

NEWS (UK) LIMITED
ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000
TOGETHER WITH DIRECTORS'
AND AUDITORS' REPORTS

The company's registered number is 1879283



CONTENTS

	Page
Directors' report	2
Auditors' report	3
Principal accounting policies	4
Balance sheet	5
Notes to the accounts	6

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2000

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 2000.

Principal activity

The Company has not traded throughout the year.

Results and dividends

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 (1999 - £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

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.

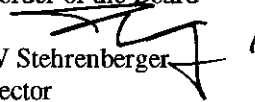
Statement of Directors' responsibilities

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


P W Stehrenberger
Director

1 Virginia Street
London
E98 1XY

29 September 2000

AUDITORS' REPORT

To the Shareholders of News (UK) Limited

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention, and the accounting policies set out on page 4.

Respective responsibilities of Directors and auditors

As described on page 2, 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

29 September 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.

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 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by TNCL.

BALANCE SHEET - 30 JUNE 2000

	<u>Notes</u>	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Current assets			
Debtors	1	10,292	59,573
		<hr/>	<hr/>
		10,292	59,573
Creditors: Amounts falling due within one year	2	(136,037)	(185,318)
		<hr/>	<hr/>
Net current liabilities	3	(125,745)	(125,745)
		<hr/>	<hr/>
Equity capital and reserves			
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/>
Equity shareholders' deficit		(125,745)	(125,745)
		<hr/>	<hr/>

The accounts on pages 4 to 7 were approved by the Board of Directors on 29 September 2000 and signed on its behalf by:


P W Stehrenberger
Director

29 September 2000

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

NOTES TO THE ACCOUNTS - 30 JUNE 2000

1 Debtors

Amounts falling due within one year:

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Due from other group undertakings	10,292	59,573
	=====	=====

2 Creditors: Amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Due to other group undertakings	136,037	185,318
	=====	=====

3 Funding

The net liabilities of the Company are £125,745,000 at 30 June 2000 (1999 - £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

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
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) Reconciliation of movements in shareholders' funds

	<u>Called-Up</u>	<u>Share</u>	<u>Profit and</u>	<u>Total</u>
	<u>share capital</u>	<u>premium</u>	<u>loss account</u>	<u>£'000</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Beginning and end of the year	49,320	160	(175,225)	(125,745)
	=====	=====	=====	=====

NOTES TO THE ACCOUNTS - continued

5 Guarantees and other financial commitments

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.