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Newscorp Finance Limited

Financial statements
30 June 2002

Registered number: FC13171



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Principal accounting policies

30 June 2002

Incorporation and residence

The Company was incorporated on 9 September 1985 in the Cayman Islands. Its principal operations are the financing of affiliated companies. The Company is tax resident in the United Kingdom. Consequently these financial statements have been prepared in accordance with the provisions of the UK Companies Act 1985 that apply to an Overseas Company.

Basis for preparation

The financial statements are prepared under the historical cost convention and in accordance with Generally Accepted Accounting Principles.

In preparing the financial statements for the current year, the Company has adopted FRS 18 'Accounting Policies' and FRS 19 'Deferred Tax'. Adoption of these standards has not required any revisions to the financial statements in either the current or prior periods.

Cash flow statement

The Company is exempt from the requirement of FRS 1 'Cash Flow Statements' to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary undertaking of a body corporate and a consolidated cash flow statement is included in the financial statements of The News Corporation Limited ("TNCL"), the ultimate parent company.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

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 tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Related parties

As a wholly owned subsidiary undertaking of TNCL, 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 TNCL.

Profit and loss account
For the year ended 30 June 2002

	Notes	2002 US\$'000	2001 US\$'000
Administrative expenses		(1)	(2)
Operating loss	1	(1)	(2)
Finance charges (net)	2	92	(82)
Profit/(loss) on ordinary activities before taxation		91	(84)
Tax on profit on ordinary activities	3	-	-
Profit/(loss) for the financial year	6	91	(84)

Details of movements on reserves are shown in note 6.

There are no recognised gains or losses in either years other than the profit attributable to shareholders of the Company of US\$91,000 for the year ended 30 June 2002 (2001 - loss US\$84,000).

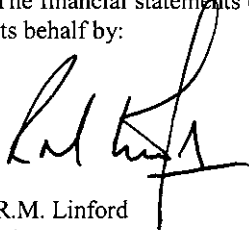
The accompanying accounting policies and notes are an integral part of this profit and loss account.

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

Balance sheet
30 June 2002

	Notes	2002 US\$'000	2001 US\$'000
Current assets			
Debtors	4	1,165	1,064
Cash at bank and in hand	5	-	10
		<hr/>	<hr/>
Net assets		1,165	1,074
		<hr/>	<hr/>
Equity capital and reserves			
Called-up share capital	6	420	420
Profit and loss account	6	745	654
		<hr/>	<hr/>
Equity shareholders' funds	6	1,165	1,074
		<hr/>	<hr/>

The financial statements on pages 1 to 6 were approved by the board of Directors on 30 September 2002 and signed on its behalf by:



R.M. Linford
Director

30 September 2002

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

Notes to the financial statements

30 June 2002

1 Operating loss

Auditors' remuneration, including amounts payable for non-audit services, is borne by another group undertaking. The Directors received no remuneration for their services to the Company (2001 - £nil). The Company has no employees.

2 Finance charges (net)

	2002 US\$'000	2001 US\$'000
<i>Investment income</i>		
Foreign exchange gain	92	-
	<hr/>	<hr/>
	2002 US\$'000	2001 US\$'000
<i>Interest payable and similar charges</i>		
Foreign exchange loss	-	(82)
	<hr/>	<hr/>
	2002 US\$'000	2001 US\$'000
<i>Finance charges (net)</i>		
Investment income	92	-
Less: interest payable and similar charges	-	(82)
	<hr/>	<hr/>
	92	(82)
	<hr/>	<hr/>

3 Taxation

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is US\$nil. The difference between the tax assessed and the standard rate of corporation tax in the UK of 30% (2001 - 30%) is reconciled below:

	2002 US\$'000	2001 US\$'000
Profit/(loss) on ordinary activities before tax	91	(84)
	<hr/>	<hr/>
Corporation tax at 30% (2001 - 30%)	27	(25)
Group relief (claimed)/surrendered	(27)	25
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

No payment will be made for group relief. The company is certified as being exempt from taxation in the Cayman Islands.

Notes to the financial statements - continued

4 Debtors

	2002 US\$'000	2001 US\$'000
Due from immediate parent company	1,165	1,064

5 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. This facility is guaranteed by TNCL.

6 Capital and reserves

a) Share capital

	2002 US\$'000	2001 US\$'000
<i>Authorised</i>		
900,000 US\$1 ordinary shares	900	900
<i>Allotted and fully-paid</i>		
420,000 US\$1 ordinary shares	420	420

b) Reserves

	Profit and loss account US\$'000
Balance at beginning of year	654
Profit for the financial year	91
Balance at end of year	745

c) Reconciliation of movements in Shareholders' funds

	2002 US\$'000	2001 US\$'000
Retained profit/(loss) for the year	91	(84)
Opening shareholders' funds	1,074	1,158
Closing shareholders' funds	1,165	1,074

Notes to the financial statements - continued

7 Guarantees

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

8 Ultimate parent company

The immediate parent company is News International 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.

9 Directors

The following directors held office during the year:

S.F. Hutson

R.M. Linford

P.W. Stehrenberger (resigned 31 October 2001)

No remuneration was paid to any director for their services to the company during the year or prior year, nor were any loans made to or guaranteed by the company to any director, spouse or related entity.