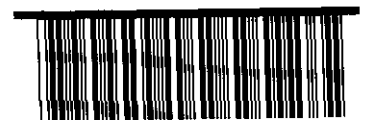


TIMES NEWSPAPERS HOLDINGS LIMITED
ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000
TOGETHER WITH DIRECTORS'
AND AUDITORS' REPORTS

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2000

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 2000.

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.

Business review

The result for the year after taxation was £Nil (1999 - £2,406,000).

Results and dividends

The Company's operating profit for the year was £Nil (1999 - £2,406,000). The Company's profit before taxation was £Nil (1999 - £2,406,000).

The Directors do not recommend the payment of a dividend (1999 - £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
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 2000.

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



Les Hinton
Director

1 Virginia Street
London
E98 1XY

12 December 2000

AUDITORS' REPORT

To the Shareholders of Times Newspapers Holdings Limited

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention, and the accounting policies set out on page 5.

Respective responsibilities of Directors and auditors

As described on page 3, the Company's Directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 30 June 2000 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

1 Surrey Street
London
WC2R 2PS

12 December 2000

PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2000

Basis of accounting

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

The Company's accounting policies have been applied consistently throughout the year and the preceding year.

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 14).

Cash flow statement

The Company is exempt from the requirement of Financial Reporting Standard 1 to include a cash flow statement as part of its accounts 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 amounts written off. Income from investments is included in profit only if received, or declared and receivable. Franked investment income includes the appropriate taxation credit.

Taxation

UK Corporation tax is provided on taxable profits after group relief at the current rate. It is the policy of the Newscorp Investments ("NCI") group companies not to make payments to fellow subsidiary undertakings for group relief surrendered.

Pension costs and post retirement medical benefits

Pension costs are charged against profit in a systematic manner over the service lives of employees in each scheme. Contributions to defined contribution schemes are charged to the profit and loss account on a payable basis. Contributions to defined benefit schemes comprise:

- 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 working lives of these employees within the Company.

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 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 2000

	<u>Notes</u>	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Other operating income	1	-	2,406
		<hr/>	<hr/>
Operating profit		-	2,406
Interest receivable and similar income	2	1,436	1,436
Interest payable and similar charges	3	(1,436)	(1,436)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	4	-	2,406
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
Retained profit for the year		-	2,406
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses in the year ended 30 June 2000 (1999 - £2,406,000).

A reconciliation of movements in equity shareholders' funds is given in note 12.

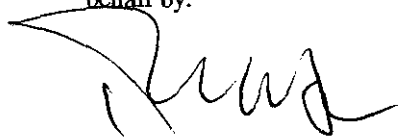
All operations of the Company continued throughout both years and no operations were acquired or discontinued.

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

BALANCE SHEET - 30 JUNE 2000

	<u>Notes</u>	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Fixed assets			
Investments	7	5,076	5,076
		<hr/>	<hr/>
Current assets			
Debtors:			
Due within one year	8	1,436	1,436
Due after one year	8	28,721	28,721
Cash at bank and in hand	9	29,376	29,376
		<hr/>	<hr/>
		59,533	59,533
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	10	(1,436)	(1,436)
		<hr/>	<hr/>
Net current assets		58,097	58,097
		<hr/>	<hr/>
Total assets less current liabilities		63,173	63,173
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	11	(28,721)	(28,721)
		<hr/>	<hr/>
Net assets		34,452	34,452
		<hr/>	<hr/>
Capital and reserves			
Called-up share capital	12	1,000	1,000
Other reserves	12	1,343	1,343
Profit and loss account	12	32,109	32,109
		<hr/>	<hr/>
Shareholders' funds (including non-equity)		34,452	34,452
		<hr/>	<hr/>

The accounts on pages 5 to 11 were approved by the Board of Directors on 12 December 2000 and signed on its behalf by:



Les Hinton
Director

12 December 2000

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

NOTES TO THE ACCOUNTS - 30 JUNE 2000

1 Other operating income

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Write back of provisions no longer required against investments	-	2,406
	=====	=====

2 Interest receivable and similar income

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Interest on loan to group undertaking	1,436	1,436
	=====	=====

3 Interest payable and similar charges

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Interest on loan stock held by News International plc ("NI plc") (see note 11)	1,436	1,436
	=====	=====

4 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.

5 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:

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Emoluments	445	320
	=====	=====

NOTES TO THE ACCOUNTS - continued

5 Directors remuneration - continued

Pensions:

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

	<u>2000</u> <u>Number</u>	<u>1999</u> <u>Number</u>
Defined benefit schemes	2	2
	=====	=====

Highest paid Director:

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

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Emoluments	141	119
	=====	=====

The highest paid Director was not a member of the Group pension scheme (1999 - the accrued pension entitlement under the Company's defined benefit scheme of the highest paid Director at 30 June 1999 was £17,043).

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

6 Taxation

Due to the availability of tax losses from other group undertakings there is no tax charge for the year (1999 - £Nil).

7 Fixed asset investments

	<u>2000</u> <u>£'000</u>
Cost and net book value Beginning and end of year	5,076
	=====

The principal subsidiary undertakings of the Company are:

	<u>Principal</u> <u>Activity</u>	<u>Country of</u> <u>Incorporation</u>	<u>Percentage of</u> <u>Share Capital Held</u>
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%

NOTES TO THE ACCOUNTS - continued

8 **Debtors**

Amounts falling due within one year:

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Prepayments and accrued income	1,436	1,436
	=====	=====

Amounts falling due after more than one year:

Due from subsidiary undertaking in 2001	28,721	28,721
	=====	=====

9 **Cash at bank and in hand**

Together with certain other companies in the Group, the Company is party to a banking facility which is guaranteed by TNCL. No interest is paid or received by the Company under this facility and all interest is recorded in the books of other group companies.

10 **Creditors: Amounts falling due within one year**

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Due to other group undertakings	1,436	1,436
	=====	=====

11 **Creditors: Amounts falling due after more than one year**

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Due to NI plc - 5% unsecured loan stock 2001	28,271	28,721
	=====	=====

12 **Capital and reserves**

a) Called-up share capital	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
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
	=====	=====
	1,000,100	1,000,100
	=====	=====
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
	=====	=====
	1,000,100	1,000,100
	=====	=====

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

12 Capital and reserves - continued

b) Reconciliation of movements in shareholders' funds

	<u>Called-up</u> <u>share capital</u> <u>£'000</u>	<u>Other</u> <u>reserves</u> <u>£'000</u>	<u>Profit and</u> <u>loss account</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Beginning and end of year	1,000	1,343	32,109	34,452
	=====	=====	=====	=====

13 Guarantees and other financial commitments

- a) Under a collective group banking facility the Company has given multilateral guarantees in respect of bank overdrafts of other group companies.
- b) There are no outstanding capital commitments of 30 June 2000 (1999 - £Nil).

14 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 NCI, 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.