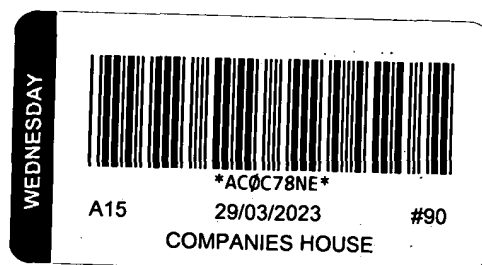


Registration number: 04002537

## KIP Limited

**Report and financial statements**

**for the year ended 3 July 2022**



## **KIP Limited**

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## KIP Limited

### Strategic Report for the Year Ended 3 July 2022

The directors present their Strategic Report and the financial statements of the company for the year ended 3 July 2022.

#### Principal activities and business review

KIP Limited forms part of News Corporation which is a global diversified media and information services company focused on creating and distributing authoritative and engaging content to consumers and businesses throughout the world. The principal activity of the company is the contract printing of newspaper titles within the Republic of Ireland.

The company generated turnover for the year of £5,426,000 (2021 - £14,020,000). The company's operating profit for the year was £10,000 (2021 - £361,000). Turnover & EBITDA excluding impairment have decreased due to the termination of the printing contract with News Press Ireland Limited (formerly known as Smurfit Kappa News Press Limited).

In the prior year there was an impairment on the investment in News Press Ireland Limited (formerly known as Smurfit Kappa News Press Limited). Following a strategic review the decision was made to close the business in order to consolidate printing operations in Ireland. This triggered an impairment review which resulted in a full impairment of the investment in the prior year of £23,883,000.

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

	2022	2021
	£ 000	£ 000
Turnover	5,426	14,020
EBITDA	133	(23,277)
EBITDA excluding impairment	133	606

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

#### Principal risks and uncertainties

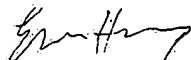
The principal risks and uncertainties for the company are the same as for other group companies in the Newsprinters division and these are disclosed in Newsprinters Limited's financial statements.

#### Future developments

The directors expect the company to continue as a contract printing company for the foreseeable future.

Approved by the Board on 16 November 2022 and signed on its behalf by:

PP



E. Humphreys  
Director

## **KIP Limited**

### **Directors' Report For the year ended 3 July 2022**

The directors present their report and the financial statements for the year ended 3 July 2022.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £2,819,000 (2021 - £23,841,000).

The directors do not recommend a dividend (2021 - £Nil).

#### **Directors**

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

D.W. Dinsmore

C.C.S. Longcroft (resigned 25 July 2022)

The following director was appointed after the period end:

E. Humphreys (appointed 25 July 2022)

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

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

#### **Going concern**

The company is in a net current liability position as at 3 July 2022 and is utilising the collective overdraft facility which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, not being exceeded in aggregate. The overdraft facility is also guaranteed by News Corporation.

The ultimate parent undertaking, News Corporation (the "Parent Company") has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period until 31 December 2023.

The Parent Company will continue to review its liquidity needs in light of the business and financial impacts the company may face in light of economic factors such as the continued economic recovery from the Covid-19 pandemic, inflation and any mitigating actions that may be required.

Based on this information and on enquiries, the directors believe that they have a reasonable expectation that the company has adequate resources to adopt the going concern basis in preparing the financial statements.

#### **Directors' indemnity provision**

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

## **KIP Limited**

### **Directors' Report (continued) For the year ended 3 July 2022**

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

The directors acknowledge their responsibilities for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

#### **Disclosure of information to the auditor**

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

#### **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.

**KIP Limited**

**Directors' Report (continued)  
For the year ended 3 July 2022**

Approved by the Board on 16 November 2022 and signed on its behalf by:

PP



E. Humphreys  
Director

Registered office:  
1 London Bridge Street  
London  
United Kingdom  
SE1 9GF

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

### **Opinion**

We have audited the financial statements of KIP Limited for the year ended 3 July 2022 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes 1 to 19 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 3 July 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2023.

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

### **Other information**

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

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

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

We have nothing to report in this regard.

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

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.



## Independent Auditor's Report to the Members of KIP Limited (continued)

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

Our approach was as follows:

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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

*Ernst & Young LLP*

Lauren Houghton (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor, Luton

Date: 18 / 11 / 2022

**KIP Limited****Profit and Loss Account  
For the year ended 3 July 2022**

	Note	2022 £ 000	2021 £ 000
Turnover	3	5,426	14,020
Cost of sales		<u>(5,293)</u>	<u>(13,414)</u>
Gross profit		133	606
Administrative expenses		<u>(123)</u>	<u>(245)</u>
Operating profit	4	10	361
Loss on disposal of tangible fixed assets	11	(2,477)	-
Impairment loss	8	-	(23,883)
Interest payable	9	<u>(410)</u>	<u>(319)</u>
Loss before tax		(2,877)	(23,841)
Taxation	10	<u>58</u>	<u>-</u>
Loss for the financial year		<u><u>(2,819)</u></u>	<u><u>(23,841)</u></u>

**Statement of Comprehensive Income  
For the year ended 3 July 2022**

	2022 £ 000	2021 £ 000
Loss for the financial year	<u>(2,819)</u>	<u>(23,841)</u>
Total comprehensive loss for the financial year	<u><u>(2,819)</u></u>	<u><u>(23,841)</u></u>

The above results were derived from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

**KIP Limited****Registered number: 04002537****Balance Sheet as at 3 July 2022**

	Note	2022 £ 000	2021 £ 000
<b>Fixed assets</b>			
Tangible assets	11	-	3,784
Investments	12	-	-
		<u>-</u>	<u>3,784</u>
<b>Current assets</b>			
Debtors	13	3,538	1,568
Cash at bank and in hand	14	-	2,158
		<u>3,538</u>	<u>3,726</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(27,156)</u>	<u>(28,251)</u>
<b>Net current liabilities</b>		<u>(23,618)</u>	<u>(24,525)</u>
<b>Total assets less current liabilities</b>		<u>(23,618)</u>	<u>(20,741)</u>
<b>Deferred tax liability</b>	16	-	(58)
<b>Net liabilities</b>		<u>(23,618)</u>	<u>(20,799)</u>
<b>Capital and reserves</b>			
Called up share capital	18	-	-
Profit and loss account		<u>(23,618)</u>	<u>(20,799)</u>
<b>Shareholder's funds</b>		<u>(23,618)</u>	<u>(20,799)</u>

Approved and authorised by the Board on 16 November 2022 and signed on its behalf by:

pp


E. Humphreys  
Director

The notes on pages 11 to 20 form part of these financial statements.

**KIP Limited****Statement of Changes in Equity  
For the year ended 3 July 2022**

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 28 June 2021	-	(20,799)	(20,799)
Loss for the financial year	-	(2,819)	(2,819)
Total comprehensive loss for the financial year	-	(2,819)	(2,819)
At 3 July 2022	-	(23,618)	(23,618)

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

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 29 June 2020	-	3,042	3,042
Loss for the financial year	-	(23,841)	(23,841)
Total comprehensive loss for the financial year	-	(23,841)	(23,841)
At 27 June 2021	-	(20,799)	(20,799)

The notes on pages 11 to 20 form part of these financial statements.

## **KIP Limited**

### **Notes to the Financial Statements For the year ended 3 July 2022**

#### **1 General information**

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

The address of its registered office is:

1, London Bridge Street  
London  
SE1 9GF  
United Kingdom

These financial statements were authorised for issue by the Board on 16 November 2022.

The nature of the company's operations and its principal activities are set out in the Strategic Report on page 1.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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

The financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note below.

The financial statements are made up to the Sunday closest to the 30 June each year. Consequently, the financial statements for the current period cover 53 weeks ended 3 July 2022 (prior period 52 weeks ended 27 June 2021). The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest £'000.

## **KIP Limited**

### **Notes to the Financial Statements For the year ended 3 July 2022 (continued)**

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

##### **Summary of disclosure exemptions**

FRS 102 paragraph 1.12 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of and no objection to the use of exemptions by the company's shareholders. The equivalent disclosures are included in the consolidated financial statements of News Corporation, the ultimate parent undertaking.

The company has taken advantage of the following exemptions:

- (a) From preparing a statement of cash flows and related notes as required by Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (b) From the financial instruments disclosures as required by FRS 102 paragraphs 11.42 to 11.48A and paragraphs 12.26 to 12.27, 12.29 (a) & (b) and 12.29A, including:
  - categories of financial instruments;
  - items of income, expenses, gains or losses relating to financial instruments; and
  - exposure to and management of financial risks.
- (c) From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

##### **Going concern**

The company is in a net current liability position as at 3 July 2022 and is utilising the collective overdraft facility which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, not being exceeded in aggregate. The overdraft facility is also guaranteed by News Corporation.

The ultimate parent undertaking, News Corporation (the "Parent Company") has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period until 31 December 2023.

The Parent Company will continue to review its liquidity needs in light of the business and financial impacts the company may face in light of economic factors such as the continued economic recovery from the Covid-19 pandemic, inflation and any mitigating actions that may be required.

Based on this information and on enquiries, the directors believe that they have a reasonable expectation that the company has adequate resources to adopt the going concern basis in preparing the financial statements.

##### **Related party transactions**

As a wholly owned subsidiary undertaking of News Corporation whose financial statements are publicly available, the company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

##### **Revenue recognition**

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

## **KIP Limited**

### **Notes to the Financial Statements For the year ended 3 July 2022 (continued)**

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

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

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

#### **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.

#### **Taxation**

Taxation expense for the reporting period comprises current tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax, including UK corporation tax and foreign tax, is the amount payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Deferred tax assets are considered as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits or deferred tax liabilities in the foreseeable future against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

#### **Foreign currency**

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

#### **Investments in subsidiaries**

Investments in subsidiaries 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.

#### **Tangible assets and depreciation**

Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

## KIP Limited

### Notes to the Financial Statements For the year ended 3 July 2022 (continued)

#### 2 Accounting policies (continued)

##### Tangible assets and depreciation (continued)

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

Freehold and leasehold land	No depreciation charged
Freehold buildings	2% per annum
Furniture, fittings and equipment	10% - 33.3% per annum

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 higher of net present value of expected future cash flows of the relevant cash generating unit and fair value less cost to sell.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

##### Cash and cash equivalents

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

##### Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### Creditors

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

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

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

#### 3 Turnover

Substantially all the company's turnover and profit in the current year and prior year is derived from its principal activity of printing newspapers in the Republic of Ireland on behalf of other members of the News UK group in the United Kingdom, as well as companies outside of the group.

All profits have been generated from the same class of business.



**KIP Limited****Notes to the Financial Statements  
For the year ended 3 July 2022 (continued)****4 Operating profit**

Arrived at after charging:

	2022	2021
	£ 000	£ 000
Depreciation expense	123	245
Loss on the disposal of fixed assets	<u>2,477</u>	<u>-</u>

Other members of the News UK group provide the company with administrative and support services, for which no charge is made.

**5 Auditor's remuneration**

	2022	2021
	£ 000	£ 000
Audit of financial statements	<u>11</u>	<u>10</u>

Auditor's remuneration is borne by another group undertaking.

**6 Employees**

The company has no employees (2021 - None).

**7 Directors' remuneration**

All the Directors are remunerated by other group undertakings. It is considered that the level of their qualifying services to the company is negligible compared to their main roles. There are no management charges from these group undertakings for their services. Consequently they determine that given the level of the services required, that the proportion of their salary relating to their services provided to this company is insignificant. Therefore a £nil apportionment is made (2021: £nil).

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:

	2022	2021
	No.	No.
Long term incentive plan	<u>2</u>	<u>2</u>

**8 Impairment loss**

	2022	2021
	£ 000	£ 000
Impairment loss	<u>-</u>	<u>(23,883)</u>

**KIP Limited****Notes to the Financial Statements  
For the year ended 3 July 2022 (continued)****8 Impairment loss (continued)**

The prior year impairment relates to impairment of investments:

The company acquired an investment in News Press Ireland Limited during the prior year. Following acquisition a strategic review was undertaken, and as a result of this review, the decision was made to close the business in order to consolidate printing operations in Ireland. Triggered by these developments, an impairment review was carried out resulting an impairment of £23,883,000 (note 12).

**9 Interest payable**

	2022	2021
	£ 000	£ 000
Interest on amounts payable to group undertakings	410	319

During the year, the company was charged interest on amounts owed to group companies at a rate of 1.5% (2021 - 1.5%).

**10 Taxation**

Tax charged/(credited) in the income statement:

	2022	2021
	£ 000	£ 000
<b>Deferred taxation</b>		
Origination and reversal of timing differences	121	-
Arising from disposal of fixed assets	(179)	-
Total deferred taxation	(58)	-

**KIP Limited****Notes to the Financial Statements  
For the year ended 3 July 2022 (continued)****10 Taxation (continued)**

The tax on loss before tax for the period is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Loss before tax	(2,877)	(23,841)
Corporation tax at standard rate	(547)	(4,530)
Expenses not deductible for tax purposes	-	4,585
Effect of rate changes	(43)	-
Deferred tax expense from unrecognised temporary difference from a prior period	121	-
Tax increase from effect of capital allowances and depreciation	3	-
Group relief	408	(55)
Total tax credit	(58)	-

**Factors that may affect future tax charges**

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

**KIP Limited****Notes to the Financial Statements  
For the year ended 3 July 2022 (continued)****11 Tangible assets**

	<b>Land and buildings £ 000</b>	<b>Furniture, fittings and equipment £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>			
At 28 June 2021	12,777	1,670	14,447
Disposals	<u>(12,777)</u>	<u>(1,670)</u>	<u>(14,447)</u>
At 3 July 2022	<u>-</u>	<u>-</u>	<u>-</u>
<b>Depreciation</b>			
At 28 June 2021	8,993	1,670	10,663
Charge for the period	123	-	123
Eliminated on disposal	<u>(9,116)</u>	<u>(1,670)</u>	<u>(10,786)</u>
At 3 July 2022	<u>-</u>	<u>-</u>	<u>-</u>
<b>Carrying amount</b>			
At 3 July 2022	<u>-</u>	<u>-</u>	<u>-</u>
At 27 June 2021	<u>3,784</u>	<u>-</u>	<u>3,784</u>

During the year the company sold all of its assets for net consideration of £1,184,000 which resulted in a loss on disposal of £2,477,000.

**12 Investments in subsidiaries**

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost</b>	
At 28 June 2021 and 3 July 2022	23,883
<b>Provision</b>	
At 28 June 2021 and 3 July 2022	<u>(23,883)</u>
<b>Carrying amount</b>	
At 27 June 2021 and 3 July 2022	<u>-</u>

During the previous year the company acquired 100% of the Ordinary Shares in News Press Ireland Limited for total consideration of £23,883,000. News Press Ireland Limited is a company registered in the Republic of Ireland and its principal activity is contract printing. The investment was fully impaired (note 8) during the previous year following a strategic review of the business.

**KIP Limited****Notes to the Financial Statements  
For the year ended 3 July 2022 (continued)****13 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Amounts owed by group undertakings	3,538	1,306
Prepayments and accrued income	-	262
	<u>3,538</u>	<u>1,568</u>

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

**14 Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Cash at bank	<u>-</u>	<u>2,158</u>

**15 Creditors**

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Due within one year</b>		
Bank overdrafts	90	-
Amounts owed to group undertakings	26,986	26,514
Accruals and deferred income	<u>80</u>	<u>1,737</u>
	<u>27,156</u>	<u>28,251</u>

All amounts owed to group undertakings relate to trading balances with no fixed repayment term. Some balances have interest charged on them at a rate of 1.5% (2021 - 1.5%).

News Corp UK & Ireland operates a collective overdraft facility with its bankers, which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, not being exceeded in aggregate. The overdraft facility is also guaranteed by News Corporation.

**KIP Limited****Notes to the Financial Statements  
For the year ended 3 July 2022 (continued)****16 Deferred tax liability**

The deferred taxation balance is made up as follows:

	2022 £ 000	2021 £ 000
Balance brought forward	58	58
Deferred tax adjustments in respect of prior year	121	-
Arising from disposal of fixed assets	(179)	-
	<u>-</u>	<u>58</u>

The balance of the deferred tax account consists of the tax effect of timing differences in respect of:

	2022 £ 000	2021 £ 000
Fixed asset timing differences:	<u>-</u>	<u>58</u>

**17 Funding**

The financial statements are prepared on the going concern basis.

The net current liabilities of the company are £23,618,000 at 3 July 2022 (2021 - £24,525,000). News Corporation, the ultimate parent company, has confirmed its intention of providing continuing financial support to enable the company to meet its liabilities as they fall due for the foreseeable future.

**18 Share capital****Allotted, called up and fully paid shares**

	2022		2021	
No.	£	No.	£	
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**19 Parent and ultimate parent undertaking**

The company's immediate parent is Newsprinters Limited, a company incorporated in England and Wales.

The ultimate parent is News Corporation, a company incorporated in Delaware in the United States.

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