

Registered number: 04680292

News Corp Holdings UK & Ireland

Report and financial statements

for the year ended 28 June 2015



News Corp Holdings UK & Ireland

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News Corp Holdings UK & Ireland

Strategic report for the year ended 28 June 2015

The directors present their Strategic report and the financial statements of the company for the year ended 28 June 2015.

Principal activities and business review

The principal activity of the company is that of an investment holding company within the News Corp Investments UK & Ireland group ("News UK" group) and therefore does not actively trade.

The loss before tax for the financial year of £169,424,000 (2014 - loss of £19,775,000) relates to contributions provided by 21st Century Fox in relation to the indemnified costs arising from the UK newspaper matters incurred by the News UK group and interest receivable from group undertakings, less an impairment of fixed asset investments of £207,100,000. The prior year loss was a result of an impairment of fixed asset investments of £76,975,000.

The company is part of the News UK group and therefore is subject to the Key Performance Indicators as disclosed in the News Corp Investments UK & Ireland consolidated financial statements.

Future developments

On 29 July 2015 the company subscribed for 68,897,860 ordinary shares in News Corp UK & Ireland Limited for consideration of £6,889,786.

The directors expect the general level of activity to continue for the foreseeable future.

Principal risks and uncertainties facing the business

The company's trade and activities are largely dependent on other group companies within the News UK group. Therefore the principal risks and uncertainties are borne by other group companies within the News UK group and are disclosed in the News Corp Investments UK & Ireland consolidated financial statements.

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

C. C. S. Longcroft
Director



Date: *21 October 2015*

News Corp Holdings UK & Ireland

Directors' report 28 June 2015

The directors present their report and the financial statements for the year ended 28 June 2015.

Going concern

The company is an investment company and therefore does not actively trade.

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

Results and dividends

The loss for the year, after taxation, amounted to £170,799,000 (2014 - loss of £18,400,000).

The directors do not recommend a dividend.

Directors

The directors who served during the year were:

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

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

The Articles of Association do not require the 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 Corp Holdings UK & Ireland

Directors' report (continued) 28 June 2015

Directors' responsibilities

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 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 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 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.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

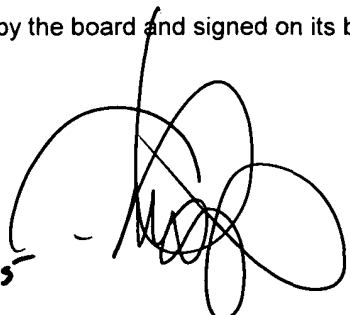
The Directors have passed a resolution to dispense with the requirement to reappoint auditors annually. Ernst & Young LLP are deemed to be reappointed as auditor in the absence of a notice that the appointment is to be terminated.

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

C. C. S. Longcroft
Director

Date: *21 October 2015*

Registered office:
1 London Bridge Street
London
SE1 9GF



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

We have audited the financial statements of News Corp Holdings UK & Ireland for the year ended 28 June 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 3, 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 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 company's affairs as at 28 June 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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 Holdings UK & Ireland (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, 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.

Ernst & Young LLP

Richard Addison (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP

Statutory Auditor

London

Date: *21 October 2015*

News Corp Holdings UK & Ireland

Profit and Loss Account Year ended 28 June 2015

	Note	2015 £000	2014 £000
Other operating income	2	32,690	56,953
Operating profit		32,690	56,953
Exceptional items			
Amounts written off investments	7	(207,100)	(76,975)
Profit/(Loss) on ordinary activities before interest and taxation		(174,410)	(20,022)
Interest receivable and similar income	6	4,986	247
Profit/(Loss) on ordinary activities before taxation		(169,424)	(19,775)
Tax on loss on ordinary activities	8	(1,375)	1,375
Profit/(Loss) for the financial year	13	(170,799)	(18,400)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 8 to 14 form part of these financial statements.

News Corp Holdings UK & Ireland
Registered number: 04680292

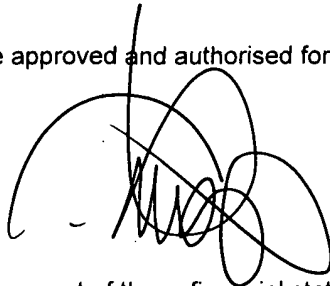
Balance Sheet
28 June 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Investments	9		742,753		913,126
Current assets					
Debtors	10	170,363		165,441	
Cash at bank		6,890		12,238	
			<u>177,253</u>		<u>177,679</u>
Net assets			<u>920,006</u>		<u>1,090,805</u>
Capital and reserves					
Called up share capital	12		1,953,680		1,953,680
Share premium account	13		368,762		368,762
Other reserves	13		29,382		29,382
Profit and loss account	13		(1,431,818)		(1,261,019)
Shareholders' funds	14		<u>920,006</u>		<u>1,090,805</u>

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

21 October 2015

C. C. S. Longcroft
Director



The notes on pages 8 to 14 form part of these financial statements.

**Notes to the financial statements
28 June 2015**

1. Accounting policies

1.1 Basis of accounting

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 28 June 2015.

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

1.2 Going concern

The company is an investment company and therefore does not actively trade.

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

1.3 Consolidated financial statements

Under Section 401 of the Companies Act 2006 the company is exempt from the requirement to prepare and deliver group financial statements since it is a wholly owned subsidiary of News Corporation which is incorporated in the United States of America and prepares consolidated financial statements. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

1.4 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 accounts of News Corporation, the ultimate parent company.

1.5 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.

1.6 Interest receivable and payable

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

1.7 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.

News Corp Holdings UK & Ireland

Notes to the financial statements 28 June 2015

1. Accounting policies (continued)

1.8 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.

2. Other operating income

	2015 £000	2014 £000
Other operating income	32,690	56,953

In connection with the separation of News Corporation, 21st Century Fox agreed to provide funding to News Corp Holdings UK & Ireland in respect of certain amounts incurred by the company and its subsidiaries. Funding will be provided for payments made after the separation date arising out of civil claims and investigations relating to UK newspaper matters as well as associated legal and professional fees. 21st Century Fox agreed to provide this funding by contributing capital to the company's equity, which in the year ended 30 June 2013 resulted in the creation of a special capital reserve of £29,382,000. Refer to note 10 for additional details.

During the current period, additional contributions of £32,690,000 were provided by 21st Century Fox and recorded as other operating income.

3. Auditor's remuneration

	2015 £000	2014 £000
Audit of the financial statements	9	20

Auditor's remuneration is borne by another group undertaking.

4. Particulars of employees

The company has no employees (2014 - None).

5. 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
Total	2,907	3,181

News Corp Holdings UK & Ireland

Notes to the financial statements 28 June 2015

5. Directors' remuneration (continued)

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 No	2014 No
Long term incentive plan	<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, all of which was paid by a fellow News UK group company. The directors do not believe that is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding company or subsidiary companies.

6. Interest receivable

	2015 £000	2014 £000
Interest on amounts receivable from group undertakings	<u>4,986</u>	<u>247</u>

7. Amounts written off investments

	2015 £000	2014 £000
Amounts written off investments	<u>207,100</u>	<u>76,975</u>

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.

In the year the pre-tax discount rate used by the company in its impairment test was 12.5% (2014 – 12.5%). The growth rates used in the projections that are extrapolated beyond the formally approved budgets and forecasts prepared by management are 2% and therefore do not exceed the long term average growth rate. This resulted in an impairment charge of £207,100,000 (2014 - £76,975,000).

8. Taxation

	2015 £000	2014 £000
(a) Analysis of tax charge/(credit) in the year		
Deferred tax		
Origination and reversal of timing differences	1,427	(1,375)
Rate change	(52)	-
Total deferred tax	<u>1,375</u>	<u>(1,375)</u>
Tax on profit/(loss) on ordinary activities	<u>1,375</u>	<u>(1,375)</u>

News Corp Holdings UK & Ireland

Notes to the financial statements 28 June 2015

8. Taxation (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20.75% (2014 - 22.50%). The differences are explained below:

	2015 £000	2014 £000
Profit/(loss) on ordinary activities before tax	(169,424)	(19,775)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014 - 22.50%)	(35,155)	(4,449)
Effects of:		
Expenses not deductible for tax	42,973	17,319
Utilisation of tax losses	(737)	(56)
Non-taxable income	(6,783)	(12,814)
Group relief claimed	(298)	-
Total current tax	-	-

(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 company has non trade losses of £1,889,000 (2014 - £6,875,000) that are available indefinitely for offset against future non trade profits. No deferred tax asset has been recognised in respect of these losses.

9. Investments

	Total £000
Cost	
At 30 June 2014	12,093,501
Additions	36,727
At 28 June 2015	12,130,228
Impairment	
At 30 June 2014	11,180,375
Charge for the year	207,100
At 28 June 2015	11,387,475
Net book value	
At 28 June 2015	742,753
At 29 June 2014	913,126

News Corp Holdings UK & Ireland

Notes to the financial statements 28 June 2015

9. Investments (continued)

The company owns 100% of the issued share capital of News Corp UK & Ireland Limited, an investment company incorporated in England and Wales.

During the year the additions to the investment in News Corp UK & Ireland Limited were as follows:

- On 8 August 2014 the company purchased 122,369,710 ordinary £0.10 shares for cash consideration of £12,237,000.
- On 25 November 2014 the company purchased 106,254,860 ordinary £0.10 shares for cash consideration of £10,626,000.
- On 29 January 2015 the company purchased 70,423,770 ordinary £0.10 shares for cash consideration of £7,042,000.
- On 26 March 2015 the company purchased 68,218,560 ordinary £0.10 share for cash consideration of £6,822,000.

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.

In the year the pre-tax discount rate used by the company in its impairment test was 12.5% (2014 - 12.5%). The growth rates used in the projections that are extrapolated beyond the formally approved budgets and forecasts prepared by management are 2% and therefore do not exceed the long term average growth rate. This resulted in an impairment charge of £207,100,000 (2014 - £76,975,000) (see note 7).

10. Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	130,233	125,247
Other debtors	40,130	38,819
Deferred tax asset (note 11)	-	1,375
	<hr/> 170,363 <hr/>	<hr/> 165,441 <hr/>

News Corp Holdings UK & Ireland

Notes to the financial statements 28 June 2015

In the prior year, the company entered into a loan agreement with its subsidiary undertaking, News Corp UK & Ireland Limited. The loan amounting to £125,000,000 is repayable on demand and is subject to interest of 4% per annum.

In connection with the separation of News Corporation, 21st Century Fox agreed to provide funding to News Corp Holdings UK & Ireland in respect of certain amounts incurred by the company and its subsidiaries. Funding will be provided for payments made after the separation date arising out of civil claims and investigations relating to UK newspaper matters as well as associated legal and professional fees. Expenses paid in connection with criminal matters, other than fees, expenses and costs relating to employees (i) who are not directors, officers or certain designated employees or (ii) with respect to civil matters, who are not co-defendants with the company or 21st Century Fox are also included. 21st Century Fox has agreed to provide this funding by contributing capital to the company's equity. These contributions will be made on an after-tax basis. Accordingly, the company recorded a special capital reserve in the year ended 30 June 2013 of £29,382,000 (see note 13) and an equivalent debtor relating to the capital contribution from 21st Century Fox. During the current year, additional contributions of £32,690,000 (2014 - £56,953,000) were recorded from 21st Century Fox (see note 2).

11. Deferred taxation

The deferred tax included in the balance sheet is as follows:

	2015 £000	2014 £000
Included in debtors - note 10	-	1,375

The movement in the deferred taxation account during the year was:

	2015 £000	2014 £000
Balance brought forward	1,375	-
Profit and loss account movement arising during the year	(737)	(263)
Recognition of previously unrecognised deferred tax asset	-	1,638
Derecognition of previously recognised deferred tax asset	(690)	-
Rate change	52	-
Total	-	1,375

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

	2015 £000	2014 £000
Tax losses available	-	1,375

A deferred tax asset was recognised in the prior year as the directors were of the opinion that the level of future taxable profits of the company would be sufficient to utilise the deferred tax asset being recognised.

News Corp Holdings UK & Ireland

Notes to the financial statements 28 June 2015

12. Share capital

	2015 £000	2014 £000
Authorised, allotted, called up and fully paid		
2,056,505,364 Ordinary shares shares of £0.95 each	1,953,680	1,953,680

13. Reserves

	Share premium account £000	Special capital reserves £000	Profit and loss account £000
At 30 June 2014	368,762	29,382	(1,261,019)
Profit for the financial year	-	-	(170,799)
At 28 June 2015	368,762	29,382	(1,431,818)

14. Reconciliation of movement in shareholders' funds

	2015 £000	2014 £000
Opening shareholders' funds	1,090,805	763,947
Profit/(Loss) for the financial year	(170,799)	(18,400)
Share premium on shares issued	-	345,258
Closing shareholders' funds	920,006	1,090,805

15. Future commitments

In connection with the separation of News Corporation, the company has agreed with its subsidiary News Corp UK & Ireland Limited that all capital contributions received by News Corp Holdings UK & Ireland from 21st Century Fox in relation to UK civil newspaper matters and criminal newspaper matters shall be used by the company to subscribe for newly issued shares in News Corp UK & Ireland Limited. As at the signing date £4,662,000 has yet to be used to subscribe for share capital in News Corp UK & Ireland Limited.

16. Ultimate parent company

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

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

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 they are consolidated is that headed by News Corp Investments UK & Ireland, a company incorporated in England. The consolidated financial statements of these groups are available to the public and may be obtained from 1 London Bridge Street, London SE1 9GF.