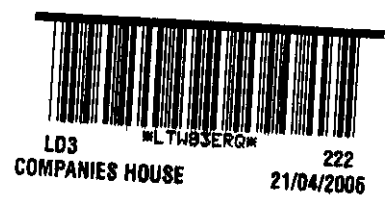


News Property One Limited

**Report and Financial Statements
30 June 2005**

Registered number: 4165874



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Directors' report

For the year ended 30 June 2005

The Directors present their annual report on the affairs of News Property One Limited ("the Company") together with the financial statements and auditors' report for the year ended 30 June 2005.

Principal activity

The principal activity of the Company is that of an investment company within the Newscorp Investments group.

Results and dividends

The Company's loss for the financial year was £115,000 (2004 – £122,000).

The Directors do not recommend the payment of a dividend (2004 - £Nil).

Future developments

On 13 May 2005 the Company entered into a contract to sell the freehold property at Deptford. The sale of the property is conditional on obtaining planning permission on the site and as at 30 September 2005 the planning application had not progressed sufficiently to recognise the disposal in the Company's accounts for the year ended 30 June 2005.

Directors and their interests

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

S. W. Daintith	(appointed 19 September 2005)
C. A. Fairweather	(appointed 8 October 2004)
S. A. Fernando	
S. F. Hutson	
R. M. Linford	

Except as noted above, all Directors served throughout the year and are still Directors at the date of this report.

The Articles of Association do not require Directors to retire either by rotation or in the year of appointment.

None of the Directors have any interests in shares in group companies or any interests which require disclosure in accordance with Companies Act Law.

News Corporation has indemnified one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' Report.

Auditors

The Directors have passed a resolution to dispense with the requirement to reappoint auditors annually. Ernst & Young LLP are deemed to be reappointed as auditors in the absence of a notice that the appointment is to be terminated.

Directors' report – continued

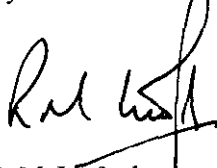
Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of its profit and loss for that period. In preparing those financial statements, 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 financial statements; and
- prepare the financial statements 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 to enable them to ensure that the financial statements 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

30 September 2005

Independent Auditors' report

To the members of News Property One Limited

We have audited the Company's financial statements for the year ended 30 June 2005 which comprise the Profit and Loss Account, Balance Sheet and the related notes numbered 1 to 8. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 audit 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 Company's circumstances, 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.

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 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young UK

Ernst & Young LLP
Registered Auditor
London

10/10/05

Profit and loss account

For the year ended 30 June 2005

	Notes	2005 £'000	2004 £'000
Administrative expenses		(321)	(374)
Other operating income		206	252
		<hr/>	<hr/>
Operating loss and loss on ordinary activities before taxation	2	(115)	(122)
Tax on loss on ordinary activities	3	-	-
		<hr/>	<hr/>
Loss for the financial year	6	(115)	(122)
		<hr/>	<hr/>

There are no recognised gains or losses other than the loss attributable to shareholders of the Company of £115,000 for the year ended 30 June 2005 (2004 – £122,000).

Details of movements in reserves are shown in note 6.

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

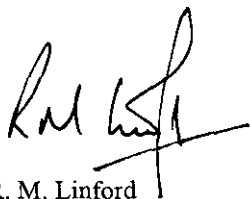
The notes to the financial statements are an integral part of this profit and loss account.

Balance sheet

As at 30 June 2005

	Notes	2005 £'000	2004 £'000
Current assets			
Debtors	4	33,687	31,837
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	5	(33,742)	(31,777)
		<hr/>	<hr/>
Net current (liabilities)/assets	7	(55)	60
		<hr/>	<hr/>
Equity capital and reserves			
Called-up share capital	6	-	-
Profit and loss account	6	(55)	60
		<hr/>	<hr/>
Equity shareholders' (deficit)/funds	6	(55)	60
		<hr/>	<hr/>

The financial statements on pages 4 to 9 were approved by the Board of Directors on 30 September 2005 and signed on its behalf by:



R. M. Linford
Director

30 September 2005

The notes to the financial statements are an integral part of this balance sheet.

Notes to the financial statements

30 June 2005

1 Principal accounting policies

Basis of preparation

The financial statements are 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.

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 News Corporation, the ultimate parent company.

Taxation

Current tax, including UK Corporation 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 party transactions

As a wholly owned subsidiary undertaking of News Corporation, whose financial statements are publicly available, the Company has taken advantage of the exemption of FRS 8 'Related Party Disclosures' not to disclose transactions with other members of the group headed by News Corporation.

Going concern

The financial statements are prepared on the going concern basis because a fellow group undertaking has committed to provide financial support to the Company to enable it to meet its liabilities as they fall due, for the foreseeable future.

Notes to the financial statements – continued

2 Operating loss and loss on ordinary activities before taxation

This is stated after crediting:

	2005 £'000	2004 £'000
Rent receivable	206	252

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 (2004 - £Nil). The Directors receive emoluments for their services provided to other group undertakings as disclosed in the financial statements of those companies.

The Company has no employees (2004 - None).

3 Tax on loss on ordinary activities

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is £Nil (2004 - £Nil). The difference between the tax assessed and the standard rate of corporation in the UK of 30% (2004 - 30%) is reconciled below:

	2005 £'000	2004 £'000
Loss on ordinary activities before tax	(115)	(122)
Corporation tax at 30% (2004 - 30%)	(35)	(37)
Group relief surrendered	35	37
Total current tax	-	-

4 Debtors

	2005 £'000	2004 £'000
Assets held for resale	30,000	30,000
Other debtors	3,686	1,837
Prepayments and accrued income	1	-
	33,687	31,837

Notes to the financial statements - continued

5 Creditors: Amounts falling due within one year

	2005 £'000	2004 £'000
Amounts due to group undertakings	33,671	31,736
Accruals and deferred income	71	41
	<hr/>	<hr/>
	33,742	31,777
	<hr/>	<hr/>

6 Equity capital and reserves

a) Called up share capital

	2005 £	2004 £
Authorised: 100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted and fully-paid: 1 ordinary share of £1	1	1
	<hr/>	<hr/>

b) Reserves

	Profit and loss account £'000
Beginning of the year	60
Loss for the financial year	(115)
	<hr/>
End of the year	(55)
	<hr/>

c) Reconciliation of movements in shareholders' (deficit)/funds

	2005 £'000	2004 £'000
Loss for the financial year	(115)	(122)
Opening shareholders' funds	60	182
	<hr/>	<hr/>
Closing shareholders' (deficit)/funds	(55)	60
	<hr/>	<hr/>

Notes to the financial statements – continued

7 Funding

The financial statements are prepared on the going concern basis.

The net current liabilities of the Company are £55,000 at 30 June 2005 (2004 – assets £60,000). Newscorp Investments has confirmed its intention of providing continuing financial support to enable the Company to meet its liabilities as they fall due for the foreseeable future.

8 Ultimate parent company

The Company's immediate parent company is News International Publishers Limited, a company incorporated in England and Wales.

The ultimate parent company is News Corporation, a company incorporated in Delaware.

The largest group in which the results of the Company are consolidated is that headed by News Corporation, whose principal place of business is at 1211 Avenue of the Americas, New York, NY10024. 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.