

News International Advertisements (Ireland) Limited

**Report and Financial Statements
27 June 2010**

Registered number: 3628246



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Directors' report

For News International Advertisements (Ireland) Limited for the year ended 27 June 2010 (registered number 3628246)

The Directors present their annual report on the affairs of News International Advertisements (Ireland) Limited ("the Company") together with the financial statements and auditors' report for the 52 weeks ended 27 June 2010 ("the year")

Principal activity

The principal activity of the Company is selling advertising space in the Republic of Ireland which is purchased from other Newscorp Investments group companies in the United Kingdom

Business review

The Company generated turnover for the year of £9,200,000 (2009 - £10,035,000) The Company's profit on ordinary activities before taxation for the year was £140,000 (2009 - £884,000) The Directors expect the general level of activity to continue for the foreseeable future

Principal risks and uncertainties

The Company derives substantial revenues from the sale of advertising in various newspaper titles within the Newscorp Investments group Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions, as well as budgeting and buying patterns A change in the current economic prospects of advertisers or the economy in general could alter current or prospective advertisers' spending priorities, and impact the advertising revenue of the Company

The Company performs credit checks on 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 for further advertisements when overdue

The majority of the Company's transactions are in Euros Foreign currency is managed centrally by the Newscorp Investments group, which takes into account the foreign currency transactions of the Company

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review section above

The Company has financial resources and contracts with customers and suppliers across different geographic areas and industries, including with other entities within the Newscorp Investments group As a consequence, the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Results and dividends

The Company's loss for the financial year was £80,000 (2009 - profit of £785,000)

No dividends have been paid during the year (2009 - £861,000) and the Directors do not recommend the payment of a final dividend (2009 - £Nil)

Directors and their interests

The Directors of the Company who served during the year were as follows

R. Brooks (appointed 23 July 2009)
M. C. Gill
P. S. Hayes
O. E. W. Keenaghan
C. A. Milner
S. L. Panuccio

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' report - continued

Directors indemnity provision

News Corporation has indemnified one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. 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

The Company has made no charitable or political donations in the year (2009 - £Nil)

Auditors

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

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which 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.

Directors' statement of disclosure of information to auditors

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

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are 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 Company's auditors are aware of that information.

By order of the Board



M C Gill
Director

3 Thomas More Square
London
E98 1XY

19 November 2010

Independent Auditors' report

To the members of News International Advertisements (Ireland) Limited

We have audited the financial statements of News International Advertisements (Ireland) Limited for the year ended 27 June 2010 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 15. 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 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 auditors

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 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.

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 27 June 2010 and of the company'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.

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.

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 company's 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

Tony McCartney (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge

24/11/2010

Profit and loss account

For the year ended 27 June 2010

	Notes	2010 £'000	2009 £'000
Turnover	2	9,200	10,035
Cost of sales		(8,972)	(9,784)
Gross Profit		228	251
Other operating (expense)/income (net)	3	(88)	633
Profit on ordinary activities before taxation	4	140	884
Tax on profit on ordinary activities	7	(220)	(99)
(Loss)/profit for the financial year	13	(80)	785

There are no recognised gains or losses other than the loss attributable to shareholders of the Company of £80,000 in the year ended 27 June 2010 (2009 - profit of £785,000)

Details of movements on reserves are shown in note 13

All operations of the Company continued throughout both years and no operations were acquired or discontinued

The notes to the financial statements are an integral part of this profit and loss account

Balance sheet

As at 27 June 2010

	Notes	2010 £'000	2009 £'000
Current assets			
Debtors	9	2,975	4,204
Cash at bank and in hand	11	8,081	6,771
		<hr/>	<hr/>
		11,056	10,975
Creditors: Amounts falling due within one year	12	(10,251)	(10,090)
		<hr/>	<hr/>
Net current assets		805	885
		<hr/>	<hr/>
Net assets		805	885
		<hr/>	<hr/>
Equity capital and reserves			
Called-up share capital	13	-	-
Profit and loss account	13	805	885
		<hr/>	<hr/>
Equity shareholders' funds	13	805	885
		<hr/>	<hr/>

The financial statements on pages 4 to 12 were approved by the Board of Directors on 19 November 2010 and signed on its behalf by



M C Gill
Director

19 November 2010

The notes to the financial statements are an integral part of this balance sheet

Notes to the financial statements

27 June 2010

1 Principal accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Principles

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 27 June 2010

In preparing the financial statements for the current year, the Company has adopted early FRS 30 'Heritage Assets' which becomes mandatory for all accounting periods beginning on or after 1 April 2010. As the Company does not hold any heritage assets, the adoption of FRS 30 has no impact on the financial statements

The principal accounting policies have been applied consistently throughout the year and the preceding year

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 members of the group headed by News Corporation

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review section of the Directors' Report on page 1

The Company has financial resources and contracts with customers and suppliers across different geographic areas and industries, including with other entities within the Newscorp Investments group. As a consequence, the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Cash flow statement

The Company is 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, the ultimate parent company

Foreign currency

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

Turnover

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

Advertising revenue is recognised upon publication

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

Notes to the financial statements - continued

1 Principal accounting policies - continued

Taxation - continued

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

2 Turnover

The Company's turnover and profit are derived, for both the current year and prior year, from selling advertising space purchased from other members of the Newscorp Investments group, in the Republic of Ireland

3 Other operating (expense)/income (net)

	2010 £'000	2009 £'000
Exchange difference	(88)	633

4 Profit on ordinary activities before taxation

Other members of the Newscorp Investments group provide the Company with administrative and support services, for which no charge is made

The Company has no employees (2009 - None)

5 Auditors' remuneration

	2010 £'000	2009 £'000
Audit of the financial statements	6	6

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 International Limited

Notes to the financial statements - continued

6 Directors' emoluments

	2010 £'000	2009 £'000
Emoluments	347	166
Retirement benefits accruing under defined contribution schemes	23	17
	<hr/>	<hr/>
	370	183
	<hr/>	<hr/>

Highest paid Director

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

	2010 £'000
Emoluments	347
Retirement benefits accruing under money purchase schemes	23
	<hr/>
	370
	<hr/>

Certain Directors are remunerated by other Companies in the Newscorp Investments Group. These emoluments are disclosed in another Group Company's financial statements.

None of the Directors were members of the defined benefit pension scheme.

Notes to the financial statements - continued

7 Tax on profit on ordinary activities

a) The tax charge is made up as follows

	2010 £'000	2009 £'000
<i>Foreign tax</i>		
Current tax on income for the period	18	35
Adjustment in respect of prior years	81	117
	<hr/>	<hr/>
Total current tax	99	152
	<hr/>	<hr/>
<i>Deferred tax</i>		
Adjustment in respect of prior years	54	-
Current year movement at 28% (2009 – 28%)	67	(53)
	<hr/>	<hr/>
Total deferred tax	121	(53)
	<hr/>	<hr/>
Tax on profit on ordinary activities	220	99
	<hr/>	<hr/>

b) Factors affecting current tax charge

The tax assessed on the profit on the ordinary activities for the year is £18,000 (2009 - £35,000). The difference between the tax assessed and the standard rate of corporation tax in the UK of 28% (2009 – 28%) is explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation	140	884
	<hr/>	<hr/>
Corporation tax at 28% (2009 - 28%)	39	248
Other timing differences	(67)	53
Group relief claimed/(surrendered)	46	(266)
	<hr/>	<hr/>
Tax assessed on the profit on ordinary activities for the year	18	35
Foreign tax underprovided in prior period	81	117
	<hr/>	<hr/>
Total current tax	99	152
	<hr/>	<hr/>

Notes to the financial statements - continued

7 Tax on profit on ordinary activities - continued

c) Factors affecting future tax charge

The Chancellor announced in the emergency budget on 22 June 2010 that the standard rate of UK Corporation Tax will be reduced from 28% to 27% from 1 April 2011, and there will be progressive annual reductions of a further 1% until a rate of 24% is reached with effect from 1 April 2014. The Finance Act (No 2) 2010 received Royal Assent on 27 July 2010, with the first of the rate reductions being substantively enacted from 21 July 2010 under UK GAAP.

8 Dividends

	2010 £'000	2009 £'000
Equity dividends on ordinary shares		
£Nil per ordinary share (2009 - £8,610 per ordinary share)	-	861

9 Debtors

Amounts falling due within one year	2010 £'000	2009 £'000
Trade debtors	2,896	3,086
Due from group undertakings	51	986
Deferred tax (note 10)	11	132
Overseas Tax	17	-
	<u>2,975</u>	<u>4,204</u>

10 Deferred tax

The deferred tax included in the balance sheet is as follows

	2010 £'000	2009 £'000
Included in debtors (note 9)	<u>11</u>	<u>132</u>

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 Newscorp Investments group will be sufficient to utilise the deferred tax asset being recognised.

Notes to the financial statements - continued

10 Deferred tax - continued

The movement in deferred taxation during the current year is as follows

	£'000
Beginning of the year	132
Charge to the profit and loss	
Prior year adjustment	(54)
Current year movement	(67)
	<hr/>
End of the year	11
	<hr/>

Deferred taxation is provided at 28% (2009 –28%) as follows

	2010 £'000	2009 £'000
Other timing differences	11	132
	<hr/>	<hr/>
	11	132
	<hr/>	<hr/>

11 Cash at bank and in hand

The Newscorp Investments group operates a collective overdraft facility with its bankers, which allows individual companies in the Newscorp Investments group to overdraw subject to an agreed limit not being exceeded in aggregate. This facility is guaranteed by News Corporation.

12 Creditors: Amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	30	-
Due to group undertakings	9,279	9,667
Taxation and social security	271	246
Accruals and deferred income	671	157
Other creditors	-	20
	<hr/>	<hr/>
	10,251	10,090
	<hr/>	<hr/>

Notes to the financial statements - continued

13 Equity capital and reserves

a) Called-up equity share capital

	2010 £	2009 £
Authorised, allotted and fully paid 100 ordinary shares of £1 each	100	100

b) Reserves

	Profit and loss account £'000
Beginning of the year	885
Loss for the financial year	(80)
End of the year	805

c) Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
(Loss)/profit for the financial year	(80)	785
Equity dividends paid on ordinary shares	-	(861)
Net reduction in shareholders' funds	(80)	(76)
Opening shareholders' funds	885	961
Closing shareholders' funds	805	885

14 Guarantees

Under a collective group banking facility the Company has given multilateral guarantees in respect of bank overdrafts of other companies in the Newscorp Investments group

15 Ultimate parent company

The Company's immediate parent company is News International Limited, a company incorporated in England

The ultimate parent company is News Corporation, a company incorporated in Delaware

The smallest and largest group in which the results of the Company are consolidated is that of headed by News Corporation, whose principal place of business is at 1211 Avenue of the Americas, New York, NY10036. The consolidated financial statements of this group are available to the public and may be obtained from 3 Thomas More Square, London E98 1XY