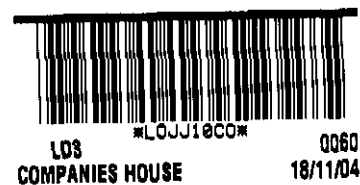


The Times Higher Education Supplement Limited

**Report and Financial Statements
30 June 2004**

Registered number: 1876981



Contents

	Page
Directors' report	1
Balance sheet	2
Notes to the financial statements	3

Directors' report

For the year ended 30 June 2004

The Directors present their annual report on the affairs of The Times Higher Education Supplement Limited ("the Company"), together with the unaudited financial statements for the year ended 30 June 2004.

Principal activity and business review

The Company has not traded throughout the current year and the previous year and is filing the financial statements as a dormant company.

Directors and their interests

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

C. A. Fairweather
S. A. Fernando
S. F. Hutson

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 interests which require disclosure in accordance with Companies Act law.

By order of the Board



S. F. Hutson
Director

1 Virginia Street
London
E98 1XY

31 August 2004

Balance sheet

As at 30 June 2004

	Notes	2004 £	2003 £
Current assets			
Debtors	2	2	2
		<hr/>	<hr/>
Net assets		2	2
		<hr/>	<hr/>
Equity shareholders' funds			
Called-up share capital	3	2	2
		<hr/>	<hr/>
Equity shareholders' funds		2	2
		<hr/>	<hr/>

For the year ended 30 June 2004 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit of its financial statements in accordance with section 249B(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for:

- Ensuring the Company keeps accounting records which comply with section 221 and
- Preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of its financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the Company.

The financial statements on pages 2 to 3 were approved by the Board of Directors on 31 August 2004 and signed on its behalf by:



S. F. Hutson
Director

31 August 2004

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

Notes to the financial statements

30 June 2004

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Principles.

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

Related party transactions

As a wholly owned subsidiary undertaking of The News Corporation Limited 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 members of the group headed by The News Corporation Limited.

2 Debtors

	2004 £	2003 £
Due within one year:		
Amounts due from other group undertaking	2	2
	<hr/>	<hr/>

3 Equity capital and reserves

	2004 £	2003 £
Called-up equity share capital		
Authorised:		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted and fully-paid:		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

4 Ultimate parent company

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

The ultimate parent company is The News Corporation Limited, a company incorporated in South Australia.

The largest group in which the results of the Company are consolidated is that headed by The News Corporation Limited, incorporated in Australia, 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 financial statements of these groups are available to the public and may be obtained from 1 Virginia Street, London E98 1FN.