

## **News (UK) Limited**

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

**Registered number: 1879283**



## Contents

	Page
Directors' report	1
Auditors' report	3
Principal accounting policies	4
Balance sheet	5
Notes to the accounts	6

## **Directors' report**

**For the year ended 30 June 2001**

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

### **Principal activity**

The Company has not traded throughout the year.

### **Results and dividends**

The audited accounts for the year ended 30 June 2001 are set out on pages 4 to 7.

No profit and loss account has been included in these accounts as no income or expenditure has arisen in either year.

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

### **Directors and their interests**

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

R. M. Linford  
K. R. Murdoch  
P. W. Stehrenberger  
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 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

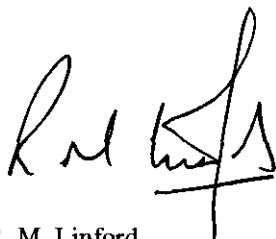
### Statement of Directors' responsibilities

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



R. M. Linford  
Director

1 Virginia Street  
London  
E98 1XY

11 October 2001

## **Auditors' report**

### **Independent auditors' report to the shareholders of News (UK) Limited**

We have audited the financial statements of News (UK) Limited for the year ended 30 June 2001 which comprise the accounting policies, the balance sheet and the related notes numbered 1 to 6. 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**

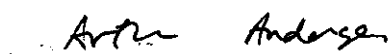
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

Without qualifying our opinion, we draw your attention to note 3, which explains why the Directors have drawn up the accounts on a going concern basis, despite the net liabilities position of the company.

#### **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 have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**

**Chartered Accountants and Registered Auditors**

180 Strand  
London  
WC2R 1BL

11 October 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.

### **Related party transactions**

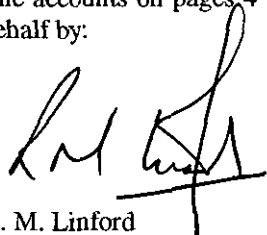
As a subsidiary undertaking of The News Corporation Limited ("TNCL") whose accounts are publicly available, the Company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by TNCL.

## Balance sheet

30 June 2001

	Notes	2001 £'000	2000 £'000
<b>Current assets</b>			
Debtors	1	10,292	10,292
		<hr/>	<hr/>
<b>Creditors: Amounts falling due within one year</b>	2	(136,037)	(136,037)
		<hr/>	<hr/>
<b>Net current liabilities</b>	3	(125,745)	(125,745)
		<hr/>	<hr/>
<b>Equity capital and reserves</b>			
Called-up share capital	4	49,320	49,320
Share premium account	4	160	160
Profit and loss account	4	(175,225)	(175,225)
		<hr/>	<hr/>
<b>Equity shareholders' deficit</b>		(125,745)	(125,745)
		<hr/>	<hr/>

The accounts on pages 4 to 7 were approved by the Board of Directors on 11 October 2001 and signed on its behalf by:



R. M. Linford  
Director

11 October 2001

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

# Notes to the accounts

30 June 2001

## 1 Debtors

Amounts falling due within one year:

	2001 £'000	2000 £'000
Due from group undertakings	10,292	10,292

## 2 Creditors: Amounts falling due within one year

	2001 £'000	2000 £'000
Due to group undertakings	136,037	136,037

## 3 Funding

The net liabilities of the Company are £125,745,000 at 30 June 2001 (2000 - £125,745,000). The Company's immediate parent News International plc ("NI plc"), has confirmed its intention of providing continuing financial support to enable the Company to meet its liabilities as they fall due.

## 4 Equity capital and reserves

### a) Called-up share capital

	2001 £'000	2000 £'000
Authorised:		
493,200,000 ordinary shares of 10 pence each	49,320	49,320
Allotted and fully-paid:		
493,200,000 ordinary shares of 10 pence each	49,320	49,320

### b) Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
Beginning and end of the year	160	(175,225)	(175,065)

### c) Reconciliation of movements in shareholders' deficit

	2001 £'000	2000 £'000
Opening and closing shareholders' deficit	(125,745)	(125,745)



## Notes to the accounts - continued

### 5 Guarantees

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

### 6 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.