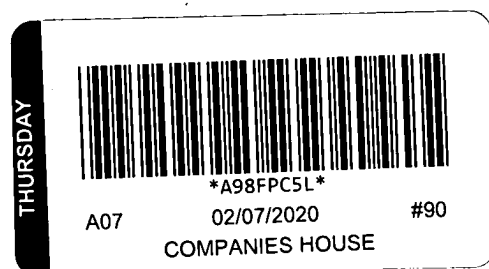


eFinancialNews Limited
Annual report and financial statements
For the year ended 30 June 2019

Registered number: 03089347



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eFinancialNews Limited
Registered No. 03089347

Directors and advisors

Directors

Azmina Airi
Eric Mandrackie
Christina Van Tassell

Secretary

Keysha Zalika McNeil

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

JPMorgan Chase Bank
25 Bank Sreet
London
E14 5JP

Registered Office

The News Building
7th Floor
1 London Bridge Street
London
SE1 9GF
United Kingdom

eFinancialNews Limited
Registered No. 03089347
Strategic report

For the year ended 30 June 2019

The directors present the Strategic Report of eFinancial News Limited for the 52 week period ended 30 June 2019 ('the year') (2018: 52 week period ended 1 July 2018).

Principal activities

The principal activity of the Company is that of publishing the Financial News weekly newspaper and associated website (www.fnlondon.com). In addition the Company organises events under the Financial News brand and also publishes the weekly Private Equity News.

Business review

The results for the year ended 30 June 2019 are set out in the statement of comprehensive income.

Our editorial coverage remains competitive with our rivals and our depth of analysis and understanding continues to offer value to our customers. Circulation and advertising revenue have experienced a small decline in year of 6% and 4% respectively, which met expectations within a challenging market. Conference revenue in the year saw a 37% increase and other revenue from sponsorships increased by 81%

Despite a fall in circulation revenues the Company has performed well against expectation which has benefitted from a rebranding during the prior year. Advertising revenue also fell during the period, however this met expectation within a challenging market.

The key measures tracked by the business are turnover and operating profit. Turnover for the year ended 30 June 2019 was £7,011,000 (1 July 2018 - £6,984,000) and the operating profit was £33,000 (1 July 2018: £2,284,000). The decrease in operating profit is as a result of intercompany balances write off totalling £1,725,000 and additional severance expenses paid in the year, other expense remained consistent to the prior year.

DIVIDENDS

The Directors do not propose the payment of a dividend in respect of 2019 (2018: £nil).

Future Developments

The main focus for the company is to maintain its competitive advantage and continue to create great content and analysis for its customers. Since renewing the core branding, there has been a push to reinvigorate the products to increase readership and attract more advertising clients. Financial News will continue to work with other products offerings within the Dow Jones stable to leverage data, analysis, audience and client relationships.

In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified in Wuhan, China. The virus has spread globally including to the UK and Europe and the World Health Organization (WHO) declared COVID-19 a pandemic on 11 March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - closing borders, ordering home quarantine and cancelling public events. The Company will continue to publish the Financial News Weekly newspaper and associated website (www.fnlondon.com) and the weekly Private Equity News. The Company will continue to hold events and forums in virtual format under the Financial News brand, while exploring other opportunities that this medium might offer. The company is as part of the Dow Jones EMEA business. Dow Jones is a globally connected business and has embraced technology to ensure communication across the globe is at its most efficient. The Directors do not currently believe that COVID-19 will have a material financial impact on the company in the foreseeable future. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19, the directors continue to monitor the situation closely and will regularly update their assessment of the impact of the pandemic.

eFinancialNews Limited
Registered No. 03089347

Strategic report (continued)

For the year ended 30 June 2019

Principal risks and uncertainties facing the business

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are set out below:

Competition

The Company operates in a competitive market saturated with many outlets for information and comment in both print and digital form. However, the Board considers the core focus on the London market within the European business landscape as a key strength of the Company. The Company seeks to maintain its competitive advantage through:

- Responding to marketplace trends, and evaluating new ways to deliver information and comment
- Maintaining insightful editorial standards of the highest quality
- Observing the direction of travel for other content and comment providers with similar audiences

Market risk

As a significant portion of revenues crystallise from institutions within the wholesale financial market place, a persistent major downturn in this sector could have a significant adverse impact on the Company's trading position. The Company manages this risk through the continuous diversification the Financial News brand beyond the core publication. This will allow revenues to be earned in a collection of new ways:

- Digital subscription paywall for deeper content
- Sponsored awards ceremonies and events throughout the year
- Sponsored industry briefings and panel discussions
- Diversification of advertising to achieve balance of corporate financial and lifestyle clients

Retention of key staff members

The resignation of key individuals and the inability to recruit suitable replacements with the right skills and experience could adversely impact on the Company's trading. To mitigate this risk the Company has in place annual bonus schemes for all key staff. Such schemes are reviewed annually to ensure close alignment with company objectives and individual goal setting, thereby maintaining a motivating level of attainment for the staff involved.

Risk of libel

Libel action could result in damage to the Company's reputation. The Company has in place a number of procedures including internal review and obtaining of specialist legal advice for specific instances where risk is perceived. The Company also holds insurance policies to minimise the financial impact of libel action.

Financial risk management

The Company's operations expose it to levels of financial risk that include the effects of credit risk. The Company has no external debt and its net current asset position along with continued support from its ultimate parent company, News Corporation, guarantees it is not subject to significant exposure to interest rate risk or liquidity risk. As most of the Company's clients are institutions operating within the United Kingdom wholesale financial sector the Directors consider credit risk to be low. The Company is exposed to currency risk on a loan receivable denominated in USD. This loan is with a fellow group company.

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of directors are implemented by the Company's finance department.

eFinancialNews Limited
Registered No. 03089347

Strategic report (continued)

For the year ended 30 June 2019

Principal risks and uncertainties facing the business (continued)

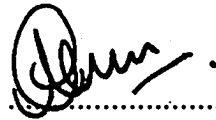
Brexit

As most of the Company's clients are institutions operating within the United Kingdom the directors believe that Britain's exit from the European Union will have minimal impact on the operations of the entity.

Management believes that in the current age of misinformation, Financial News is well positioned to report the facts and impacts on UK businesses affected by leaving the European Union. In continuing this approach of factual journalism and corporate integrity, management believe the product offering will remain robust against the challenges and uncertainty that this event will present in the future

News Corporation have engaged their immigration partner to provide support for employees who might be affected by the outcome of Britain's exit from the European Union, including EU citizens who are based in the United Kingdom and United Kingdom expatriates. Topics discussed include the current position, permanent residence qualifications, registration certificates as well as the new settlement scheme. There has also been an opportunity for employees to meet one on one with the visa attorney to address any specific questions they may have had.

Signed on behalf of the Board



.....
Azmina Airi

Director

29 June 2020

eFinancialNews Limited
Registered No. 03089347

Directors' report
For the year ended 30 June 2019

The Directors present their Report and the independently audited financial statements of eFinancial News Limited for the 52 week period ended 30 June 2019 ('the year') (2018: 52 week period ended 1 July 2018).

Directors

The following Directors held office throughout the year and remain directors at the date of this report unless otherwise noted:

Azmina Airi
Eric Mandrackie
Anna Sedgley (Resigned 25 July 2018)
Christina Van Tassell (Appointed 30 July 2018)

Going concern

The Directors are of the view that COVID-19 does not impact the Company's ability continue as a going concern which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due. As of 30 June 2019, Company had net assets of £31,791,000 (1 July 2018 - £30,605,000) and net current assets of £31,776,000 (1 July 2018 - £30,548,000).

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 minimum period of at least 12 months from the date of these financial statements.

The Parent Company has considered the impacts to the Group's business of the recent outbreak of COVID-19. The Parent Company will continue to review its liquidity needs in light of the business and economic impacts of COVID-19; however, it expects that its current cash balances will enable it to meet its liquidity needs in the foreseeable future, including repayment of debt. Group cash balances at 31 March 2020 were \$1.4 billion. The Parent Company also has available borrowing capacity under its undrawn \$750 million revolving credit facility and expects to have access to the worldwide credit and capital markets, subject to market conditions, in order to issue additional debt if needed or desired. In performing cash flow forecasts, the Parent Company has estimated the minimum liquidity requirement necessary for the Group to be able to operate for the 12 months after the approval of the financial statements.

Based on this information and on enquiries, the directors believe that News Corporation has the ability to provide financial support to the Company for the foreseeable future.

Taking into account the position of the ultimate parent, and their assessment of the impact on the Company summarised in the Future developments section/ Note 17, the directors are of the view, to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Events since the end of the financial year

Other than as described in the Future Developments section in the Strategic Report above in relation to COVID-19, there were no significant events after 30 June 2019 that required adjustment to or disclosure in the financial statements. As the circumstances of the pandemic did not exist in the UK as at the balance sheet date, the implications of COVID-19 for the financial statements represent a non-adjusting post balance sheet event.

eFinancialNews Limited
Registered No. 03089347

Directors' report (continued)

For the year ended 30 June 2019

Directors and Officers Indemnity Insurance

The ultimate holding company, News Corporation, maintains liability insurance for its directors and officers and those of its subsidiary companies throughout the world. This cover, together with that taken out by certain subsidiaries, where relevant, indemnifies all employees of the group who serve on the boards of all subsidiaries, associates and joint ventures. These indemnity policies subsisted throughout the period and remain in place at the date of this report.

Auditor

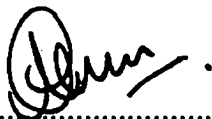
In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditor of the Company.

Statement as to disclosure of information to auditor

The directors who were members of the board at the time of approving this report are listed above. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirm that:

- to the best of his/her knowledge and belief, there is no information relevant to the preparation of this report of which the Company's auditor is unaware; and
- he/she has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Signed on behalf of the Board



.....
Azmina Airi

Director

29 June 2020

eFinancialNews Limited
Registered No. 03089347

Statement of Directors' responsibilities in respect of the financial statements

For the year ended 30 June 2019

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) including FRS102.

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 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF eFinancialNews Limited

Opinion

We have audited the financial statements of eFinancialNews Limited for the year ended 30 June 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17, 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 30 June 2019 and of its profit 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.

Emphasis of matter – Effects of COVID-19

We draw attention to notes 1 and 17 of the financial statements, which describe the economic and operational consequences the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF eFinancialNews Limited (Continued)

Other information (continued)

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 the 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 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 7, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
eFinancialNews Limited
(Continued)**

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.

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.



Neil Cullum (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

29/6/2020

eFinancialNews Limited

Statement of Comprehensive Income For the year ended 30 June 2019

	<i>Note</i>	Year ending 30 June 2019 £'000	Year ending 1 July 2018 £'000
Turnover	3	7,011	6,984
Cost of sales		(1,788)	(2,089)
Gross profit		5,223	4,895
Administrative expenses		(3,465)	(2,611)
Intercompany balances write off		(1,725)	-
Operating profit	6	33	2,284
Foreign exchange gain/(loss) on loans		331	(158)
Interest receivable	7	815	526
Financial result		1,146	368
Profit before taxation		1,179	2,652
Tax credit/(charge) on profit	8	7	(8)
Profit for the financial year		1,186	2,644
Other comprehensive income		-	-
Total comprehensive income for the year		1,186	2,644

All activities of the Company are derived from continuing operations.

The notes on pages 14 to 24 for part of these financial statements

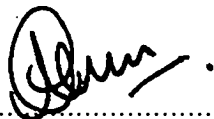
eFinancialNews Limited

Balance Sheet

As at 30 June 2019

		30 June 2019	1 July 2018
	Note	£'000	£'000
Fixed assets			
Investments	9	-	-
Intangible fixed assets	10	15	57
Tangible fixed assets	11	-	-
		<u>15</u>	<u>57</u>
Current assets			
Debtors falling due within one year	12	18,637	27,199
Debtors falling due after one year	12	240	233
Cash at bank and in hand		16,138	5,832
		<u>35,015</u>	<u>33,264</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(3,239)	(2,716)
Net current assets		<u>31,776</u>	<u>30,548</u>
Total assets less current liabilities		<u>31,791</u>	<u>30,605</u>
Capital and reserves			
Called up share capital	15	2,906	2,906
Share premium	15	5,554	5,554
Profit and loss account		23,331	22,145
Equity shareholders' funds		<u>31,791</u>	<u>30,605</u>

Approved by the Board on and signed on its behalf by:



.....
Azmina Airi
Director

29 June 2020

Registered Number
03089347

The notes on pages 14 to 24 for part of these financial statements

eFinancialNews Limited

Statement of Changes in Equity For the year ended 30 June 2019

	Called-up Share capital (Note 15)	Share Premium (Note 15)	Profit and loss Account	Total
	£ '000	£ '000	£ '000	£ '000
As at 2 July 2017	2,906	5,554	19,501	27,961
Profit for the year/ total comprehensive income for the year	-	-	2,644	2,644
As at 1 July 2018	<u>2,906</u>	<u>5,554</u>	<u>22,145</u>	<u>30,605</u>
Profit for the year/ total comprehensive income for the year	-	-	1,186	1,186
As at 30 June 2019	<u>2,906</u>	<u>5,554</u>	<u>23,331</u>	<u>31,791</u>

The notes on pages 14 to 24 for part of these financial statements

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

1 Accounting policies

General information

The principal activity of the Company is that of publishing the Financial News weekly newspaper and associated website.(www.eFinancialnews.com). In addition the Company organises events under the Financial News brand and also publishes the weekly Private Equity News.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of the registered office is The News Building, 7th Floor, 1 London Bridge Street, London, SE1 9GF, United Kingdom.

Statement of compliance

The company's financial statements have been prepared in compliance with FRS102.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards.

The financial statements are made up to the Sunday closest to the 30 June each year. Consequently, the financial statements for the current period cover 52 weeks ended 30 June 2019 (52 weeks ended 1 July 2018).

The principal accounting policies are set out below and have been consistently applied throughout the year and the preceding year.

The financial statements have been prepared in pound sterling which is the company's functional currency and rounded to the nearest thousand pounds sterling.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, assessments and assumptions in the process of applying the company's accounting policies. However, the nature of estimation means that actual outcomes could differ from those estimates. Judgements in applying accounting policies and key sources of estimation uncertainty that have a significant effect on the company's financial statements are disclosed in note 2.

Exemption from consolidation

The financial statements contain information about eFinancialNews Limited as an individual entity and do not contain consolidated financial information as the parent of its group. The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent company, News Corporation, which are publicly available.

Exemptions under FRS102

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 company has taken advantage of the following exemptions:

- 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);
- From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- From not disclosing related party transactions with companies that are fellow wholly owned subsidiaries of News Corporation, its ultimate parent undertaking and controlling party.

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

1 Accounting policies (continued)

Exemptions under FRS102 (continued)

- From the financial instruments disclosure as required by 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.

Going concern

The Directors are of the view that COVID-19 does not impact the Company's ability continue as a going concern which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due. As of 30 June 2019, Company had net assets of £31,791,000 (1 July 2018 - £30,605,000) and net current assets of £31,776,000 (1 July 2018 - £30,548,000).

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 minimum period of at least 12 months from the date of these financial statements.

The Parent Company has considered the impacts to the Group's business of the recent outbreak of COVID-19. The Parent Company will continue to review its liquidity needs in light of the business and economic impacts of COVID-19; however, it expects that its current cash balances will enable it to meet its liquidity needs in the foreseeable future, including repayment of debt. Group cash balances at 31 March 2020 were \$1.4 billion. The Parent Company also has available borrowing capacity under its undrawn \$750 million revolving credit facility and expects to have access to the worldwide credit and capital markets, subject to market conditions, in order to issue additional debt if needed or desired. In performing cash flow forecasts, the Parent Company has estimated the minimum liquidity requirement necessary for the Group to be able to operate for the 12 months after the approval of the financial statements.

Based on this information and on enquiries, the directors believe that News Corporation has the ability to provide financial support to the Company for the foreseeable future.

Taking into account the position of the ultimate parent, and their assessment of the impact on the Company summarised in the Future developments section/ Note 17, the directors are of the view, to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover, which is stated net of VAT and trade discounts, represents gross amounts invoiced to clients in respect of newspaper sales, newspaper and website subscriptions, advertising, conferences and other related services.

Revenue earned from subscriptions is recognised over the period to which the subscription relates with received but unearned subscriptions being shown as deferred income. Advertising revenue is recognised at the date of publication. Conferences and training revenue is recognised in the month the event is held.

Deferred taxation

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

Deferred taxation is accounted for in line with section 29 of the FRS 102 reporting standards "Deferred Taxation", and 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.

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 or deferred tax liabilities from which the future reversal of the underlying timing differences can be deducted.

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

1 Accounting policies (continued)

Deferred taxation (continued)

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.

Foreign currency translation

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

Intercompany loans

Intercompany loan notes which are basic financial instruments are recorded at cost and interest is payable per the terms of the agreement which would be the market rate for a similar loan at the time of their issue. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Finance income and finance costs

Interest income and interest expense are accrued on a time basis by reference to the amount outstanding and at the effective rate of interest applicable.

Investments

Investments are stated at cost, less any provision for impairment. The carrying value of fixed asset investments are reviewed for impairment when assets or changes in circumstances indicate the carrying value may not be recoverable.

Pensions

Pension cost are accounted for in line with FRS 102 "*Retirement benefits*" which is based on the principle that an organisation should account for retirement benefits when it is committed to give them, even if the actual giving will be many years in the future. The expense is recorded in the statement of comprehensive income and liability owed to employees is recorded in the balance sheet to be paid out to the pension scheme. Payments to the scheme are made in the month expense is incurred.

Employee Benefits

The company provides a range of benefits to employees, including bonus/commission arrangements and paid holiday arrangements. Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised in the period in which the service is received. The company also provides bonus and commission payments to eligible employees. An expense is recognised in the statement of comprehensive income when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs less estimated residual value accumulated for each asset over its expected useful life, as follows:

Computer equipment

3-10 years straight line

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

1 Accounting policies (continued)

Intangible Assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Online portal 5 years straight line

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

(i) Taxation

Determining income tax provisions involves judgements on the tax treatment of certain transactions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

3 Turnover

An analysis of turnover by principal activity and destination is shown below:

	Year ended 30 June 2019 £'000	Year ended 1 July 2018 £'000
Advertising	617	657
Circulation	5,315	5,569
Conferences	566	415
From group entities	74	101
Other	439	242
	<u>7,011</u>	<u>6,984</u>

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

3 Turnover (continued)

	Year ended 30 June 2019	Year ended 1 July 2018
	£'000	£'000
United Kingdom	5,486	5,307
Rest of Europe	638	1,038
USA and rest of the world	887	639
	<u>7,011</u>	<u>6,984</u>

For the prior period the income from group entities has been reclassified from other to be comparable with current year analysis.

4 Staff costs

	Year ended 30 June 2019	Year ended 1 July 2018
	£'000	£'000
Wages and salaries	607	868
Social security costs	81	110
Defined contribution pension costs	76	99
	<u>764</u>	<u>1,077</u>

The average number of persons (including directors) employed during the year was:

	Year ended 30 June 2019	Year ended 1 July 2018
	Number	Number
Production	6	10
Administration	3	3
	<u>9</u>	<u>13</u>

5 Directors' remuneration

The directors received no remuneration from the company for qualifying services to the company. The directors' remuneration was borne by Dow Jones International Limited and Dow Jones & Company Inc. In the opinion of the directors, it is not practicable to apportion their remuneration between qualifying services to the company and services to the rest of the group.

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

6 Operating profit

The operating profit is stated after charging/(crediting):

	Year ended 30 June 2019 £'000	Year ended 1 July 2018 £'000
Depreciation and amortisation	42	81
Auditor's remuneration		
- audit services	30	26
Restructuring Costs	151	49
Recharges from group entities	2,939	1,777
Foreign exchange (gain)/loss	(17)	157

7 Interest receivable

	Year ended 30 June 2019 £'000	Year ended 1 July 2018 £'000
Deposit interest	26	6
Interest receivable from intercompany loans	789	520
	<u>815</u>	<u>526</u>

8 Tax on profit

(a) Analysis of tax on profit

	Year ended 30 June 2019 £ '000	Year ended 1 July 2018 £ '000
<i>Current tax:</i>		
UK corporation tax at 19% (2018: 19.00%)	-	-
Total current tax (note 8(b))	<u>-</u>	<u>-</u>
<i>Deferred tax:</i>		
Adjustments in respect of previous periods	(70)	(75)
Origination and reversal of timing differences	70	93
Effect of change in tax rates	(7)	(10)
Total deferred tax	<u>(7)</u>	<u>8</u>
Total tax on profit	<u>(7)</u>	<u>8</u>

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

8 Tax on profit (continued)

b) Factors affecting tax on profit

The tax assessed on the profit for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are reconciled below:

	Year ended 30 June 2019 £ '000	Year ended 1 July 2018 £ '000
Profit before tax	1,179	2,652
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	224	504
<i>Effects of</i>		
Adjustments to tax charge in respect of prior periods	(71)	(73)
Tax rate changes	(7)	(10)
Expenses not deductible for tax purposes	1	-
Group relief claimed	(154)	(413)
Total tax on profit	(7)	8

c) Deferred tax assets

	Year ended 30 June 2019 £ '000
At 1 July 2018	233
Credit to the profit and loss account (note 8(a))	7
At 30 June 2019	240

The deferred tax asset included in the financial statements comprises of the following:

	Year ended 30 June 2019 £ '000	Year ended 1 July 2018 £ '000
Decelerated capital allowances	238	231
Other timing differences	2	2
	240	233

Of the £240,000 of deferred tax asset as at 30 June 2019, no amounts are expected to reverse over the next year. The deferred tax asset is disclosed in debtors (note 12).

d) Factors that may affect future tax charges

Legislation has been enacted subsequent to the balance sheet date to maintain the UK corporation tax rate at 19% from 1 April 2020.

In these financial statements, deferred tax has been measured at the rates enacted as of 30 June 2019.

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

9 Investments

	£
Cost and net book value as at 1 July 2018 and 30 June 2019	<u>1</u>

The Company has investment in the following subsidiary undertakings

	Country of incorporation or registration	Class	Holding (%)	Holding (Number of shares)
eFinancial News, Inc.	USA	Common	100%	200

10 Intangible fixed assets

Online portal costs includes expenditure relating to the web site and related infrastructure that is used for selling subscriptions and providing eFN services.

	Online Portal £'000
Cost	
At 1 July 2018	291
Disposals	(178)
At 30 June 2019	<u>113</u>
Depreciation	
At 1 July 2018	(234)
Charge for the year	(42)
Disposals	178
At 30 June 2019	<u>(98)</u>
Net book value	
At 1 July 2018	<u>57</u>
At 30 June 2019	<u>15</u>

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

11 Tangible fixed assets

	Computer equipment £'000
Cost	
At 1 July 2018	5
Disposals	(1)
At 30 June 2019	<u>4</u>
Depreciation	
At 1 July 2018	(5)
Charge for the year	-
Disposals	1
At 30 June 2019	<u>(4)</u>
Net book value	
At 1 July 2018	<u>-</u>
At 30 June 2019	<u>-</u>

12 Debtors

	30 June 2019 £'000	1 July 2018 £'000
Falling due within one year		
Trade debtors	1,213	747
Other debtors	1	10
Trading amounts owed by parent entities	40	7,949
Loan amount owed by parent entities	17,257	16,644
Trading amounts owed by other group entities	122	1,847
Prepayments and accrued income	4	2
	<u>18,637</u>	<u>27,199</u>
Falling due after one year		
Deferred tax asset	240	233

Trading amounts owed by parent entities and other group undertakings are unsecured, interest free and repayable on demand.

The loan amount owed by eFinancial News Holdings Limited is an unsecured revolving credit facility bearing interest per annum equal to the 3 Month GBP Fixing (per Bloomberg screen BP003M) plus Lender's cost of funds equal of 250 basis points (2.50%). The loan receivable is £8,518,547. The loan is repayable on 30 June 2020.

The loan amount owed by Dow Jones International Limited is an unsecured revolving credit facility bearing interest per annum equal to the 3 Month USD LIBOR plus 150 basis points plus Lender's cost of funds equal of 25 basis points. The loan is repayable on the 30 June 2020. The loan receivable is \$11,096,403 which is converted to £8,738,418 at year end closing rate.

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

13 Creditors

	30 June 2019 £'000	1 July 2018 £'000
Current		
Trade creditors	31	64
Other creditors	145	285
Other taxation and social security	187	150
Trading amounts owed to parent entities	467	-
Trading amounts owed to subsidiary entities	9	8
Trading amounts owed to other group entities	13	-
Accruals and deferred income	2,387	2,209
	<u>3,239</u>	<u>2,716</u>

Trading amounts owed to parent entities, subsidiaries and other group entities are unsecured, interest free and repayable on demand.

14. Related party transactions

The Company has taken advantage of the exemption to not disclose transactions with companies that are fellow wholly owned subsidiaries of News Corporation, its ultimate parent undertaking and controlling party.

During the year the company entered into transactions, in the ordinary course of business, with other related parties of News Corporation.

	30 June 2019 £ '000	1 July 2018 £ '000
Sales to related party	214	107
Purchases from related party	-	-
Amounts owed from related party	-	1
Amounts owed to related party	-	-

15 Share capital and share premium

(a) Share Capital

	30 June 2019 £'000	1 July 2018 £'000
Authorised		
5,000,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
2,905,725 ordinary shares of £1 each (2018: 2,905,725 ordinary share of £1 each)	<u>2,906</u>	<u>2,906</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

(b) Share premium

This reserve records the amount above the nominal value received for shares sold. The share premium account cannot be distributed under the Companies Act 2006.

eFinancialNews Limited

Notes to the financial statements

For the year ended 30 June 2019

16 Ultimate controlling party

In the directors' opinion the Company's ultimate parent undertaking and controlling party is News Corporation which is incorporated in the USA.

The Company's immediate parent company is eFinancialNews Holdings Limited, a company incorporated in the United Kingdom.

The smallest and largest group which includes the Company and for which publicly available group financial statements are prepared is News Corporation. Copies of these financial accounts can be obtained from 1211 Avenue of Americas, New York, NY 10036.

17 Post Balance Sheet Events

The main focus for the company is to maintain its competitive advantage and continue to create great content and analysis for its customers. Since renewing the core branding, there has been a push to reinvigorate the products to increase readership and attract more advertising clients. Financial News will continue to work with other products offerings within the Dow Jones stable to leverage data, analysis, audience and client relationships.

The directors expect the company to continue as a holding company for the foreseeable future. In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified in Wuhan, China. The virus has spread globally including to the UK and Europe and the World Health Organization (WHO) declared COVID-19 a pandemic on 11 March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - closing borders, ordering home quarantine and cancelling public events. The Company will continue to publish the Financial News Weekly newspaper and associated website (www.fnlondon.com) and the weekly Private Equity News. The Company will continue to hold events and forums in virtual format under the Financial News brand, while exploring other opportunities that this medium might offer. The company is as part of the Dow Jones EMEA business. Dow Jones is a globally connected business and has embraced technology to ensure communication across the globe is at its most efficient. The Directors do not currently believe that COVID-19 will have a material financial impact on the company in the foreseeable future. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19, the directors continue to monitor the situation closely and will regularly update their assessment of the impact of the pandemic.

Other than as described above, there were no significant events after 30 June 2019 that required adjustment to or disclosure in the financial statements.