Registered number: 00081701

News Corp UK & Ireland Limited

Report and financial statements

for the year ended 28 June 2015

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News Corp UK & Ireland Limited

Contents

News Corp UK & Ireland Limited

Strategic report
for the year ended 28 June 2015

The Directors present their Strategic report on the affairs of News Corp UK & Ireland Limited ("the Company") and its subsidiary undertakings (together "the Group").

Principal activities
The principal activities of the Group are the printing and publishing of UK national newspapers (News UK) and the publishing of books (HarperCollins).

The subsidiary and associated undertakings affecting the results or net assets of the Group in the year are listed in note 37 of the financial statements.

Business review
The Group generated turnover for the year of £1,172,223,000 (2014 - £1,205,235,000). The Group's operating loss for the year was £33,712,000 (2014 – operating loss £81,988,000).

Turnover for The Sun was lower than the previous year due to continuing market decline in newspaper circulation, particularly for the popular segment, but this was partly offset by digital revenue for Sun+ subscribers, as well as impacts of cover price increases for The Sun on Sunday in July 2014 and March 2015 and for The Sun's Saturday edition in March 2015. Advertising revenue also decreased during the year, reflecting the volatile national print advertising market and lower audience levels.

Turnover for The Times and The Sunday Times was roughly in-line with the previous year with increased digital and print subscription revenue and increases in The Times print circulation, more than offsetting lower advertising revenue and The Sunday Times print casual sales. Circulation revenue also benefited from a full year impact of prior year price changes taken in January 2014 when The Times Monday to Friday edition moved to £1.20 and the digital-only pack increased to £6 per week, as well as upside from the print subscription pack price increase to £7 per week from February 2015.

Cost of sales were significantly lower than the previous year, as a result of the lower cost of newsprint and reduced external printing costs, while there were also considerable savings in editorial and marketing costs. The directors expect The Times titles' turnover to remain strong for the foreseeable future and are determined to realise cost efficiencies where possible. During the year, the Group exited their contract for printing newspapers with Independent News and Media in Belfast. This contract buy-out involved a one off cost for the Group in the year but will generate savings in future years.

The Sun's newspaper circulation based on average annual Audit Bureau of Circulation (ABC) figures was down 9% for Monday to Saturday compared to 2014, while The Sun on Sunday was 12% lower, reflecting the challenging popular segment industry trends. However, while print sales declined over the year, digital subscriptions continued to grow after the launch of the Group's digital proposition Sun+ in August 2013, and was recorded at 214,000 digital subscribers at the year end.

Total paid for sales for The Times decreased by 1% and for The Sunday Times decreased by 3% compared to 2014. This reflects print sales growth on The Times of 1% and a 4% decline on The Sunday Times, while paid digital subscriptions decreased 6% to 147,000 for The Times and increased 1% to 158,000 for The Sunday Times as at 30 June 2015. Total paying subscribers across print and digital products were 311,000 for The Times and 369,000 for The Sunday Times at the end of the year. According to the ABC, The Times' total print circulation grew 0.8% while The Sunday Times' print circulation declined by 4% in the year. Market share for both titles grew amongst their traditional competitor set with The Times up 0.7% to 24.4% and The Sunday Times up 0.1% to 26.7% respectively year-on-year.

Throughout the year, the Group continued to invest in editorial and product innovations in both print and digital to inform, engage and entertain its' readers, ensuring that the Group's brand remains attractive to our advertising clients.

Business review (continued)

The sales performance of The Times and The Sunday Times was underpinned by the quality of the Group's journalism and product offering. During the year, The Times won eight awards and British Press Awards, including 'Newspaper of the Year', 'News Reporter of the year' and three Foreign Press Association Media Awards including 'News Story of the Year' for The Times reporter Anthony Loyd's reporting on his kidnapping in Syria with colleague Jack Hill. While The Sunday Times won 'British Journalist of the Year' and 'Scoop of the year' for the FIFA expose at the London Press Awards. The Times and The Sunday Times newspapers were also named the number one titles respectively for reaching business people, in particular senior management and executives, for another year according to the 2014 Business Elite Survey.

The Sun's new print loyalty scheme, Paper Perks, was launched in November 2014 entitling readers to popular discount offers including 2-for-1 meal deals, beauty treats and hotel stays. In March 2015, The Sun on Sunday launched a new TV magazine called TV Soap, and also launched an additional pull-out to its existing Saturday TV magazine aimed at children, called The Fun. The Group also continued to invest in its digital proposition with the launch of a new interactive Sun tablet app and the redesign of The Sun website as well as the launch of Sunnation.co.uk as a free-to-access political website in the lead up to the general election in March 2015. Also in March, a full local Sun+ bundle offering was launched for Sun Ireland including a new Irish Sun Sports Pack offering subscribers exclusive highlights and content across multiple sports including GAA hurling and football championships and English Premier League. Finally the company further enhanced its leading sports proposition with the addition of UFC coverage and video highlights and started hosting live events exclusive to Sun+ subscribers at The News Building.

Meanwhile, the Group continued to enhance its sports offering within The Times and The Sunday Times with highlight clips for the Ryder Cup in September 2014 and the Tour of Britain for September 2014 and 2015 and with Shane Warne joining other cricket experts including Mike Atherton as an exclusive columnist during The Ashes.

The Group also continued to expand its associated businesses. Sun Holidays, a new dedicated low cost holiday website was launched in January 2015, following the success of The Sun's annual £9.50 holiday offers; and Sun Play was launched in partnership with gaming developer Nektan in June 2015, as a new addition to The Sun's digital bundle as a fun new gaming app. These initiatives are all in addition to other established businesses associated with The Sun such as Dream Team, the UK's most popular fantasy football game, Sun Bingo, Fabulous Bingo and Sun Motors.

Developments during the year for The Times and The Sunday Times included the launch of Redbox, the daily political e-newsletter and webpage, in the lead up to the General Election, as well as the launch of a new interactive puzzles microsite on the tablet app, a Crime Club for Times+ members and the addition of a new regular Travel Collection feature in the Saturday Times.

News UK achieved re-certification to the Carbon Trust Triple Standard in 2014, after demonstrating a 13% reduction in carbon emissions between FY2012-FY2014. Having achieved re-certification, News UK became one of the first 20 companies in the world and the only media company to hold the 'Triple Standard' for Carbon emissions, Waste and Water. This follows 8 years of consecutive carbon reductions. News UK is now working on expanding the 'Triple Standard' to more sites by 2016.

During the year revenues at HarperCollins UK grew. The primary drivers of this success were the Childrens and Collins Learning divisions. Within Childrens there was continued high performance from David Walliams, with Awful Auntie outselling any other title published in 2014, along with strong sales from Veronica Roth, John Green and Michael Bond. Collins Learning grew primarily as a result of strong export sales and curriculum change in the UK. In addition, during the year, HarperCollins acquired the rights to commence publishing bestselling crime writer Karin Slaughter.

Strategic report (continued)
for the year ended 28 June 2015

Business review (continued)
Achievements in the year included winning Children's Publisher of the Year for the second year running, while in the Sunday Times bestseller charts HarperCollins had 69 books listed with 12 reaching number one. Other awards won by HarperCollins books in 2015 included the Pulitzer Prize for Fiction for *All The Light We Cannot See* by Anthony Doerr; the Waterstones Children's Book Prize for *Blown Away* by Rob Biddulph, Popular Fiction Book of the Year at the Irish Book Awards for *The Year I Met You* by Cecelia Ahern; and at the National Book Awards, Popular Fiction Book of the Year for *The Shock of the Fall* by Nathan Filer and Children's Book of the Year and Audiobook of the Year for *Awful Auntie* by David Walliams.

Continuing its innovation in the online festival space, HarperCollins collaborated with the British Film Institute and retailer Waterstones for the BFI Voyager and Killer Crime festivals respectively, with an online reach of over 130 million. In September 2014 HarperCollins launched a new-look website featuring a direct-to-consumer sales function for both physical and digital books. The company also claimed the highest ever number of shortlist nominations in the four years of the FutureBook Innovation Awards, with the Collins Bird Guide app going on to win Best Non-Fiction Digital Book.

HarperCollins takes paper procurement and usage very seriously, with all printing activities concerned with environmentally sustainable fibre use, reduction of pollution and the conservation of natural resources through recycling and waste reduction. HarperCollins uses FSC™ certified materials where possible and stipulates that materials must conform to EU Timber regulations in Europe and the Lacey Act in the US to ensure that no illegal or unsustainable wood fibre enter its supply chain. In the UK HarperCollins has seen the percentage of its books made from FSC chain of custody certified paper rising from 70% in 2013 to 82% in 2014, with a target of at least 90% for 2015. In 2015 HarperCollins was recognised for its sustainability by the World Wide Fund For Nature (WWF).

Key performance indicators
The key performance indicators for the Group are primarily financial. The key performance indicators include revenue growth, EBITDA growth, newspaper ABCs and the number of bestseller books as shown in the detail below:

	2015	*2014*
	£000	*£000*
Group turnover	**1,172,223**	*1,205,235*
EBITDA	**14,005**	*(14,436)*
EBITDA excluding one-off operating charges and exceptional items	**104,721**	*84,264*

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

ABC Circulation (source: Audit Bureau of Circulations Limited June 2015 12 month certified average net circulation per issue)

	2015	*2014*
The Sun	**1,929,000**	*2,131,000*
The Sun (Sunday edition)	**1,557,000**	*1,769,000*
The Times	**394,000**	*391,000*
The Sunday Times	**795,000**	*829,000*
Digital-only: The Times subscribers at year end	**147,000**	*156,000*
Total paid for sales - The Times	**541,000**	*547,000*
Digital-only: The Sunday Times subscribers at year end	**158,000**	*157,000*
Total paid for sales - The Sunday Times	**953,000**	*986,000*
Books included on The Sunday Times bestseller list	**69**	*50*
Number ones on The Sunday Times bestseller list	**12**	*8*

Strategic report (continued)
for the year ended 28 June 2015

Future developments
In July 2015 the Group announced that select digital content from The Sun will be made available for free. The guiding principle for the free content will be shareability, helping The Sun to take advantage of the growing trend of readers finding and sharing content on social media, given further impetus by the rapid rise in smartphone use. The aim is to differentiate the free digital presence from existing Sun content so as to not diminish the value of the paid edition. The Group will engage with social media, while avoiding becoming merely a news-feed for other aggregator brands. This enables the Group to extend the reach of The Sun brand and provide an entry point to its paid propositions while also expanding the pool of digital inventory to increase advertising opportunities.

Also in July 2015 the Group announced that it will be teaming up with Sky Sports in an exclusive distribution partnership to show web and mobile Premier League match highlights clips in a three year deal commencing in 2016. This partnership will transform how football is enjoyed across a range of platforms – whether in print or through the latest Dream Team offering and enables The Sun to continue providing video highlights for the UK's most popular sporting events. From October 2015, video highlights will also be available to Sun+ subscribers for the UEFA Champions League and Europa League. Meanwhile, The Sun aims to be the biggest supporter of eSports in the UK and will be the Official Partner of the Gfinity Championship Series and title sponsor of the UK Championship Series for 2015-2016.

The Sun is looking to broaden its gaming proposition and has launched an e-commerce proposition in September 2015, utilising the understanding of its customer segments, the types of products they enjoy and particularly focusing on self-gifting. The proposition will leverage operational capabilities of News UK's existing Handpicked Collection business.

The Group is committed to further investment in order to continue to improve the experience across all platforms for our readers. A new seven day Irish digital edition of The Times is due in the first half of the year and the company is investing in a new weekly digital product specifically for international markets. The titles' sports proposition has been further enhanced with highlight clips available to subscribers for the UEFA Champions League and Europa League from this summer and through an exclusive three-year distribution partnership with Sky Sports from 2016 which enables the company to continue showing web and mobile match highlights for the English Premier League. Finally a new monthly Sunday Times food magazine, The Dish, was launched in September 2015.

On 29 June 2015, the Group acquired ownership of Harlequin (UK) Ltd and Harlequin Enterprises UK Limited from a fellow group company. The transaction completed post year end, and will be reflected in the 2016 accounts.

On 30 September 2015, the Group acquired Unruly Holdings Limited, a leading global video distribution platform that is focused on delivering branded video advertising across website and mobile devices.

Principal risks and uncertainties
As a multi-platform news provider, the Group 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 Group to make its journalism and books 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 Group continues to develop and implement strategies to exploit its content in new media channels.

The Group'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 Group 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 Group continues to be exposed to risks associated with paper used for printing. Paper is a basic commodity and its price is sensitive to the balance of supply and demand. Exposure to the change in raw materials for book publishing is not considered significant in relation to the overall nature of the business.

Principal risks and uncertainties (continued)

The Group's expenses are affected by the cyclical increases and decreases in the price of paper. The Group'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' judgments 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 judgments are based on factors such as cost, availability of alternative media, distribution and quality of readership demographics.

The Group is addressing new media challenges through the introduction of paid for content around its newspaper websites and increased access to eBook formats through the digitising of the Group's titles.

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

The Group now has a relatively low exposure to classified revenues (less than 15%) and is developing new digital products to attract classified advertising. In the short term, the scale of the audience delivered by the Group's publications and the very short production timescales associated with press advertising mean that the Group continues to see advertisers investing their marketing spend in its publications.

Credit checks are performed for all new 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 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 blocked for further supply until full settlement is received.

The majority of the Group's operating transactions are in sterling and exposure to fluctuations in foreign currency exchange rates is therefore limited. Foreign currency is managed centrally, which takes into account the foreign currency transactions of the Group. The Group also looks to mitigate currency movements by entering into forward currency contracts denominated in the same currency as the operating funds flow, to match the exposures anticipated in the business.

Following the allegations of voicemail interception and inappropriate payments to public officials there have been a number of civil cases brought against the Group, most of which have been settled, or are in the process of being settled. A provision has been made at the balance sheet date in respect of all claims that have been filed up until the date of finalisation of the financial statements. In 2011, the Group established a compensation scheme which was closed to new entrants in April 2013. A provision has been made at the balance sheet date for all applicants accepted to participate in this scheme. No provision has been made for letters of claim which have been received but where no formal court proceedings have been issued, or for individuals who have not contacted the Group. It is not possible to estimate the liability for such additional claims given the information that is currently available to the Group. If more claims are filed and additional information becomes available in the civil cases, the Group will update the liability provision for such matters. During the year a charge of £4,286,000 (2014 - £7,312,000) in respect of claimants' legal fees and damages has been made in respect of this litigation, based on available information at the date of signing the financial statements. The final cost may or may not be higher than the amounts recognised. This has been reported as a one-off charge due to its size and non-operational nature. These costs are expected to continue into the forthcoming year.

Further information in connection with these matters is disclosed in note 26.

Strategic report (continued)
for the year ended 28 June 2015

This report was approved by the board and signed on its behalf.

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C. C. S. Longcroft
Director

Date: 3 NOVEMBER 2015

Directors' report
for the year ended 28 June 2015

The Directors present their annual report on the affairs of News Corp UK & Ireland Limited ("the Company") and its subsidiary undertakings (together "the Group") along with the financial statements and auditor's report for the year ended 28 June 2015.

Going concern
The Times continues to be the number one quality daily paper for business readers in the UK and The Sunday Times continues to be the number one quality Sunday Newspaper. The Sun newspaper is read by 4.9 million people daily and The Sun on Sunday newspaper is read by 4.0 million people every Sunday. The Sun and The Sun on Sunday newspapers continue to be the number one selling daily and weekly newspapers in the UK respectively.

HarperCollins is one of the foremost English language book publishing groups in the world, with the UK business publishing a wide range of books and digital products. In addition, the information businesses, Languages, Geo and Education have long led the way in migrating to digital publishing while continuing to reach new markets with their physical publishing.

At the date of signing the financial statements, the Group has incurred further costs in the year beginning 29 June 2015 of £6,610,000 relating to UK newspaper matters and legal and professional fees relating to the Management and Standards Committee. Of this balance, 21st Century Fox agreed that it will indemnify News UK for £3,944,000.

The Group has prepared a rolling three year forecast in which the cash flows of the Group are assessed. These show the Group to be cash generative.

The above factors lead the Directors to conclude that they have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future.

Results and dividends
The loss for the year, after taxation, amounted to £25,543,000 *(2014 - loss £71,669,000)*.

The Directors have not recommended a final dividend (2014 - £Nil).

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 Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Directors' report (continued)
for the year ended 28 June 2015

Employee consultation
During the year there was an average of 4,124 (2014 - 4,018) staff working in the Group. They are our most valuable asset. During the past year, we have continued to work with considerable success on ways of involving more staff in the decision making process.

There is a staff association called News Union which has a Recognition Agreement with News UK, and allows them to negotiate on behalf of staff with News UK management. News Union operates at all of the newspaper division's sites: London Bridge, Broxbourne, EuroCentral (Scotland), Knowsley (Merseyside) as well as the commercial and editorial offices in Scotland, commercial office in Manchester and administrative office in Peterborough.

News Union representatives are democratically elected by the workforce. London Bridge has 13 representatives, Peterborough 1 representative, Scotland 2 representatives, Broxbourne 3 representatives, EuroCentral 2 representatives and Knowsley 3 representatives.

The National Executive Committee of News Union receives information and consultation on the evolution of work organisation, training of employees, major operational issues, development and promulgation of policies, significant initiatives and in fulfilling the legal obligations on subjects such as redundancy or transfers of undertakings.

HarperCollins employees play an active part on health and safety committees and pension scheme bodies and there is a frequent dialogue with recognised trade unions.

Directors
The directors who served during the year and subsequently were:

M. Darcey (ceased 14 September 2015)
D. Dinsmore (appointed 14 September 2015)
M. C. Gill (appointed 14 September 2015)
C. C. S. Longcroft

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

Charitable and political contributions
Charitable contributions made by the Group in the financial year amounted to £234,000 (2014 - £310,000). There were no political contributions (2014 - £Nil).

Directors' report (continued)
for the year ended 28 June 2015

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.

Directors' responsibilities statement
The directors are responsible 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 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement of disclosure of information to the auditor
The Directors who were members of the Board at the time of approving the Directors' report are listed on page 8. Having made enquiries of fellow Directors and of the Group's auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Group's auditor is unaware; and
- each Director has taken all steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditor is aware of that information.

This report was approved by the board and signed on its behalf.

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C. C. S. Longcroft
Director

Date: 3 November 2015

1 London Bridge Street
London
SE1 9GF

Independent auditor's report to the members of News Corp UK & Ireland Limited

We have audited the financial statements of News Corp UK & Ireland Limited for the year ended 28 June 2015 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Total Recognised Gains and Losses, and the related notes 1 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor
As explained more fully in the statement of directors' responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 28 June 2015 and of the Group's 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.

Emphasis of matter - significant uncertainty over provisions and contingencies related to voicemail interception cases after allegations of voicemail interception and inappropriate payments to public officials and other related matters.

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 26 to the financial statements concerning future expenditures for which reliable estimates cannot be made and other contingencies related to voicemail interception cases after allegations of voicemail interception and inappropriate payments to public officials and other related matters. The ultimate exposure of the Group in relation to these matters is subject to significant uncertainty, and the total amounts that will ultimately be determined to be payable by the Group will be dependent on many factors, including the number of individuals making a claim against the Group, any findings as to the extent of their loss, as well as the potential size of any civil, administrative or criminal fines or penalties. Consequently the actual cost may or may not be significantly higher than the amounts recognised in the financial statements and disclosed in note 26.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of News Corp UK & Ireland Limited (continued)

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Ernst & Young LLP

Richard Addison (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP
London

Statutory Auditor

Date: 3 November 2015

Consolidated Profit and Loss Account
for the year ended 28 June 2015

	Note	2015 £000	*2014 £000*
Turnover	1,2	**1,172,223**	*1,205,235*
Cost of sales		**(721,835)**	*(780,867)*
Gross profit		**450,388**	*424,368*
Distribution costs		**(31,029)**	*(35,848)*
Administrative expenses		**(380,760)**	*(391,863)*
Operating one-off charges (net)	3	**(72,311)**	*(78,645)*
Operating loss	4	**(33,712)**	*(81,988)*
Exceptional items	5		
Net profit/(loss) on disposal of fixed assets investments	5	**-**	*(20,055)*
Restructuring expense	5	**(18,405)**	*-*
Loss on ordinary activities before interest		**(52,117)**	*(102,043)*
Income from fixed asset investments	10	**13,574**	*89*
Interest receivable and similar income	11	**5,112**	*31,747*
Interest payable and similar charges	12	**(6,100)**	*(10,248)*
Other finance income	13	**5,509**	*4,942*
Loss on ordinary activities before taxation		**(34,022)**	*(75,513)*
Tax on loss on ordinary activities	14	**8,479**	*3,844*
Loss on ordinary activities after taxation	29	**(25,543)**	*(71,669)*

All amounts relate to continuing operations.

The notes on pages 17 to 51 form part of these financial statements.

Consolidated Statement of Total Recognised Gains and Losses for the year ended 28 June 2015

	Note	2015 £000	*2014 £000*
Loss for the financial year		**(25,543)**	*(71,669)*
Actuarial loss recognised in the pension scheme	33	**(35,063)**	*(18,607)*
Deferred tax on actuarial loss recognised in the pension schemes	33	**3,719**	*11,790*
Effect of asset limit on pension schemes	33	**17,136**	*(33,788)*
Impact of rate change on deferred tax on pension deficit	25	**(102)**	*(1,533)*
Foreign exchange differences		**(4,852)**	*(3,826)*
Total recognised gains and losses relating to the year		**(44,705)**	*(117,633)*

The notes on pages 17 to 51 form part of these financial statements.

News Corp UK & Ireland Limited
Registered number: 00081701

Consolidated Balance Sheet
as at 28 June 2015

	Note	£000	28 June 2015 £000	£000	(As restated) 29 June 2014 £000
Fixed assets					
Intangible assets	16		**20,546**		*23,085*
Tangible assets	17		**664,124**		*662,224*
Investments	19		**21,849**		*20,844*
Investments in associates	19		**10**		*10*
			706,529		*706,163*
Current assets					
Stocks	20	**43,602**		*49,432*	
Debtors: amounts falling due after more than one year	21	**24,838**		*48,983*	
Debtors: amounts falling due within one year	21	**335,107**		*329,054*	
Cash at bank	22	**129,682**		*67,778*	
		533,229		*495,247*	
Creditors: amounts falling due within one year	23	**(430,398)**		*(403,806)*	
Net current assets			**102,831**		*91,441*
Total assets less current liabilities			**809,360**		*797,604*
Creditors: amounts falling due after more than one year	24		**(29,745)**		*(29,793)*
Provisions for liabilities					
Other provisions	26		**(84,455)**		*(76,629)*
Net assets excluding pension scheme liability			**695,160**		*691,182*
Defined benefit pension scheme liability	33		**(50,623)**		*(39,763)*
Net assets including pension scheme liability			**644,537**		*651,419*

News Corp UK & Ireland Limited

Consolidated Balance Sheet (continued)
as at 28 June 2015

	Note	£000	28 June 2015 £000	£000	(As restated) 29 June 2014 £000
Capital and reserves					
Called up share capital	28		**359,298**		*322,571*
Share premium account	29		**220,301**		*220,301*
Equity share-based payment	29		**8,897**		*9,567*
Other reserves	29		**281,626**		*281,626*
Profit and loss account	29		**(225,585)**		*(182,646)*
Shareholders' funds	30		**644,537**		*651,419*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3 November 2015

....
C. C. S. Longcroft
Director

The notes on pages 17 to 51 form part of these financial statements.

News Corp UK & Ireland Limited
Registered number: 00081701

Company Balance Sheet
as at 28 June 2015

	Note	£000	28 June 2015 £000	£000	29 June 2014 £000
Fixed assets					
Intangible assets	16		-		500
Tangible assets	17		186,236		160,264
Investments	19		667,803		935,748
			854,039		1,096,512
Current assets					
Debtors: amounts falling due after more than one year	21	253,396		255,496	
Debtors: amounts falling due within one year	21	532,473		382,642	
Cash at bank		155,939		185,749	
		941,808		823,887	
CREDITORS: amounts falling due within one year	23	(451,361)		(337,973)	
NET CURRENT ASSETS			490,447		485,914
Total assets less current liabilities			1,344,486		1,582,426
Creditors: amounts falling due after more than one year	24		(29,332)		(28,840)
Net assets			1,315,154		1,553,586
Capital and reserves					
Called up share capital	28		359,298		322,571
Share premium account	29		220,301		220,301
Other reserves	29		326		326
Profit and loss account	29		735,229		1,010,388
Shareholders' funds	30		1,315,154		1,553,586

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3 November 2015

....
C. C. S. Longcroft
Director

The notes on pages 17 to 51 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention modified to include the revaluation of land and buildings and in accordance with United Kingdom Generally Accepted Accounting Principles.

News Corporation has committed to provide financial support until 30 November 2016. As highlighted in note 22 to the financial statements, the Group operates two collective overdraft facilities, in which News Corp UK & Ireland Limited has provided multilateral guarantees of up to £20 million in respect of each of these bank overdrafts of subsidiary undertakings. These facilities are ultimately guaranteed by News Corporation. The Group has prepared a rolling three year forecast in which the cash flows of the Group are assessed. These show the Group to be cash generative. These factors lead the Directors to conclude that they have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future.

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 28 June 2015.

The prior year comparatives in creditors: amounts falling due within one year and provisions for liabilities have been re-stated to reflect the prior year adjustment explained further in note 27. All other principal accounting policies have been applied consistently throughout the year and the preceding year.

1.2 Basis of consolidation

The Group financial statements are made up to 28 June 2015 and consolidate the financial statements of News Corp UK & Ireland Limited and all its subsidiary undertakings.

Entities, other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the Group exercises a significant influence are treated as associates. In the Group financial statements, associates are accounted for using the equity method.

The results of subsidiary undertakings acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

In the Comapny's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

No profit and loss account is presented for the Company, as provided by section 408 of the Companies Act 2006.

1.3 Cash flow statement

The Group and Company are exempt from the requirement of FRS 1 'Cash Flow Statements' to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary undertaking of a body corporate, and a consolidated cash flow statement is included in the financial statements of News Corporation.

1.4 Related party transactions

As a wholly owned subsidiary undertaking of News Corporation whose financial statements are publicly available, the Company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

1.5 Segmental reporting

The Group is exempt from the requirement of SSAP 25 'Segmental reporting' to include segmental analysis as part of its financial statements because it is a wholly owned undertaking of a body corporate, and segmental reporting is included in the financial statements of News Corporation which prepares consolidated financial statements that are publicly available.

1. Accounting policies (continued)

1.6 Turnover

Turnover is the net amount receivable by the Group in the ordinary course of its business, excluding value added tax, trade discounts and other sales related taxes.

Advertising revenue is recognised upon publication net of any agency rebate. 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.

Contract print revenue is recognised in instalments over the life of the print contract or on completion of individual print runs.

Digital revenue is recognised on a straight line basis over the period of the online campaign.

Book publishing revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer on dispatch of the goods or upon publication date of the title whichever is the later.

Revenue derived from granting of publishing and other subsidiary rights to third parties is recognised on a cash basis.

Other revenue is recognised at the time of sale or over the duration of provision of service as appropriate.

Where payments are received from customers in advance for goods or services provided, the amounts are recorded as deferred income and included as part of Creditors due within one year.

1.7 Interest income and expense

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

1.8 Share-based payments

The cost of cash settled transactions is measured at fair value using an appropriate option-pricing model. Fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period, a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount for the liability are recognised in profit and loss for the period.

Equity-settled share-based awards are made to certain employees, which must be measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in equity. The fair values of these awards are measured at the dates of grant using option pricing models, taking into account the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the Group's estimate of the number of awards, which will lapse due to employees leaving the Group prior to vesting. The total amount recognised in the profit and loss account as an expense is adjusted to reflect the actual number of awards that will vest.

1. Accounting policies (continued)

1.9 Pension costs and post-retirement medical benefits

The employees of the Group participate in either a defined contribution or a defined benefit pension scheme, both of which require contributions to be made to separately administered funds.

For defined contribution schemes, 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.

For defined benefit schemes, the Group's portion of past and current service cost, and interest cost net of expected return on assets in the plans are charged to the profit and loss during the year. Actuarial gains and losses are recognised directly in full in the statement of total recognised gains and losses such that the consolidated balance sheet reflects the schemes' full surplus or deficit at the balance sheet date.

The Group has agreed to provide additional post-retirement healthcare benefits to certain current and former employees. The estimated cost of providing such benefits is charged against profits on a systematic basis over the employees' working lives within the Group.

1.10 Royalty advances

Royalty advances are written down to the extent that they are not expected to be recoverable in the future.

1.11 Operating leases

Rentals payable under operating leases are charged on a straight-line basis to the profit and loss account over the lease term.

1.12 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1. Accounting policies (continued)

1.13 Foreign currency

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction or at the contracted rate if the transaction is covered by a forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward currency rate. All differences are taken to the profit and loss account.

For the purpose of consolidation, the closing rate method is used to translate balance sheets of subsidiary undertakings maintained in foreign currencies and the related translation gains or losses are shown as a movement on reserves. Average exchange rates ruling during the year are used to translate profit and loss accounts of those subsidiary undertakings. When foreign currency borrowings are used to finance foreign investments, the borrowings and investments are translated at the rates of exchange prevailing at the year end and the resulting exchange differences are shown as a movement on reserves

1.14 Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life, which is considered to be 20 years or less. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods expected to benefit from its consumption.

1.15 Publishing rights and titles

Publishing rights and titles are stated at cost less any provisions made for impairment. No amortisation is provided on newspaper publishing rights and titles since, in the opinion of the Directors, these assets have indefinite useful economic lives. Book publishing rights are amortised on a straight line basis over a period of between five and ten years.

No amortisation is provided where the Directors are of the opinion that to do so would not show a true and fair view of the profit for the year or the financial position of the Group and Company at the end of the year. This overrides the requirement of the Companies Act 2006 to amortise intangible fixed assets and it is in compliance with FRS 10.

The Directors believe that the publishing rights and titles have a sufficiently well-established position in the market place to be defended against threats arising from current competitors, potential new entrants and potential technological changes in the industry. Any impairment results from specific events or circumstances and does not indicate that the inherent lives of assets are anything other than indefinite.

1. Accounting policies (continued)

1.16 Research and development

Research and development expenditure is written off as incurred.

1.17 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Where borrowings are used to finance capital projects, interest incurred prior to the completion of those projects is capitalised.

Assets in the course of construction are not depreciated. When such assets come into use they are transferred to the appropriate fixed asset category and depreciated accordingly.

Residual value is calculated on prices prevailing at the date of acquisition.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When an impairment review is undertaken, the recoverable amount is calculated as the net present value of expected future cash flows of the relevant cash generating unit.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold and leasehold land	-	No depreciation charged
Freehold buildings	-	20 years to 50 years
Short-term leasehold property	-	Shorter of the length of lease or 50 years
Plant, motor vehicles, fixtures and fittings	-	1 year to 33 years

1.18 Revaluation reserve

Surpluses arising on the revaluation of fixed assets are transferred to a revaluation reserve. Where assets, which have been revalued, are sold, the previous revaluation surplus is transferred directly to realised reserves (profit and loss account) and the difference between sale price and depreciated revalued amount is recorded in arriving at profit on ordinary activities before taxation.

The Group has taken advantage of the transitional provisions of FRS 15 'Tangible fixed assets', and retained the book amounts of certain freehold properties, which were revalued prior to implementation of that standard. The properties were last revalued at 30 June 1988 and the valuations have not subsequently been updated.

1. Accounting policies (continued)

1.19 Heritage assets

The Group has two collections of heritage assets which are held to increase historical knowledge of future generations and to assist in the production of the Groups newspapers.

The collections are accounted for as follows:

a) Manuscripts, newspapers and other artefacts
The Group 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 has been initially 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. No depreciation has been charged on these assets.

b) Art collection
The Group holds a collection of paintings, which has been initially reported on the balance sheet at valuation following an independent valuation of the collection by Robert Holden Limited in May 2001. Subsequent acquisitions, which have been purchased after the valuation, have been recorded at cost. No depreciation has been charged on these assets.

In addition to the two collections above, the Group also holds a complete back catalogue of their newspaper publications with The Sun dating back to 1964, The News of the World dating back to 1843, The Times dating back to 1785 and The Sunday Times dating back to 1822. These collections have not been recognised on the balance sheet due to the one off nature of these collections. A valuation could not be reasonably established without a considerable and costly valuation exercise being completed.

1.20 Investments

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.

1.21 Participating interests and joint ventures

Undertakings, not being subsidiary undertakings, in which the Group has a participating interest (usually comprising not less than 20% of the voting capital) and over which it exerts significant influence, are treated as associates or joint ventures. The consolidated profit and loss account includes the appropriate share of these undertakings' profits or losses for the year and the Group's share of post-acquisition retained profits or losses and reserves is added to the cost of investment in the consolidated balance sheet.

Other participating interests over which the Group does not exert significant influence are accounted for as investments.

1.22 Stocks

Stocks are stated at the lower of cost and net realisable value. 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. Work in progress and finished goods are held at cost of direct materials and labour plus attributable overheads based on a normal level of activity. Net realisable value is based on estimated selling price, less further costs of disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Spares stock held as replacement parts or components in relation to tangible fixed assets are written off over the useful economic life of the asset to which it relates.

1. Accounting policies (continued)

1.23 Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group 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.

2. Turnover

An analysis of turnover by class of business is as follows:

	2015	*2014*
	£000	*£000*
Newspaper printing and publishing	**896,438**	*932,796*
Book publishing	**269,212**	*268,503*
Other activities	**6,573**	*3,936*
	1,172,223	*1,205,235*

An analysis of turnover by destination is as follows:

	£000	*£000*
United Kingdom	**1,056,426**	*1,099,122*
Rest of Europe	**31,233**	*15,271*
Rest of World	**84,564**	*90,842*
Total	**1,172,223**	*1,205,235*

During the current year £10,609,000 (2014: £Nil) of turnover related to advertising barter transactions.

3. Operating one-off charges (net)

	2015 **£000**	*2014* *£000*
Claimants' legal fees and damages (note 26)	**4,286**	*7,312*
Costs in relation to UK newspaper matters	**50,667**	*79,318*
Costs in relation to the Management and Standards Committee	**10,158**	*16,115*
Costs in relation to early termination of contract agreements	**7,200**	-
Pension contribution	-	*(24,100)*
Total	**72,311**	*78,645*

There are a number of on-going legal claims against News Group Newspapers Limited as a result of voicemail interception allegations. A charge of £4,286,000 (2014 - £7,312,000) in respect of claimants' legal fees and damages has been made based on available information at the date of signing the financial statements.

The Group has incurred £50,667,000 (2014 - £79,318,000) of one-off costs in regards to UK newspaper matters. These include £41,596,000 (2014 - £78,032,000) of legal fees, £7,911,000 (2014 - £820,000) for compensation as loss of office payments, and £1,160,000 (2014 - £466,000) of other UK newspaper matter costs.

The Group has incurred costs of £10,158,000 (2014 - £16,115,000), which are primarily legal and professional fees relating to the Management and Standards Committee (MSC). The MSC is not a statutory entity; therefore whilst it has independence from the Group, costs relating to the MSC must be recognised in the financial statements of a statutory entity. As the costs relate exclusively to investigations within the UK, these costs have been borne by News Group Newspapers Limited.

During the year, the Group reached an agreement to terminate a long term printing contract with Independent News and Media in Belfast in return for a compensation payment of £7,200,000. This contract termination will enable the Group to move printing to in-house printing facilities to utilise available capacity. The compensation amount is included within accruals at the balance sheet date.

During the prior year the Group received a cash contribution made directly to its pension scheme of £24,100,000 following the sale of a fellow group subsidiary by the Group's previous ultimate parent company.

These items have been reported as operating one-off charges due to their size and incidence and one-off nature.

4. Operating loss

The operating loss is stated after charging:

	2015 **£000**	*2014* *£000*
Amortisation - intangible fixed assets	**2,654**	*2,447*
Depreciation of tangible fixed assets:		
- owned by the group	**63,468**	*85,160*
Operating lease rentals:		
- plant and machinery	**39,647**	*47,349*
- land and buildings	**36,858**	*28,777*

5. Exceptional items

	2015	2014
	£000	£000
Profit on disposal of susidiary undertakings	-	943
Loss on disposal of interest in associates	-	(20,998)
Restructuring expense	18,405	-
	18,405	(20,055)

During the year the Group restructured its workforce to match the requirements of the business and incurred £18,405,000 of redundancy costs relating to a restructure as at the balance sheet date. These costs were classed as exceptional costs in the profit and loss account due to their one-off nature.

During the prior year, following a News Corporation worldwide restructure on 11 June 2014 News Corp UK & Ireland Limited's 100% share holding in News Australia Investments PTY Limited was diluted to 0.000007%. The Group was deemed to have disposed of News Australia Investments PTY Limited and its subsidiaries. The profit on disposal is equal to the net liabilities of the Australian subsidiaries on the date of the dilution amounting to £943,000.

Prior to the aforementioned restructure in the prior year, the Group held a 90% equity holding in News Classifieds Network (NCN) PTY Limited, a company classified as an associate as only 37.5% of the voting rights were owned by the Group. On 11 June 2014 News Corp UK & Ireland Limited's 100% share holding in News Australia Investments PTY Limited was diluted to 0.000007%, resulting in the Group's holding in News Classifieds Network (NCN) PTY Limited being reduced to 0.000006%. The £20,998,000 loss on disposal reflects the write off of the carrying value of the associate at the date of dilution.

6. Auditor's remuneration

	2015	2014
	£000	£000
Fees payable to the Group's auditor in respect of:		
The auditing of accounts of the company	135	90
The auditing of accounts of the company's subsidiaries	961	1,194

7. Staff costs

Staff costs were as follows:

	2015	2014
	£000	£000
Wages and salaries	236,850	240,651
Social security costs	25,367	25,764
Total pension costs (note 33)	20,424	20,946
Share-based payments	5,422	4,842
	288,063	292,203

7. Staff costs (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	*2014 No.*
Newspaper printing and publishing	2,808	*2,721*
Book publishing	1,278	*1,256*
Other activities	38	*41*
	4,124	*4,018*

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2015 £000	*2014 £000*
Remuneration receivable	2,867	*3,135*
Value of company pension contributions to money purchase schemes	40	*46*
	2,907	*3,181*

The above amounts for remuneration include the following in respect of the highest paid director:

	2015 £000	*2014 £000*
Remuneration receivable	2,148	*2,455*

The number of directors who were members of the pension schemes was as follows:

	2015 £000	*2014 £000*
Defined benefit schemes	-	*-*

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

	2015 £000	*2014 £000*
Long term incentive plan	2	*2*

During the year £1,121,000 was paid to former directors as compensation for loss of office (2014 - £820,000). The compensation for loss of office payments includes various on-going benefits of which the costs were borne by the Group. These benefits largely comprised the services of employees of the Group and office space, as well as reimbursement for all legal and other professional costs incurred with the investigations. The Group also agreed to pay the tax associated with the legal and other professional costs. Legal and professional costs have been recognised as incurred.

9. Share-based payments

Employee share ownership scheme

The group operated an employee share ownership scheme which enabled employees to enter into fixed-term savings contracts with independent financial institutions linked to an option for Class A Common Stock in its ultimate parent undertaking News Corporation. The savings contracts ranged from three to seven years with an average expected life of four years. All savings contracts matured in December 2013.

Restricted stock units (RSUs)

Restricted stock unit awards are grants that entitle the holder to shares of Class A Common stock of News Corporation based on the expected vesting date. Any employee who holds RSUs shall have no ownership interest in the shares to which such RSUs relate until and unless shares are delivered to the holder. RSUs are issued under the plans of fiscal 2014, 2013 and 2012. RSUs vest over a period of 2 or 3 years, with 50% or 33.33% of units vesting each year, respectively.

Performance stock units (PSUs)

The performance stock units are granted to eligible employees who were awarded a target number of PSUs at the beginning of a 3 year performance period. The number of shares vesting after the completion of the 3 year performance period can range from 0% to 200% of the target award subject to the achievement of predefined performance measures for the applicable performance period. The number of shares expected to vest is estimated based on management's determination of the probable outcome of the performance condition.

Number and weighted average grant date fair value

Details on the number of share opitions, PSUs and RSUs and the weighted average grant date fair value (WAGDFV) outstanding during the year are as follows:

	2015	**2015**	2014	2014
		WAGDFV		WAGDFV
	No	£	No	£
Outstanding at the beginning of the year	**1,646,297**	**8.23**	*1,628,653*	*6.05*
Granted during the year	**555,792**	**10.64**	*656,158*	*11.28*
Exercised during the year	**(347,062)**	**6.73**	*(238,906)*	*5.19*
Expired during the year	**(338,284)**	**5.58**	*(399,608)*	*6.13*
Outstanding at the end of the year	**1,516,743**	**9.70**	*1,646,297*	*8.23*
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of RSUs and PSUs granted during the year was £10.64 (2014 - 11.28). There have been no share options granted during the year (2014 - None). The weighted average share price at the date of exercise for the options exercised was Nil (2014 - 20.63).

Financial impact

The expense recognised for share-based payments in respect of employee services received during the year to 28 June 2015 is £5,422,000 (2014 - £4,842,000). The expense is borne by another group undertaking via a recharge.

The portion of that expense arising from equity-settled share-based payment transactions is £5,422,000 (2014 - £4,648,000).

10. Income from fixed asset investments

	2015 £000	2014 £000
Dividend income from fixed asset investments	13,574	89

11. Interest receivable

	2015 £000	2014 £000
Interest receivable from Group undertakings	2,277	454
Share of associates' interest receivable	-	27,745
Other interest receivable	2,835	3,548
	5,112	31,747

12. Interest payable

	2015 £000	2014 £000
Unwinding of discount on surplus property provisions (note 26)	961	985
Interest payable to Group undertakings	5,139	9,263
	6,100	10,248

13. Other finance income

	2015 £000	2014 £000
Expected return on pension scheme assets (note 33)	31,614	31,459
Interest on pension scheme liabilities (note 33)	(26,105)	(26,517)
	5,509	4,942

14. Taxation

	2015 £000	*2014 £000*
(a) Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax credit on loss for the year	**23**	*(5)*
Adjustments in respect of prior years	**(7,312)**	*7*
	(7,289)	*2*
Foreign tax on income for the year	**595**	*3,642*
Total current tax	**(6,694)**	*3,644*
Deferred tax		
Origination and reversal of timing differences	**(1,253)**	*(9,671)*
Effect of rate change	**96**	*1,507*
Adjustments in respect of prior years	**(628)**	*676*
Total deferred tax (note 25)	**(1,785)**	*(7,488)*
Tax on loss on ordinary activities	**(8,479)**	*(3,844)*

Included within the tax credit for the year is £3,158,000 (2014- £nil) in respect of exceptional items shown in the profit and loss account after operating profit (see note 5).

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.75% (2014 - 22.50%).

	2015 £000	*2014 £000*
Loss on ordinary activities before tax	**(34,022)**	*(75,513)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% *(2014 - 22.50%)*	**(7,060)**	*(16,990)*
Effects of:		
Expenses not deductible for tax	**8,987**	*11,529*
Decelerated capital allowances	**8,244**	*16,416*
Adjustments to tax charge in respect of prior periods	**(7,312)**	*-*
Tax effect of timing differences	**(6,328)**	*(20,711)*
Other non-taxable income	**(395)**	*(636)*
Non-taxable dividends received	**(2,798)**	*-*
Foreign tax on associate distribution	**-**	*2,256*
Tax losses carried forward/(utilised)	**(622)**	*17,705*
Overseas withholding tax not relieved	**292**	*330*
Interest in associate	**-**	*(6,255)*
Group relief	**298**	*-*
Current tax (credit)/charge for the year (see note above)	**(6,694)**	*3,644*

14. Taxation (continued)

(c) Factors that may affect future tax charges

The standard rate of UK corporation tax reduced from 21% to 20% on 1 April 2015. The 2015 summer budget stated that the rate of corporation tax will be reduced from 20% to 19% from 1 April 2017, and 18% from 1 April 2020. This change is expected to receive Royal Assent in autumn 2015. As the proposed changes were not substantively enacted at the balance sheet date, deferred tax balances in these financial statements have been calculated at the 20% rate.

The Group has capital losses arising in the UK of £340,823,000 (2014 - £339,754,000) and the Company has £321,225,000 (2014 - £321,836,000) available indefinitely for offset against future profits that are consdiered capital in nature. If any of the revalued propoerties were to be disposed of at their current net book value it is anticipated, as in previous years, that no capital gains would arise. No deferred tax asset has been recognised in respect of these losses.

15. Loss attributable to the Company

The loss for the financial year dealt with in the financial statements of the parent company is disclosed in note 29. As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is required in respect of the parent company.

16. Intangible fixed assets

Group	Publishing rights and titles £000	Goodwill £000	Total £000
Cost			
At 30 June 2014	17,768	41,943	59,711
Additions	-	65	65
Foreign exchange movement	-	1,361	1,361
At 28 June 2015	17,768	43,369	61,137
Amortisation			
At 30 June 2014	9,298	27,328	36,626
Charge for the year	1,019	1,635	2,654
Foreign exchange movement	(42)	1,353	1,311
At 28 June 2015	10,275	30,316	40,591
Net book value			
At 28 June 2015	7,493	13,053	20,546
At 29 June 2014	*8,470*	*14,615*	*23,085*

Additions
The addition to goodwill relates to an adjustment to the acquisition of Handpicked Companies Limited.

16. Intangible fixed assets (continued)

	Publishing rights and titles
Company	**£000**
Cost	
At 30 June 2014 and 28 June 2015	**500**
Amortisation	
At 30 June 2014	**-**
Charge for the year	**500**
At 28 June 2015	**500**
Net book value	
At 28 June 2015	**-**
At 29 June 2014	*500*

During the year publishing rights relating to the "Today" newspaper were impaired, as the net book value exceeded the recoverable amount.

The recoverable amount for the publishing rights has been measured through a value in use calculation. Value in use is determined by discounting future expected cash flows, based on management approved budgets and 3 year projections. These reflect management's current experience and future expectations of the cash flows derived from the publishing rights. The pre-tax discount rate used by the Company in its impairment test is 12.5% (2014 – 12.5%). This has resulted in an impairment charge of £500,000 (2014 - £Nil).

17. Tangible fixed assets

Group	Freehold land and buildings £000	Leasehold improvements £000	Plant, motor vehicles, fixtures and fittings £000	Heritage assets (note 18) £000	Assets in the course of construction £000	Total £000
Cost or valuation						
At 30 June 2014	431,997	95,762	541,099	2,336	19,273	1,090,467
Additions	215	21,508	42,535	1	1,545	65,804
Disposals	(1,700)	-	(28,588)	-	(200)	(30,488)
Transfers	-	9,729	(1,105)	-	(8,624)	-
Foreign exchange	(156)	(51)	(1,035)	-	-	(1,242)
At 28 June 2015	430,356	126,948	552,906	2,337	11,994	1,124,541
Depreciation						
At 30 June 2014	94,662	40,653	292,928	-	-	428,243
Charge	7,771	4,293	51,404	-	-	63,468
Disposals	(1,700)	-	(28,588)	-	-	(30,288)
Transfers	-	(138)	138	-	-	-
Foreign exchange	(127)	(30)	(849)	-	-	(1,006)
At 28 June 2015	100,606	44,778	315,033	-	-	460,417
Net book value						
At 28 June 2015	329,750	82,170	237,873	2,337	11,994	664,124
At 29 June 2014	*337,335*	*55,109*	*248,171*	*2,336*	*19,273*	*662,224*

17. Tangible fixed assets (continued)

Group

The Group has taken advantage of the transitional provisions of FRS 15 Tangible Fixed Assets and retained the book amounts of certain land and buildings which were revalued prior to implementation of that standard. The freehold land and buildings were last revalued at 1 November 1981. The valuation has not subsequently been updated.

Leasehold improvements relates substantially to long leaseholds, and are shown at cost.

Plant, motor vehicles and fixtures and fittings are shown at cost. Freehold land and buildings are shown at cost or valuation at specified dates with subsequent additions at cost as shown below:

	Freehold land and buildings £000
At cost	430,030
At valuation:	
Professionally valued at:	
- 1 November 1981	326
Total	430,356

If the freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	28 June 2015 £000	*29 June 2014 £000*
Cost	430,030	*431,671*
Accumulated depreciation	(100,606)	*(94,662)*
Net book value	329,424	*337,009*

17 Tangible fixed assets (continued)

Company	Freehold land and buildings £000	Leasehold improvements £000	Plant, motor vehicles, fixtures and fittings £000	Heritage assets (note 18) £000	Assets in the course of construction £000	Total £000
Cost or valuation						
At 30 June 2014	86,049	80,289	169,259	109	19,246	354,952
Additions	-	20,716	35,043	-	-	55,759
Disposals	-	-	(4,648)	-	(201)	(4,849)
Transfer between classes	-	9,614	696	-	(10,310)	-
At 28 June 2015	86,049	110,619	200,350	109	8,735	405,862
Depreciation						
At 30 June 2014	47,731	27,947	119,010	-	-	194,688
Charge for the year	1,739	4,150	23,695	-	-	29,584
On disposals	-	-	(4,646)	-	-	(4,646)
At 28 June 2015	49,470	32,097	138,059	-	-	219,626
Net book value						
At 28 June 2015	36,579	78,522	62,291	109	8,735	186,236
At 29 June 2014	*38,318*	*52,342*	*50,249*	*109*	*19,246*	*160,264*

Company
The Company has taken advantage of the transitional provisions of FRS 15 Tangible Fixed Assets and retained the book amounts of certain land and buildings which were revalued prior to implementation of that standard. The freehold land and buildings were last revalued at 1 November 1981. The valuation has not subsequently been updated.

Leasehold improvements relate substantially to long leaseholds, and are shown at cost.

Plant, motor vehicles and fixtures and fittings are shown at cost. Freehold land and buildings are shown at cost or valuation with subsequent additions at cost.

Freehold land and buildings shown at valuation total £326,000 (2014 - £326,000). Freehold land and buildings shown at cost total £85,723,000 (2014 - £85,723,000).

18. Heritage assets

Group
Heritage assets are shown at a valuation of £2,228,000 (2014 - £2,228,000) and a historic cost of £109,000 (2014 - £108,000).

The heritage assets recorded at valuation consist of a collection of manuscripts, newspapers and other artefacts which were independently valued at £1,838,000 in November 2003 by Sotheby's and an Art collection which was valued at £390,000 by Robert Holden Limited in May 2001.

The heritage assets recoded at historic cost of £109,000 (2014 - £108,000) consist of a number of small items in relation to the Group's publications.

The Directors feel that these valuations are still appropriate.

Additions and disposals in the year
During the year, there have been no significant additions or disposals to the collections.

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Purchases					
Manuscripts, newspapers & other artefacts	1	4	2	10	6
Total additions	1	4	2	10	6

There have been no disposals of any heritage assets over the five year period.

Company
Heritage assets are shown at a valuation of £101,000 (2014 - £101,000) and cost of £9,000 (2014 - £8,000).

The heritage assets recorded at valuation consist of a collection of manuscripts, newspapers and other artefacts which were independently valued at £56,000 in November 2003 by Sotheby's and an Art collection which was valued at £45,000 by Robert Holden Limited in May 2001.

The Directors feel that these valuations are still appropriate.

Additions and disposals in the year
During the year, there have been no significant additions or disposals to the collections.

19. Fixed asset investments

Group	Interest in associates (a) £000	Listed investments (b) £000	Ultimate parent company (c) £000	Unlisted investments (d) £000	Total £000
Cost or valuation					
At 30 June 2014	10	5,171	673	15,000	20,854
Additions	-	-	-	1,005	1,005
At 28 June 2015	10	5,171	673	16,005	21,859
Net book value					
At 28 June 2015	10	5,171	673	16,005	21,859
At 29 June 2014	*10*	*5,171*	*673*	*15,000*	*20,854*

19. Fixed asset investments (continued)

(a) Interest in associates
The Group holds a 0.000006% share of ordinary share capital in News Classifieds Network (NCN) PTY Limited. The remainder is owned by News Corp Australia Partnership. On 11 June 2014, the previous 37.5% voting interest in News Classifieds Network (NCN) PTY Limited was diluted resulting in a loss on disposal amounting to £20,998,000 (note 5).

(b) Listed investments
The investment in the listed company at 28 June 2015 at a cost of £5,171,000 (2014 - £5,171,000) comprised 718,405 (2014 - 718,405) of 21st Century Fox Class A Common Stock acquired through the separation of News Corporation (renamed 21st Century Fox) into two distinct publicly traded companies; new News Corporation and 21st Century Fox.

The shares have a market value of £15,027,000 at 28 June 2015 (2014 - £14,849,000).

The shares are held by the News Corp UK & Ireland Limited Employee Share Trust for the sole purpose of satisfying the options held by employees under the Sharesave plan. All Sharesave plans matured on 31 December 2013.

(c) Ultimate parent company
The investment in the ultimate parent company at 28 June 2015 at a cost of £673,000 (2014 - £673,000) comprised 180,704 (2014 - 180,704) of News Corporation Class A Common Stock.

The shares have a market value of £1,678,000 at 28 June 2015 (2014 - £1,894,000).

The shares are held by the News Corp UK & Ireland Limited Employee Share Trust for the sole purpose of satisfying the options held by employees under the Sharesave plan. All Sharesave plans matured on 31 December 2013.

(d) Unlisted investments
At 28 June 2015 unlisted investments comprised £15,000,000 investment in The Press Association (2014 - £15,000,000) and £1,005,000 (2014 - £Nil) investment in A Spokesman Said Limited, which was acquired during the year.

19. Fixed asset investments (continued)

Company	Investment in subsidiary companies (a) £000	Listed investments (b) £000	Ultimate parent company (c) £000	Unlisted investments (d) £000	Total £000
Cost or valuation					
At 30 June 2014	**4,194,626**	**5,171**	**673**	**15,000**	**4,215,470**
Additions	-	-	-	**1,005**	**1,005**
Disposals	**(61)**	-	-	-	**(61)**
At 28 June 2015	**4,194,565**	**5,171**	**673**	**16,005**	**4,216,414**
Impairment					
At 30 June 2014	**3,279,722**	-	-	-	**3,279,722**
Charge for the year	**268,889**	-	-	-	**268,889**
At 28 June 2015	**3,548,611**	-	-	-	**3,548,611**
Net book value					
At 28 June 2015	**645,954**	**5,171**	**673**	**16,005**	**667,803**
At 29 June 2014	*914,904*	*5,171*	*673*	*15,000*	*935,748*

(a) Investment in subsidiary companies
During the year the company adjusted its investment in Handpicked Companies Limited by £61,000.

The Company tests investments annually for impairment or more frequently if there are indicators that investments may be impaired. The recoverable amounts for the Company's investments are measured through review of the investee's net asset position and a value in use calculation. Value in use is determined by discounting future expected cash flows, based on management approved budgets and 3 year projections. These reflect management's current experience and future expectations of the markets in which the investments operate.

The pre-tax discount rate used by the Company in its impairment test is 12.5% (2014 - 12.5%). The growth rate used in the projections that are extrapolated beyond the formally approved budgets and forecasts prepared by management is 2% and therefore does not exceed the long term average growth rate. This has resulted in an impairment charge of £268,889,000 (2014 - £259,937,000).

(b) Listed investments
The investment in the listed company at 28 June 2015 at a cost of £5,171,000 (2014 - £5,171,000) comprised 718,405 (2014 - 718,405) of 21st Century Fox Class A Common Stock acquired through the separation of News Corporation (renamed 21st Century Fox) into two distinct publicly traded companies; new News Corporation and 21st Century Fox.

The shares have a market value of £15,027,000 at 28 June 2015 (2014 - £14,849,000).

The shares are held by the News Corp UK & Ireland Limited Employee Share Trust for the sole purpose of satisfying the options held by employees under the Sharesave plan. All Sharesave plans matured on 31 December 2013.

19. Fixed asset investments (continued)

(c) Ultimate parent company
The investment in the ultimate parent company at 28 June 2015 at a cost of £673,000 (2014 - £673,000) comprised 180,704 (2014 - 180,704) of News Corporation Class A Common Stock.

The shares have a market value of £1,678,000 at 28 June 2015 (2014 - £1,894,000).

The shares are held by the News Corp UK & Ireland Limited Employee Share Trust for the sole purpose of satisfying the options held by employees under the Sharesave plan. All Sharesave plans matured on 31 December 2013.

(d) Unlisted investments
At 28 June 2015 unlisted investments comprised £15,000,000 investment in The Press Association (2014 - £15,000,000) and £1,005,000 (2014 - £Nil) investment in A Spokesman Said Limited, which was acquired during the year.

20. Stocks

	Group		Company	
	28 June 2015 £000	*29 June 2014 £000*	**28 June 2015 £000**	*29 June 2014 £000*
Raw materials	**16,715**	*16,732*	-	-
Finished goods and goods for resale	**26,887**	*32,700*	-	-
	43,602	*49,432*	-	-

Company
The Company has no stocks (2014 - £Nil).

21. Debtors

	Group		Company	
	28 June 2015 £000	*29 June 2014 £000*	**28 June 2015 £000**	*29 June 2014 £000*
Due after more than one year				
Amounts owed by group undertakings	-	-	**251,290**	*251,290*
Deferred consideration	**24,838**	*48,983*	**2,106**	*4,206*
	24,838	*48,983*	**253,396**	*255,496*

	Group		Company	
	28 June 2015 £000	*29 June 2014 £000*	**28 June 2015 £000**	*29 June 2014 £000*
Due within one year				
Trade debtors	**152,285**	*158,351*	-	-
Amounts owed by group undertakings	**22,670**	*12,567*	**498,799**	*350,983*
Deferred consideration	**25,556**	*25,556*	**2,194**	*2,194*
Royalty advances	**29,691**	*31,900*	-	-
Other debtors	**8,879**	*14,743*	**1,345**	*1,293*
Prepayments and accrued income	**45,910**	*38,548*	**6,264**	*5,190*
Tax recoverable	**4,847**	*4,881*	-	-
Deferred tax asset (see note 25)	**45,269**	*42,508*	**23,871**	*22,982*
	335,107	*329,054*	**532,473**	*382,642*

Included in debtors is deferred consideration relating to discounted proceeds from the sale of land and buildings at Wapping, Times House and Admiral House. Repayment in relation to the Wapping site and Times House will be made in 2 annual payments of £25,000,000 each being made on 30 May. Repayment in relation to Admiral House will be made in 2 annual payments of £1,200,000, each being made on 15 July.

22. Cash at bank and in hand

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

23. Creditors: Amounts falling due within one year

	Group		Company	
		(As restated)		
	28 June 2015 £000	*29 June 2014 £000*	**28 June 2015 £000**	*29 June 2014 £000*
Bank loans and overdrafts	**-**	*16*	**56,152**	*89,943*
Trade creditors	**56,685**	*65,195*	**-**	*-*
Amounts owed to group undertakings	**136,796**	*138,592*	**364,685**	*205,950*
Corporation tax	**542**	*1,050*	**-**	*-*
Other taxation and social security	**10,859**	*9,592*	**233**	*71*
Lease incentive	**2,511**	*2,105*	**2,511**	*2,105*
Other creditors	**48,703**	*39,156*	**-**	*-*
Accruals and deferred income	**174,302**	*148,100*	**27,780**	*39,904*
	430,398	*403,806*	**451,361**	*337,973*

None of the Group borrowings are secured on the assets of the Group.

24. Creditors: Amounts falling due after more than one year

	Group		Company	
	28 June 2015 £000	*29 June 2014 £000*	**28 June 2015 £000**	*29 June 2014 £000*
Lease incentive	**18,619**	*17,892*	**18,619**	*17,892*
Other creditors	**11,126**	*11,901*	**10,713**	*10,948*
	29,745	*29,793*	**29,332**	*28,840*

During the year the Group received further capital contributions towards the lease on the new headquarters in central London. These have been classified as lease incentives and will be released on a straight line basis up until the first market value rent review in January 2024.

25. Deferred tax asset

	Group		Company	
	28 June 2015 £000	*29 June 2014 £000*	**28 June 2015 £000**	*29 June 2014 £000*
At beginning of year	**42,508**	*21,802*	**22,982**	*22,922*
Other movement (P&L)	**2,761**	*20,706*	**889**	*60*
At end of year	**45,269**	*42,508*	**23,871**	*22,982*

25. Deferred tax asset (continued)

Deferred tax asset relating to pension deficit:

	Group		Company	
	28 June 2015 £000	*29 June 2014 £000*	**28 June 2015 £000**	*29 June 2014 £000*
At beginning of year	**9,941**	*13,340*	-	-
Deferred tax credited in Profit and loss account	**(903)**	*(13,656)*	-	-
Deferred tax credited in Statement of total recognised gains and losses	**3,618**	*10,257*	-	-
At end of year	**12,656**	*9,941*	-	-

The deferred tax asset is made up as follows:

	Group		Company	
	28 June 2015 £000	*29 June 2014 £000*	**28 June 2015 £000**	*29 June 2014 £000*
Accelerated capital allowances	**7,402**	*14,483*	**18,151**	*15,830*
Short term timing differences	**(17,188)**	*(20,579)*	**5,720**	*6,726*
Losses	**(35,483)**	*(36,412)*	-	*426*
	(45,269)	*(42,508)*	**23,871**	*22,982*

A deferred tax asset has been recognised as the directors are of the opinion that the level of future taxable profits and deferred tax liabilities within the Group will be sufficient to utilise the deferred tax asset being recognised. This includes £177,417,000 (2014 - £179,930,000) of trading losses.

26. Provisions

Group	Legal claims £000	Property costs £000	(As restated) Other £000	Total £000
At 30 June 2014	10,666	12,763	53,200	76,629
Charged to profit and loss account	4,286	-	17,328	21,614
Utilised during the year	(7,035)	(1,914)	-	(8,949)
Amounts reversed to the profit and loss account	-	-	(5,800)	(5,800)
Unwinding of discount on provision (note 12)	-	961	-	961
At 28 June 2015	7,917	11,810	64,728	84,455

Legal claims
Following the allegations of voicemail interception and inappropriate payments to public officials there have been a number of civil cases brought against News Group Newspapers Limited, a subsidiary undertaking, most of which have been settled, or are in the process of being settled. A provision has been made at the balance sheet date in respect of all claims that have been filed up until the date of finalisation of the financial statements. In 2011, News Group Newspapers Limited established a compensation scheme which was closed to new entrants in April 2013. A provision has been made at the balance sheet date for all applicants accepted to participate in this scheme. No provision has been made for letters of claim which have been received but where no formal court proceedings have been issued, or for individuals who have not contacted the News Group Newspapers Limited. It is not possible to estimate the liability for such additional claims given the information that is currently available to News Group Newspapers Limited. If more claims are filed and additional information becomes available in the civil cases, News Group Newspapers Limited will update the liability provision for such matters. A charge of £4,286,000 (2014 - £7,312,000) in respect of claimants' legal fees and damages has been made in respect of this litigation, based on available information at the date of signing the financial statements. The final cost may or may not be higher than the amounts recognised. This has been reported as a one off charge due to its size and incidence. This provision has not been discounted due to the uncertainty over the timing of the settlement of these cases.

Property costs
The property provision relates to the Group's Glasgow site. The provision reflects future rental costs in excess of market levels to the extent the full cost would make activities operated from the premise uneconomic. The utilisation in the year to 28 June 2015 of £1,914,000 is the excess rent for the Glasgow property. In the opinion of the Directors, it is expected that the economic benefits of this provision will be realised over future accounting periods.

Other
Other provisions relate to potential employment tax liabilities currently under discussion with HMRC.

Company
The Company has no provisions (2014 - £Nil).

27. Prior year adjustment

During the current year, the Group has reassessed the classification of certain tax related liabilities. These liabilities were previously classified as accruals, however, due to the uncertainty around the value and timing of payments in relation to these balances these have been reclassified in the current year as provisions for liabilities. Consequently, the creditors of the Group as at 29 June 2014 has reduced by £53,200,000 and the provisions for liabiltiies have increased by the same amount. There is no impact on net assets.

28. Share capital

	28 June 2015 £000	*29 June 2014 £000*
Authorised, allotted, called up and fully paid		
3,592,977,313 *(2014 - 3,225,710,413)* Ordinary shares of £0.10 each	**359,298**	*322,571*

During the year, in total, the Company issued 367,266,900 ordinary shares of £0.10 each for par consideration. 122,369,710 were issued on 8 August 2014, 106,254,860 issued on 25 November 2014, 70,423,770 issued on 29 January 2015 and a further 68,218,560 issued on 26 March 2015.

29. Reserves

Group	**Share premium £000**	**Equity share-based payment £000**	**Other reserves £000**	**Profit and loss account £000**
At 30 June 2014	**220,301**	**9,567**	**281,626**	**(182,646)**
Loss for the financial year	-	-	-	**(25,543)**
Actuarial loss on pension schemes (net of tax)	-	-	-	**(14,208)**
Equity settled share-based payment	-	**5,422**	-	-
Foreign exchange adjustments	-	-	-	**(4,852)**
Impact of rate change on deferred tax on pension deficit	-	-	-	**(102)**
Management recharge in relation to equity settled share-based payment	-	-	-	**(4,326)**
Settlement of equity settled share-based payment	-	**(6,092)**	-	**6,092**
At 28 June 2015	**220,301**	**8,897**	**281,626**	**(225,585)**

Other reserves include a £326,000 (2014 - £326,000) revaluation reserve.

Company	**Share premium £000**	**Other reserves £000**	**Profit and loss account £000**
At 30 June 2014	**220,301**	**326**	**1,010,388**
Loss for the financial year	-	-	**(275,159)**
At 28 June 2015	**220,301**	**326**	**735,229**

Other reserves include a £326,000 (2014 - £326,000) revaluation reserve.

30. Reconciliation of movement in shareholders' funds

	Group		Company	
	2015	*2014*	**2015**	*2014*
	£000	*£000*	**£000**	*£000*
Opening shareholders' funds	**651,419**	*516,560*	**1,553,586**	*1,452,514*
Loss for the financial year	**(25,543)**	*(71,669)*	**(275,159)**	*(154,464)*
Issue of equity shares	**36,727**	*255,536*	**36,727**	*255,536*
Other recognised gains or losses relating to the year (net)	**(23,488)**	*(45,964)*	-	-
Equity settled share-based payment	**5,422**	*(3,044)*	-	-
Closing shareholders' funds	**644,537**	*651,419*	**1,315,154**	*1,553,586*

31. Guarantees and contingent liabilities

The Company is registered in a VAT Group with subsidiary undertakings, which share a common registration number. As a result, it is jointly and severally liable for the VAT due for the whole VAT Group and failure by other members of the VAT Group would give rise to additional liabilities for the Company.

As at 28 June 2015 the Group has outstanding forward exchange contracts to buy and sell foreign currency to the value of £5,645,000 (2014 - £1,364,000) and £11,561,000 (2014 - £15,059,000) respectively.

Legal and other professional costs have been recognised as incurred. Further costs are likely to be incurred in future accounting periods but these have not been recognised due to the uncertainty surrounding the timing and value of these costs.

32. Capital commitments

At 28 June 2015 the Group and company had capital commitments as follows:

	Group		Company	
	28 June 2015	*29 June 2014*	**28 June 2015**	*29 June 2014*
	£000	*£000*	**£000**	*£000*
Capital expenditure contracted for but not provided for	**3,493**	*11,234*	**3,289**	*10,719*

33. Pension commitments

The Group operated nine pension schemes during the year.

The major scheme, which covers the majority of newspaper executives, staff and works personnel, is a UK hybrid pension scheme. This was closed to future accrual in December 2012. Until 30 September 2008, members were able to use their defined contribution funds to purchase an annuity within the plan. Members who retire after this date are now required to purchase an annuity on the open market. In January 2013, a new News UK Group Personal Pension Plan was set up which covers all newspaper executives, staff and work personnel. During 2011, the Group closed the main UK defined benefit pension plan to future accrual.

The remainder of UK non-book publishing employees are covered by one of two defined benefit schemes.

The book publishing employees are covered by three defined benefit schemes for UK employees and three defined contribution schemes for Australian employees.

The latest actuarial valuations range from 31 March 2011 to 31 March 2014 and were performed by a qualified independent actuary using revised assumptions that are consistent with the requirements of FRS 17 'Retirement Benefits'. The defined benefit schemes are valued by an independent qualified actuary on at least a triennial basis. Investments have been valued for this purpose at fair value.

The assets of the pension schemes are held in separate externally administered trust funds. The pension costs relating to the defined benefit schemes are assessed in accordance with the advice of a qualified actuary using the projected unit method.

The total pension costs for the Group are as follows:

	2015 £000	2014 £000
Defined benefit schemes	2,050	1,814
Defined contribution schemes	18,374	19,132
Total (note 7)	20,424	20,946

The amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(680,433)	(626,587)
Fair value of scheme assets	636,397	613,261
Deficit in scheme	(44,036)	(13,326)
Surplus not recognised	(19,243)	(36,378)
Deficit included in balance sheet	(63,279)	(49,704)
Related deferred tax asset	12,656	9,941
Net liability	(50,623)	(39,763)

33. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2015 £000	*2014 £000*
Current service cost	**(2,050)**	*(1,814)*
Interest on obligation (note 13)	**(26,105)**	*(26,517)*
Expected return on scheme assets (note 13)	**31,614**	*31,459*
Total	**3,459**	*3,128*

Movements in the present value of the defined benefit obligation were as follows:

	2015 £000	*2014 £000*
Opening defined benefit obligation	**626,587**	*601,566*
Current service cost	**2,050**	*1,814*
Interest cost	**26,105**	*26,517*
Actuarial Losses	**52,764**	*22,963*
Benefits paid	**(25,526)**	*(25,487)*
Expenses paid	**(1,547)**	*(786)*
Closing defined benefit obligation	**680,433**	*626,587*

Changes in the fair value of scheme assets were as follows:

	2015 £000	*2014 £000*
Opening fair value of scheme assets	**613,261**	*546,157*
Expected return on assets	**31,614**	*31,459*
Actuarial gains and (losses)	**17,701**	*4,356*
Contributions by employer	**894**	*57,562*
Benefits paid	**(25,526)**	*(25,487)*
Expenses paid	**(1,547)**	*(786)*
	636,397	*613,261*

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Total Recognised Gains and Losses was £248,957,000 *(2014 - £213,894,000)*. The Group expects to contribute £4,586,000 to its pension schemes in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	*2014*
Equity	**44.39 %**	*45.10 %*
Debt	**53.49 %**	*51.90 %*
Cash / Other	**2.12 %**	*3.00 %*

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	*2014*
Discount rate	**3.75 %**	*4.25 %*
Rate of increase in pension payment	**2.75 %**	*2.75 %*
Future salary increases	**3.25 %**	*3.25 %*
LPI pension increase assumption	**3.25 %**	*2.75 %*
Inflation assumption	**3.25 %**	*3.25 %*

33. Pension commitments (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2015	2014
Retiring today		
Males	**23.1**	*23.1*
Females	**25.1**	*25.0*
Retiring in 20 years		
Males	**24.9**	*24.9*
Females	**27.0**	*27.0*

Defined benefit pension scheme amounts for the current and previous four periods are as follows:

Defined benefit obligation	**(680,433)**	*(626,587)*	*(601,566)*	*(552,700)*	*(493,600)*
Scheme assets	**636,397**	*613,261*	*546,157*	*429,100*	*425,400*
Deficit in scheme	**(44,036)**	*(13,326)*	*(55,409)*	*(123,600)*	*(68,200)*
Experience adjustments on scheme liabilities	**(4,118)**	*2,456*	*(1,500)*	*1,000*	*(1,700)*
Experience adjustments on scheme assets	**17,701**	*4,356*	*24,300*	*(12,900)*	*36,300*

Post-retirement medical benefits
The Group operates a post-retirement medical benefits scheme. The latest full valuation was carried out as at 28 June 2015 and has resulted in a provision in the financial statements of £10,715,000 (2014 - £10,949,000). This is included in other creditors (see note 24). The main actuarial assumptions used to estimate this obligation are health care claims costs escalation of 5.4% per annum for one year (2014 - 6.1%) and 4.3% over the long term rate (2014 - 6.1%) , and a discount rate of 4.25% per annum (2014 - 4.5%).

Non-registered pension arrangements
The Finance Act 1989 reduced the maximum approvable pensionable salary to members who joined the defined benefit scheme after June 1989. This led to the setting up of two multi-employer non-registered retirement benefit arrangements. These arrangements will pay promised pension benefits in excess of those payable from the registered schemes. The defined benefit obligation comprises £45,822,000 (2014 - £40,516,000) arising from unfunded plans.

Company
Employer's contributions are set in relation to the current service period only. There are no other obligations other than to pay a contribution that reflects the benefits earned in the current period. Under such circumstances FRS 17 'Retirement benefits' allows the scheme to be accounted for as a defined contribution scheme. Therefore defined contribution accounting has been adopted in the financial statements of the Company.

34. Operating lease commitments

Certain subsidiary undertakings have entered into non-cancellable operating leases in respect of plant and machinery. Certain subsidiary undertakings lease buildings on short-term leases. The rents payable under these leases are subject to renegotiation at various intervals specified in the leases. The subsidiary undertakings pay all insurance, maintenance and repair costs of these properties. In addition, certain subsidiary undertakings have annual commitments under non-cancellable third party printing contracts.

At 28 June 2015 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	28 June 2015	*29 June 2014*	**28 June 2015**	*29 June 2014*
Group	**£000**	*£000*	**£000**	*£000*
Expiry date:				
Within 1 year	**524**	*6,587*	**6,382**	*1,578*
Between 2 and 5 years	**4,270**	*4,562*	**2,767**	*3,040*
After more than 5 years	**33,195**	*30,401*	**27,534**	*38,744*

Included in other are £35,912,000 (2014 - £41,683,000) of commitments relating to third party printing contracts.

Company
At 28 June 2015 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	28 June 2015	*29 June 2014*
	£000	*£000*
Expiry date:		
Within 1 year	**-**	*4,263*
Between 2 and 5 years	**3,052**	*1,865*
After more than 5 years	**24,894**	*25,269*

The Company leases buildings on short-term leases. The annual rentals payable under the leases are £27,059,000 (2014 - £31,709,000) subject to renegotiation at various intervals specified in the leases. A high proportion of these leases are subleased to other group companies. Commitments under any other operating lease agreements are held by News UK & Ireland Limited, another company within the News UK group.

35. Post balance sheet events

On 29 June 2015, the Group acquired ownership of Harlequin (UK) Ltd and Harlequin Enterprises UK Limited from a fellow group company. The transaction was completed post year end, and will be reflected in the financial statements for the year ended 3 July 2016.

On 30 September 2015, the Group acquired Unruly Holdings Limited, a leading global video distribution platform that is focused on delivering branded video advertising across website and mobile devices.

36. Ultimate parent company

The Company's immediate parent is News Corp Holdings UK & Ireland, a company incorporated in England.

As at 28 June 2015, the ultimate parent company is News Corporation, a company incorporated in Delaware.

The largest group in which the results of the Company are consolidated is that headed by News Corporation, whose principal place of business is at 1211 Avenue of the Americas, New York, NY 10036. The smallest group in which the results are consolidated is that headed by News Corp Investments UK & Ireland, a company incorporated in Engalnd. The consolidated financial statements of these Groups are available to the public and may be obtained from News Corp UK & Ireland Limited, 1 London Bridge Street, London, SE1 9GF.

37. Principal subsidiary undertakings

Unless otherwise stated, the investments in subsidiary undertakings are in ordinary shares, and the subsidiary undertakings are wholly owned by their immediate parent company and are incorporated and operate principally in the UK. Companies in bold are direct shareholdings of News Corp UK & Ireland Limited. All other companies are indirect shareholdings of News Corp UK & Ireland Limited.

Subsidiary undertakings:

News Group Newspapers Limited (Publisher of The Sun and The Sun on Sunday)
News 2026 Limited (Investment Company)

Times Newspapers Holdings Limited (Holding Company)
Times Newspapers Limited (Publisher of The Sunday Times and The Times)

The Times Literary Supplement Limited (Publisher of The Times Literary Supplement)

News UK & Ireland Trading Limited (Provision of related personnel resources and accounts receivable functions)

News UK & Ireland Limited (Provision of related personnel resources and accounts receivable functions)

News Promotions Limited (Newspaper promotions)

News Property Three Limited (Asset holding Company)

News UK Automotive Limited (Online classified advertising and research website)

News UK & Ireland Direct Limited (Provision of distribution services to retail outlets)

News UK & Ireland Recruitment Holdings Limited (Holding Company)
Milkround Holdings Limited (Holding Company)
Milkround Online Limited (Online graduate recruitment)

News Collins Limited (Holding Company and finance)
HarperCollins (UK) (Holding Company)
HarperCollins Publishers Limited (Book publishing)
HarperCollins Publishers (Australia) PTY Limited (Book publishing) (Incorporated in Australia)
HarperCollins Publishers (New Zealand) Limited (Book publishing) (Incorporated in New Zealand)
HarperCollins Canada Limited (Book publishing) (Incorporated in Canada)
HarperCollins Publishers India Pvt (Book Publishing) (Incorporated in India)

News Solutions Limited (Formerly known as News Printers Group Limited) (Holding Company)
Newsprinters (Broxbourne) Limited (Provision of production and related personnel resources)
Newsprinters (Eurocentral) Limited (Provision of production and related personnel resources)
Newsprinters (Knowsley) Limited (Provision of production and related personnel resources)
KIP Limited (Provision of production and related personnel resources)

Admacroft Limited (Finance Company)

Handpicked Companies Limited (ecommerce Company)
Coldstreame Seafood Limited (ecommerce Company)

38. Dormant subsidiary undertakings

In addition to the principal subsidiary undertakings listed in note 37, the remaining related undertakings relate to dormant companies within the Group, as listed below. Unless otherwise stated, the investments in dormant subsidiary undertakings are in ordinary shares, and the dormant subsidiary undertakings are wholly owned by their immediate parent company and are incorporated in the UK. Companies in bold are direct shareholdings of News Corp UK & Ireland Limited. All other companies are indirect shareholdings of News Corp UK & Ireland Limited.

Subsidiary undertakings:

Authonomy Ltd
Bookarmy Limited
Cobuild Limited
Collins Bartholomew Limited
Eric Bemrose Limited
Festival Records International Limited
Fourth Estate Limited
George Allen & Unwin (Publishers) Limited
HaperCollins Investments UK Limited
HarperCollins Publishers Pension Trustee Co Limited
Leckie & Leckie Limited
Letts Educational Limited
Marshall Pickering Holdings Limited
Milkround Holdings Limited
Milkround Limited
Milkround.com Limited
News 2026 Limited
News International Newspapers Limited
News International Pension Trustees Limited
News Ireland Limited
News Logistics Limited
News of the World Limited
News Printers Assets Limited
News Printers Group Limited
News Printers Southern Limited
News Telemedia Europe Limited
News UK & Ireland Newspapers Limited
Newsett Limited (50% shareholding)
Newsprinters Limited
NGN Editorial Pension Trustees Limited
Pollokshields Printing Services Limited
Secondpost Limited
Secondpost.com Limited
The Sun Limited
The Sunday Times Limited
The Sunday Times Whisky Club Limited
The Times Limited
Thorsons Publishers Limited
Thorsons Publishing Group Limited
Times Books Group Limited
Times Books Limited
Times Crosswords Limited
Times Media Limited
Tower Trustees Limited
Unwin Hyman Limited
William Collins Holdings Limited
William Collins International Limited
William Collins Sons & Co Limited
Workazoo Limited