in accordance with Section 10 of FRS 102 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Times Media Limited

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

Directors' responsibilities statement (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditors

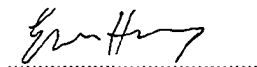
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of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

Auditor

The directors have passed a resolution to dispense with the requirement to reappoint auditors annually. Ernst & Young LLP are deemed to be reappointed as auditor in the absence of a notice that the appointment is to be terminated.

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

PP



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E. Humphreys
Director

Independent Auditor's Report to the Members of Times Media Limited

Opinion

We have audited the financial statements of Times Media Limited for the year ended 2 July 2023 which comprise Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes 1 to 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 state of the company's affairs as at 2 July 2023 and of its profit 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 responsibilities for the audit of the financial statements section of our report. 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.

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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Times Media Limited (continued)

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 10, 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 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 Times Media Limited (continued)

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

Ernst & Young LLP

Lauren Houghton (Senior Statutory Auditor)

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

Date: 24/11/2023

Times Media Limited**Profit and Loss Account for the year ended 2 July 2023**

	Note	2023 £ 000	2022 £ 000
Turnover	3	385,793	373,421
Cost of sales		<u>(223,550)</u>	<u>(205,135)</u>
Gross profit		162,243	168,286
Distribution costs		(30,166)	(29,052)
Administrative expenses		<u>(63,258)</u>	<u>(63,011)</u>
Adjusted operating profit	4	68,819	76,223
Restructuring expense	8	<u>(7,919)</u>	<u>(2,976)</u>
Operating profit	4	<u>60,900</u>	<u>73,247</u>
Profit before tax		60,900	73,247
Tax on profit	9	<u>(48)</u>	<u>(12)</u>
Profit for the financial year		<u>60,852</u>	<u>73,235</u>

The above results were derived from continuing operations.

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

Statement of Comprehensive Income for the year ended 2 July 2023

	2023 £ 000	2022 £ 000
Profit for the financial year	<u>60,852</u>	<u>73,235</u>
Total comprehensive income for the financial year	<u>60,852</u>	<u>73,235</u>

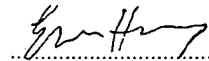
The notes on pages 18 to 29 form an integral part of these financial statements.

Times Media Limited
(Registration number: 00894646)
Balance Sheet as at 2 July 2023

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Intangible assets	10	38,384	28,917
Heritage assets	11	<u>1,614</u>	<u>1,614</u>
		<u>39,998</u>	<u>30,531</u>
Current assets			
Debtors	12	47,665	36,655
Cash at bank and in hand	13	<u>91,240</u>	<u>44,736</u>
		138,905	81,391
Creditors: Amounts falling due within one year	14	<u>(497,090)</u>	<u>(490,961)</u>
Net current liabilities		<u>(358,185)</u>	<u>(409,570)</u>
Net liabilities		<u>(318,187)</u>	<u>(379,039)</u>
Capital and reserves			
Called up share capital	17	1,000	1,000
Retained earnings		<u>(319,187)</u>	<u>(380,039)</u>
Shareholders' deficit		<u>(318,187)</u>	<u>(379,039)</u>

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

PP



E. Humphreys
Director

Times Media Limited**Statement of Changes in Equity for the year ended 2 July 2023**

	Share capital	Retained earnings	Total
	£ 000	£ 000	£ 000
At 4 July 2022	1,000	(380,039)	(379,039)
Profit for the financial year	-	60,852	60,852
Total comprehensive income for the financial year	-	60,852	60,852
At 2 July 2023	1,000	(319,187)	(318,187)

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

	Share capital	Retained earnings	Total
	£ 000	£ 000	£ 000
At 28 June 2021	1,000	(453,274)	(452,274)
Profit for the financial year	-	73,235	73,235
Total comprehensive income for the financial year	-	73,235	73,235
At 3 July 2022	1,000	(380,039)	(379,039)

The notes on pages 18 to 29 form an integral part of these financial statements.

Times Media Limited

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

1 General information

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

The company was formerly known as Times Newspapers Limited.

The address of its registered office is:

1 London Bridge Street
London
SE1 9GF

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

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

Basis of preparation

These financial statements 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 the 30 June each year. Consequently, the financial statements for the current period cover 52 weeks ended 2 July 2023 (53 weeks ended 3 July 2022). 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.

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);

Times Media Limited

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

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

- (b) From the financial instruments disclosures as required by FRS 102 paragraph 11.42 to 11.48A and paragraphs 12.26 to 12.27, 12.29 (a) & (b) and 12.29A, including:
- categories of financial instruments;
 - items of income, expenses, gains or losses relating to financial instruments; and
 - exposure to and management of financial risks.
- (c) From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Going Concern

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

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

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

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

Related party transactions

As a wholly owned subsidiary undertaking of News Corporation whose financial statements are publicly available, the company have 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.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company, and value added taxes.

The company recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably and (d) the costs incurred or to be incurred in respect of the transaction can be measured reliably and (e) it is probable that future economic benefits will flow to the entity. Specific revenue recognition criteria also apply depending on the revenue stream, as described below:

- Print advertising revenue is recognised on issue of publication net of any agency rebate.

Times Media Limited

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

2 Accounting policies (continued)

Revenue recognition (continued)

- Digital advertising revenue is recognised on a straight line basis over the period of the online campaign.
- Circulation revenue is recognised at the point of sale. A deduction is made from circulation revenue for expected returns and is updated for actual returns as known.
- Subscriptions revenue is recognised on a straight line basis over the period of the subscription.
- Other revenue is recognised at the time of sale or over the duration of the provision of service as appropriate.

Interest receivable and payable

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

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 spread on a straight line basis over the lease term.

Pension

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

Tax

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 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 average 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.

Times Media Limited

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

2 Accounting policies (continued)

Intangible assets

Intangible assets consist of internal use software, and are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

Internal use software - 3 years

Heritage Assets

The company holds a collection of manuscripts, newspapers and other artefacts within its archives. The collection is one of the most significant within the British Newspaper industry and is available for both internal and external research purposes. This collection had previously been reported on the balance sheet at valuation following an independent valuation of the collection by Sotheby's in November 2003. Subsequent acquisitions, which have been purchased after this valuation, have been recorded at cost. However, FRS 102 paragraph 34.51 requires entities to recognise and measure heritage assets using the cost model or revaluation model. The company has applied the cost model, and has taken the deemed cost exemption under FRS 102 paragraph 35.10(d). As a result all heritage assets are carried at cost, from the date of transition. No depreciation has been charged on these assets.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all costs incurred in bringing each product to its present location and condition. Raw materials, consumables and goods for resale are held at purchase cost on a first in first out basis. Provision is made for obsolete, slow moving or defective items where appropriate.

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.

Creditors

Short term trade 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

Provisions are recognised when the company has a present obligation, legal or constructive, as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Times Media Limited

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

2 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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 year.

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. Contract discount and rebate provisions

The Company enters into agreements with advertising agencies and certain clients, which are subject to a minimum spend and typically include a commitment to deliver rebates to the agency based on the level of their spend over the contract period. These rebates can take the form of free advertising space, cash payments or both. The rebate provision is calculated using the forecast spend over the contract period and rebate entitlement set out in the trading agreement. Calculating the required provision therefore requires an estimate of future period spend in determining what tier of spend the agencies may reach over the agreement.

b. Provision for libel claims

The company is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The company makes provision for the estimated costs to defend such claims when incurred and provides for any settlement costs when such an outcome is judged profitable. The libel provision at 2 July 2023 was £1,042,000 (2022: £1,146,000) and is included in Creditors: amounts falling due within one year.

c. Recoverability of deferred tax assets

The company makes estimates regarding the recoverability of deferred tax assets relating to losses based on forecasts of future taxable profits which are, but their nature, uncertain. The deferred tax asset recognised at 2 July 2023 was £nil (2022: £nil).

3 Turnover

Substantially all the company's turnover and profit after taxation, for the current and prior year, are derived both by origin and destination from publishing activities in the United Kingdom.

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

	2023	2022
	£ 000	£ 000
Sale of goods	263,521	252,360
Rendering of services	122,272	121,061
	<u>385,793</u>	<u>373,421</u>

Times Media Limited

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

4 Operating profit

Arrived at after charging/(crediting)

	2023	2022
	£ 000	£ 000
Amortisation expense	5,799	6,674
Pension costs	3,054	3,029
Operating lease expense - plant and machinery	<u>166</u>	<u>178</u>

The operating lease costs relate to commitments held by News UK & Ireland Limited, a fellow subsidiary within the News UK group.

5 Auditor's remuneration

	2023	2022
	£ 000	£ 000
Audit of the financial statements	<u>371</u>	<u>311</u>

6 Staff costs

The aggregate payroll costs were as follows:

	2023	2022
	£ 000	£ 000
Wages and salaries	49,247	42,387
Social security costs	6,137	5,113
Pension costs	<u>3,054</u>	<u>3,029</u>
	<u>58,438</u>	<u>50,529</u>

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

	2023	2022
	No.	No.
Editorial	<u>594</u>	<u>554</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023	2022
	£ 000	£ 000
Allocation of directors qualifying services to the company	<u>2,732</u>	<u>3,590</u>

Times Media Limited

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

7 Directors' remuneration (continued)

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

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

	2023 No.	2022 No.
Received or were entitled to receive shares under long term incentive schemes	<u>6</u>	<u>6</u>

In respect of the highest paid director, the proportion of their remuneration relating to services provided to this company is as follows:

	2023 £ 000	2022 £ 000
Allocation of directors qualifying services to the company	<u>1,001</u>	<u>1,428</u>

8 Restructuring expense

	2023 £ 000	2022 £ 000
Restructuring expense	<u>7,919</u>	<u>2,976</u>

During the year the company restructured its workforce to match the requirements of the business. Total costs incurred were £7,919,000 (2022: £2,976,000).

Times Media Limited

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

9 Taxation

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

	2023	2022
	£ 000	£ 000
Foreign tax	48	12

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

The differences are reconciled below:

	2023	2022
	£ 000	£ 000
Profit before tax	60,900	73,247
Corporation tax at standard rate	12,482	13,917
Expenses not deductible for tax purposes	140	-
Effect of rate changes	716	161
Deferred tax not recognised	(3,973)	(1,053)
Foreign tax adjustment to prior periods	23	12
Adjustment in respect of prior years	-	382
Group relief and transfer pricing adjustments	(8,681)	(13,406)
Foreign tax credits	25	-
Fixed asset differences	(670)	(1)
Other tax adjustments, reliefs and transfers	(14)	-
Total tax charge	48	12

Factor that may affect future tax charges

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

Times Media Limited

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

10 Intangible assets

	Internal use software £ 000	Total £ 000
Cost or valuation		
At 4 July 2022	64,836	64,836
Additions	15,335	15,335
Transfer to group company	(70)	(70)
Disposals	<u>(11,836)</u>	<u>(11,836)</u>
At 2 July 2023	<u>68,265</u>	<u>68,265</u>
Amortisation		
At 4 July 2022	35,919	35,919
Amortisation charge	5,798	5,798
Amortisation eliminated on disposals	<u>(11,836)</u>	<u>(11,836)</u>
At 2 July 2023	<u>29,881</u>	<u>29,881</u>
Carrying amount		
At 2 July 2023	<u>38,384</u>	<u>38,384</u>
At 3 July 2022	<u>28,917</u>	<u>28,917</u>

11 Heritage assets

	£ 000
Cost or valuation	
At 4 July 2022	<u>1,614</u>
At 2 July 2023	<u>1,614</u>
Carrying amount	
At 2 July 2023	<u>1,614</u>
At 3 July 2022	<u>1,614</u>

The collection of manuscripts, newspapers and other artefacts were independently valued at £1,524,000 in November 2003 by Sotheby's with additional purchases made at cost amounting to £90,000. The company has applied the cost model, and has taken the deemed cost exemption under FRS 102 paragraph 35.10(d), as a result all heritage assets are carried at cost, from the date of transition.

Additions and disposals in the year

During the period there have been no additions or disposals to the collections of heritage assets.

Times Media Limited

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

11 Heritage assets (continued)

Five year history

There have been no significant additions or disposals of heritage assets within the past five financial years.

12 Debtors

	2023	2022
	£ 000	£ 000
Current		
Amounts owed by group undertakings	22,553	16,779
Other debtors	8,678	9,005
Prepayments	16,434	10,871
	<u>47,665</u>	<u>36,655</u>

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

13 Cash and cash equivalents

	2023	2022
	£ 000	£ 000
Cash at bank	<u>91,240</u>	<u>44,736</u>

14 Creditors

	2023	2022
	£ 000	£ 000
Due within one year		
Amounts due to group undertakings	458,074	449,772
Social security and other taxes	288	397
Other payables	2,294	2,459
Accruals and deferred income	36,089	38,011
Income tax liability	345	322
	<u>497,090</u>	<u>490,961</u>

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

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.

Times Media Limited

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

15 Funding

The financial statements are prepared on the going concern basis.

The net liabilities of the company are £318,187,000 at 2 July 2023 (2022: £379,039,000). News Corp UK & Ireland Limited, the immediate parent company, has confirmed its intention of providing continuing financial support to enable the company to meet its liabilities as they fall due for the foreseeable future.

16 Pension and other schemes

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

Following a group restructure on 4 July 2011, all pension expenses were transferred to News Corp UK & Ireland Limited, where the group's pension provision is held. A recharge is made to the company for the services of the personnel working for the company.

The total pension cost for the company was £3,054,000 (2022: £3,029,000) all of which relates to defined contribution schemes.

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

Times Media Limited

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

17 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No. 000	£ 000	No. 000	£ 000
"A" Ordinary shares of £1 each	850	850	850	850
"B" Ordinary shares of £1 each	75	75	75	75
"C" Ordinary shares of £1 each	75	75	75	75
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

All shares rank equally except the 'A' shares which carry preferential rights in relation to the first £1 million of profit and the first £1 million on winding up of the company.

18 Leasing and other financial commitments

Commitments under operating lease agreements are held by News UK & Ireland Limited, another company within the News UK group.

19 Parent and ultimate parent undertaking

The company's immediate parent is Times Newspapers Holdings 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.