

News International Newspapers Limited

Report and financial statements

30 June 2013

WEDNESDAY



L2MZYCK

LD3

11/12/2013

#69

COMPANIES HOUSE

News International Newspapers Limited

Financial statements

Year ended 30 June 2013

Contents	Page
The directors' report	1
Independent auditor's report to the members	3
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

News International Newspapers Limited

The directors' report

Year ended 30 June 2013

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2013

Principal activities and business review

Until 4 July 2011 the principal activity of the company was the provision of production and related personnel resources and services to other companies within the News Corp Investments UK & Ireland group (formerly known as Newscorp Investments group). On that date the company transferred all its trade and assets to another group company and has not traded since.

On June 28 2013, News Corporation (renamed 21st Century Fox) completed the separation of its publishing and media and entertainment businesses into two distinct publicly traded companies, new News Corporation and 21st Century Fox.

As a result of this separation, News International Newspapers Limited and other key newspaper and publishing related group companies have become part of new News Corporation, which comprises newspapers and information businesses in the US, UK and Australia, leading book publishing brands, integrated marketing service companies, digital education groups as well as other assets in Australia.

Principal risks and uncertainties facing the business

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

Going concern

News Corp UK & Ireland Limited (formerly known as NI Group Limited), the immediate parent company, has committed to provide financial support and accordingly the directors continue to adopt the going concern basis in preparing the annual financial statements.

Results and dividends

The results for the year amounted to £nil. The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

M C Gill

C C S Longcroft

S L Panuccio

(Appointed 26 September 2012)

(Resigned 26 September 2012)

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

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

Directors' indemnity provision

News Corporation has indemnified all directors of the company against liability in respect of proceedings brought by third parties, except that, in accordance with the Companies Act 2006, no indemnity is provided against any liability incurred by the director in defending civil proceedings brought by the company, or an associated company, in which the final 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.

News International Newspapers Limited

The directors' report *(continued)*

Year ended 30 June 2013

Directors' responsibilities

The directors are responsible for preparing 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 of the profit or loss of the company for that year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Charitable and political contributions

The company has made no charitable or political contributions in the year (2012 - £Nil).

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 auditors in the absence of a notice that the appointment is to be terminated.

Registered office
3 Thomas More Square
London
E98 1XY

Signed on behalf of the directors



M C Gill

Director

Approved by the directors on 12 November 2013

Company Registration Number 01885543

Independent auditor's report to the members of News International Newspapers Limited

Year ended 30 June 2013

We have audited the financial statements of News International Newspapers Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its result 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

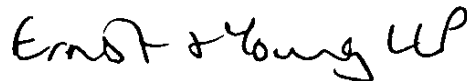
Independent auditor's report to the members of News International Newspapers Limited *(continued)*

Year ended 30 June 2013

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



NEIL CULLUM (Senior Statutory Auditor)
For and on behalf of
ERNST & YOUNG LLP
London
Statutory Auditor

14 November 2013

News International Newspapers Limited

Profit and loss account

Year ended 30 June 2013

	Note	2013 £000	2012 £000
Turnover		—	—
Cost of sales		—	105
Gross profit		—	105
Profit on ordinary activities before taxation		—	105
Tax on profit on ordinary activities	6	—	—
Profit for the financial year		—	105

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 7 to 10 form part of these financial statements

News International Newspapers Limited

Balance sheet

30 June 2013

	Note	2013 £000	2012 £000
Total assets less current liabilities		<u>—</u>	<u>—</u>
Capital			
Share capital	9	<u>—</u>	<u>—</u>
Shareholders' funds	11	<u>—</u>	<u>—</u>

These financial statements were approved by the directors and authorised for issue on 12 November 2013, and are signed on their behalf by



M C Gill
Director

The notes on pages 7 to 10 form part of these financial statements

News International Newspapers Limited

Notes to the financial statements

Year ended 30 June 2013

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

News Corp UK & Ireland Limited (formerly known as NI Group Limited), the immediate parent company, has committed to provide financial support and accordingly the directors continue to adopt the going concern basis in preparing the annual financial statements

The financial statements of the company are made up to the Sunday closest to the 30 June each year. Consequently the financial statements for the current period cover 52 weeks ended 30 June 2013

Following the transfer of trade and assets on 4 July 2011 the company has not traded

Cash flow statement

The company is exempt from the requirements 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, the ultimate parent company

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

Following the News Corporation separation on 28 June 2013, associated undertakings that now form part of the 21st Century Fox group are no longer being treated as a related party and thus all transactions with them are reported on a third party basis

2. Operating profit

Other members of the News Corp Investments UK & Ireland group (formerly known as Newscorp Investments group) provide the company with administrative and support services, for which no charge is made

3. Auditors' remuneration

	2013	2012
	£000	£000
Audit of the financial statements	7	7

Auditors' remuneration, including amounts in respect of non-audit services, is borne by another group undertaking

Fees paid to the company's auditors, Ernst & Young LLP, for services other than statutory audit of the company are disclosed in the financial statements of News Corp UK & Ireland Limited (formerly known as NI Group Limited), the immediate parent company

4. Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the year

News International Newspapers Limited

Notes to the financial statements

Year ended 30 June 2013

5 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013 £000	2012 £000
Remuneration receivable	<u>1,877</u>	<u>1,033</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2013 No	2012 No
Defined benefit schemes	<u>2</u>	<u>2</u>

The directors of the company are also directors of the holding company or fellow UK subsidiaries. The directors received total remuneration for the year as shown above, £Nil (2012 - 244,173) was paid by the company, with the remainder paid by a fellow group company. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding company or fellow UK subsidiary companies.

Total payments in respect of former directors compensation for loss of office of £6,432,000 (2012 - £10,852,700) were made in the year.

6. Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 23.75% (2012 - 25.50%).

	2013 £000	2012 £000
Profit on ordinary activities before taxation	<u>-</u>	<u>105</u>
Profit on ordinary activities by rate of tax	-	27
Utilisation of losses	-	(27)
Total current tax	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The standard rate of UK Corporation Tax reduced from 24% to 23% on 1 April 2013. The Finance Act 2012 received Royal Assent on 17 July 2012, with the 23% rate being substantively enacted from 3 July 2012.

The standard rate of corporation tax is set to reduce to 21% from 1 April 2014 and by a further 1% to a rate of 20% from 1 April 2015. These further reductions had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements.

News International Newspapers Limited

Notes to the financial statements

Year ended 30 June 2013

7. Dividends

Equity dividends

	2013 £000	2012 £000
Paid during the year		
£Nil per ordinary share (2012 - £2,502,169 per ordinary share)	—	5,004

8 Deferred Tax

The movement in the deferred tax account during the year was

	2013 £000	2012 £000
Balance brought forward	—	1,878
Transferred to another group company	—	(1,878)
Balance carried forward	—	—

9 Share capital

Authorised share capital:

	2013 £000	2012 £000
100 Ordinary shares of £1 each	—	—

Allotted, called up and fully paid:

	2013 No	£000	2012 No	£000
2 Ordinary shares of £1 each	2	—	2	—

10. Profit and loss account

	2013 £000	2012 £000
Balance brought forward	—	4,899
Profit for the financial year	—	105
Equity dividends	—	(5,004)
Balance carried forward	—	—

11 Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Profit for the financial year	—	105
Equity dividends	—	(5,004)
Net reduction to shareholders' funds	—	(4,899)
Opening shareholders' funds	—	4,899
Closing shareholders' funds	—	—

News International Newspapers Limited

Notes to the financial statements

Year ended 30 June 2013

12. Ultimate parent company

The company's immediate parent company is News Corp UK & Ireland Limited (formerly known as NI Group Limited), a company incorporated in England

Prior to 28 June 2013, the ultimate parent company was 21st Century Fox (formerly known as News Corporation), a company incorporated in Delaware. As at the 30 June 2013, the ultimate parent company is News Corporation, a company incorporated in Delaware

The largest groups in which the results of the company are consolidated are those headed by News Corporation and 21st Century Fox (formerly known as News Corporation), whose principal place of business is at 1211 Avenue of the Americas, New York, NY 10036. The smallest group in which they are consolidated is that headed by News Corp UK & Ireland Limited (formerly known as NI Group Limited), a company incorporated in England. The consolidated financial statements of these groups are available to the public and may be obtained from 3 Thomas More Square, London, E98 1XY.