

Times Newspapers Holdings Limited

**Accounts for the year ended 30 June 2001 together with Directors'
and Auditors' reports**

Registered number: 206377



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Directors' report

For the year ended 30 June 2001

The Directors present their annual report on the affairs of Times Newspapers Holdings Limited ("the Company") together with the accounts and auditors' report for the year ended 30 June 2001.

Principal activity

The principal activity of the Company is to hold investments in certain Newscorp Investments group ("the Group") companies involved in the printing and publishing of The Times and The Sunday Times.

The subsidiary undertakings primarily affecting the profits or net assets of the company in the year are listed in note 6 to the accounts.

Results and dividends

The audited accounts for the year ended 30 June 2001 are set out on pages 4 to 11.

The Company's profit after taxation was £Nil (2000 - £ Nil).

The Directors do not recommend the payment of a dividend (2000 - £Nil).

Directors and their interests

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

K. R. Murdoch (Chairman)
A. S. B. Knight
R. H. Searby Q C
Baroness Brigstocke*
Sir Alastair Burnet*
Lord Catto (deceased 3 September 2001)
J. J. Gross*
Lord Harris of High Cross*
Sir Edward Pickering
Lord Marlesford*
Lord Griffiths of Fforestfach
L. F. Hinton
G. L. Brock
R. D. Caseby
Lady Eccles of Moulton*

* Independent National Directors at 30 June 2001.

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

All Directors served throughout the year and are still Directors at the date of this report.

None of the Directors have interests in shares in group companies or any other interests that require disclosure in accordance with Companies Act law.

Auditors

The Directors will place a resolution before the Annual General Meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Directors' report - continued

Statement of Directors' responsibilities

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

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

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

By order of the Board



L. F. Hinton
Director

1 Virginia Street
London
E98 1XY

11 December 2001

Auditors' report

Independent auditors' report to the shareholders of Times Newspaper Holdings Limited

We have audited the financial statements of Times Newspaper Holdings Limited for the year ended 30 June 2001 which comprise the accounting policies, the profit and loss account, the balance sheet and the related notes numbered 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2001 and of the company's result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

180 Strand
London
WC2R 1BL

11 December 2001

Principal accounting policies

30 June 2001

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidated accounts

Under Section 228 of the Companies Act 1985 the Company is exempt from the requirement to prepare group accounts since it is a wholly owned subsidiary of Newscorp Investments ("NCI") which prepares consolidated accounts that are publicly available (see note 13).

Cash flow statement

The Company is exempt from the requirement of Financial Reporting Standard No 1 to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary undertaking of a body corporate. A consolidated cash flow statement is included in the accounts of The News Corporation Limited ("TNCL"), the ultimate parent company.

Investments

Investments are stated at cost less provision for impairment. Income from investments is included in profit only if received, or declared and receivable.

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 substantially enacted by the balance sheet date.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced, except that the deferred tax effects of timing differences arising from pensions and other post-retirement benefits are always recognised in full.

Pension costs and post retirement medical benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost.

- a) The regular pension cost, which is the consistent ongoing cost, calculated as a level percentage of the current and expected future pensionable payroll.
- b) Variations from the regular cost, arising from pension scheme surpluses or deficits allocated over the expected remaining service lives of employees in each scheme.

Any difference between the amounts charged in the profit and loss account and the amounts payable to the schemes for the year are recorded as creditors or prepayments as appropriate.

Certain current and former employees are entitled to post retirement medical benefits, the cost of which is met by the Company. The estimated cost of providing these benefits is charged against profits on a systematic basis over the employees working lives within the Company.

Principal accounting policies – continued

Related party transactions

Other members of the Group provide the Company with all administrative and support service, for which no charge is made.

As a subsidiary undertaking of TNCL whose accounts are publicly available, the Company has taken advantage of the exemption in Financial Reporting Standard No 8 “Related Party Disclosures” not to disclose transactions with other members of the group headed by TNCL.

Profit and loss account
For the year ended 30 June 2001

	Notes	2001 £'000	2000 £'000
Interest receivable and similar income	1	1,436	1,436
Interest payable and similar charges	2	(1,436)	(1,436)
Profit on ordinary activities before taxation	3	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	5	-	-
Profit for the financial year		<u>-</u>	<u>-</u>

There are no recognised gains or losses in the year ended 30 June 2001 (2000 - £Nil).

Details of movements on reserves are shown in note 11.

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

The accompanying principal accounting policies and notes are an integral part of this profit and loss account.

Balance sheet
30 June 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Investments	6	5,076	5,076
Current assets			
Debtors:			
Due within one year	7	1,436	1,436
Due after one year	7	28,721	28,721
Cash at bank and in hand	8	29,376	29,376
		59,533	59,533
Creditors: Amounts falling due within one year	9	(1,436)	(1,436)
Net current assets		58,097	58,097
Total assets less current liabilities		63,173	63,173
Creditors: Amounts falling due after more than one year	10	(28,721)	(28,721)
Net assets		34,452	34,452
Capital and reserves			
Called-up share capital	11	1,000	1,000
Other reserves	11	1,343	1,343
Profit and loss account	11	32,109	32,109
Shareholders' funds (including non-equity)		34,452	34,452

The accounts on pages 4 to 11 were approved by the Board of Directors on 11 December 2001 and signed on its behalf by:



L. F. Hinton
 Director

11 December 2001

The accompanying principal accounting policies and notes are an integral part of this balance sheet.

Notes to the accounts

30 June 2001

1 Interest receivable and similar income

	2001 £'000	2000 £'000
Interest on loan to group undertaking	1,436	1,436

2 Interest payable and similar charges

	2001 £'000	2000 £'000
Interest on loan stock held by News International plc ("NI plc") (see note 10)	1,436	1,436

3 Profit on ordinary activities before taxation

Auditors' remuneration, including amounts payable for non-audit services, is borne by another group undertaking.

The Company has no employees.

4 Directors remuneration

The Directors of the Company received emoluments for their services to other group undertakings as disclosed in the accounts of those companies. The following amounts represent the recharges made by other group undertakings to Times Newspapers Limited, a subsidiary undertaking of the Company, for remuneration relating to services in connection with the management of the Company and its subsidiary undertakings:

Remuneration

The remuneration of the Directors was:

	2001 £'000	2000 £'000
Emoluments	500	445

Pensions:

The number of Directors who were members of pension schemes was as follows:

	2001 Number	2000 Number
Defined benefit schemes	2	2

Highest paid Director:

The above amount for remuneration includes the following in respect of the highest paid Director:

Notes to the accounts – continued

4 Directors remuneration - continued

	2001 £'000	2000 £'000
Emoluments	146	141

The accrued pension entitlement under the Company's defined benefit scheme of the highest paid Director at 30 June 2001 was £40,250 per annum (2000 - £nil).

Other Directors received emoluments for their services provided to other group undertakings as disclosed in the accounts of those companies.

5 Taxation

Due to the availability of tax losses from other group undertakings there is no tax charge for the year (2000 - £Nil).

6 Fixed asset investments

	2001 £'000	2000 £'000
Cost and net book value		
Beginning and end of year	5,076	5,076

The principal subsidiary undertakings of the Company are:

	Principal activity	Country of incorporation	Percentage of share capital held
Times Newspapers Limited	Publishers of The Times and The Sunday Times	England and Wales	100%
Times Newspapers Production Company Limited	Leasing film rights	England and Wales	100%

7 Debtors

Amounts falling due within one year:

	2001 £'000	2000 £'000
Prepayments and accrued income	1,436	1,436

Amounts falling due after more than one year:

	2001 £'000	2000 £'000
Due from group undertaking	28,721	28,721

Notes to the accounts - continued

8 Cash at bank and in hand

The Group operates a collective overdraft facility with its bankers which allows individual companies in the group to overdraw subject to an agreed limit not being exceeded in aggregate. The overdraft facility is also guaranteed by TNCL.

9 Creditors: Amounts falling due within one year

	2001 £'000	2000 £'000
Due to group undertakings	1,436	1,436

10 Creditors: Amounts falling due after more than one year

	2001 £'000	2000 £'000
Due to NI plc - 5% unsecured loan stock 2021	28,721	28,721

11 Capital and reserves

a) Called-up share capital	2001 £	2000 £
Authorised:		
1,000,004 "A" ordinary shares of £1 each	1,000,004	1,000,004
96 "B" ordinary shares of £1 each	96	96
	<u>1,000,100</u>	<u>1,000,100</u>
Allotted and fully-paid:		
1,000,004 "A" ordinary shares of £1 each	1,000,004	1,000,004
96 "B" ordinary shares of £1 each	96	96
	<u>1,000,100</u>	<u>1,000,100</u>

The "B" ordinary shares are considered to be non-equity shareholders' funds. The Company's Articles of Association provide that the "B" shares do not rank for dividends. In the event of a winding up, available assets shall be applied first in payment to the holders of all shares in the Company of the capital paid thereon, and thereafter any remainder shall be distributed to the holders of the "A" shares. The amount of non-equity shareholders' funds is immaterial in relation to the total shareholders' funds.

Notes to the accounts - continued

11 Capital and reserves - continued

b) Reserves

	Other reserves £'000	Profit and loss account £'000	Total £'000
Beginning and end of year	1,343	32,109	33,452

c) Reconciliation of movements in shareholders' funds

	2001 £'000	2000 £'000
Opening and closing shareholders' funds	34,452	34,452

12 Guarantees

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

13 Ultimate parent company

The Company's immediate parent company is NI plc, a company incorporated in England and Wales.

The ultimate parent company is TNCL, a company incorporated in South Australia.

The largest group in which the results of the Company are consolidated is that headed by TNCL, whose principal place of business is at Holt Street, Sydney, New South Wales, Australia. The smallest group in which they are consolidated is that headed by Newscorp Investments, a company incorporated in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from 1 Virginia Street, London, E98 1FN.