

Registration number: 02476045

News Collins Limited

Report and financial statements

for the year ended 28 June 2020



News Collins Limited

Contents

Strategic Report	1
Directors' Report	2 - 4
Independent Auditor's Report	5 - 6
Profit and Loss Account	7
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 16

News Collins Limited

Strategic Report For the year ended 28 June 2020

The directors present their Strategic Report and financial statements of the company for the year ended 28 June 2020.

Principal activities and business review

The principal activity of the company is that of a finance company within the News Corp Investments UK & Ireland group (News UK group), and it does not actively trade.

The profit for the financial year of £453,000 (2019 - £515,000) relates to interest received from companies within the News UK group.

The company is part of the News UK group and therefore is subject to the Key Performance Indicators as disclosed in the other group companies' financial statements.


Future developments

The directors expect the general level of activity to continue for the foreseeable future.

Principal risks and uncertainties

The company's trade and activities are largely dependent on other group companies within the News UK group. Therefore the principal risks and uncertainties are borne by the other group companies within the News UK group and are disclosed in those financial statements.

Approved by the Board on 30 October 2020 and signed on its behalf by:


.....
M. C. Gill
Director

News Collins Limited

Directors' Report For the year ended 28 June 2020

The directors present their report and the financial statements of the company for the year ended 28 June 2020.

Going concern

The ultimate parent undertaking, News Corporation (the "Parent Company") has agreed to provide continuing financial support to enable the Company to meet its obligations as and when they fall due for a minimum period of at least 12 months from the date of these financial statements.

The Parent Company has considered the impacts to the business of the recent outbreak of COVID-19. The Parent Company will continue to review its liquidity needs in light of the business and economic impacts of COVID-19; however it expects that its current cash balances will enable it to meet its liquidity needs for at least 12 months from the date of these financial statements, including repayment of debt. The Parent Company also has available borrowing capacity under its undrawn \$750 million revolving credit facility and expects to have access to the worldwide credit and capital markets, subject to market conditions, in order to issue additional debt if needed or desired. Please refer to the latest financial statements of News Corp found at: <https://investors.newscorp.com/>

Based on this information and on enquiries, the directors believe that News Corporation has the ability to provide financial support to the Company for the foreseeable future.

Taking into account the position of the ultimate parent, the directors are of the view, to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £453,000 (2019 - £515,000).

The directors do not recommend a dividend (2019 - £Nil).

Directors

The directors who held office during the period were as follows:

M. C. Gill

C. C. S. Longcroft

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.

News Collins Limited

Directors' Report (continued) For the year ended 28 June 2020

Directors' indemnity provision

News Corporation has indemnified all directors of the company against liability in respect of proceedings brought by third parties, except that, in accordance with the Companies Act 2006, no indemnity is provided against: any liability incurred by the director in defending civil proceedings brought by the company, or an associated company, in which the final judgement is given against the director; and liability of the director to pay a fine imposed by criminal proceedings; any liability incurred by the director in defending criminal proceedings in which the director is convicted; any liability of the director to pay a penalty sum to a regulatory authority in respect of non compliance with any requirement of a regulatory nature, howsoever arising; or any liability of the director in connection with an application for relief in which the court refuses to grant him relief. 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.

Directors' responsibilities statement

The directors acknowledge their responsibilities for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Auditor

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

News Collins Limited

**Directors' Report (continued)
For the year ended 28 June 2020**

Approved by the Board on 30 October 2020 and signed on its behalf by:

Michael Gill

.....
M. C. Gill
Director

Registered office:
1 London Bridge Street
London
SE1 9GF

Independent Auditor's Report to the Members of News Collins Limited

Opinion

We have audited the financial statements of News Collins Limited for the year ended 28 June 2020 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 28 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of News Collins Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

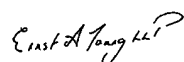
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's 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.



Richard Addison (Senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor, London

Date: 6 Nov 2020

News Collins Limited**Profit and Loss Account
For the year ended 28 June 2020**

		2020	2019
	Note	£ 000	£ 000
Interest receivable	6	<u>453</u>	<u>515</u>
		<u>453</u>	<u>515</u>
Profit before tax		453	515
Taxation	7	<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>453</u></u>	<u><u>515</u></u>

The above results were derived from continuing operations.

**Statement of Comprehensive Income
For the year ended 28 June 2020**

	2020	2019
	£ 000	£ 000
Profit for the financial year	<u>453</u>	<u>515</u>
Total comprehensive income for the financial year	<u><u>453</u></u>	<u><u>515</u></u>

The notes on pages 10 to 16 form part of these financial statements.

News Collins Limited
Registered number: 02476045

Balance Sheet as at 28 June 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Investments	8	-	-
		-	-
Current assets			
Debtors	9	38,531	38,078
Net current assets		38,531	38,078
Net assets		38,531	38,078
Capital and reserves			
Called up share capital	11	218,930	218,930
Share premium account		98,773	98,773
Profit and loss account		(279,172)	(279,625)
Shareholders' funds		38,531	38,078

The notes on pages 10 to 16 form part of these financial statements.

Approved and authorised by the Board on 30 October 2020 and signed on its behalf by:

Michael Gill

M. C. Gill
 Director

News Collins Limited**Statement of Changes in Equity
For the year ended 28 June 2020**

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 July 2019	218,930	98,773	(279,625)	38,078
Profit for the financial year	-	-	453	453
Total comprehensive income for the financial year	-	-	453	453
At 28 June 2020	218,930	98,773	(279,172)	38,531

**Statement of Changes in Equity
For the year ended 30 June 2019**

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 2 July 2018	218,930	98,773	(280,140)	37,563
Profit for the financial year	-	-	515	515
Total comprehensive income for the financial year	-	-	515	515
At 30 June 2019	218,930	98,773	(279,625)	38,078

The notes on pages 10 to 16 form part of these financial statements.

News Collins Limited

Notes to the Financial Statements For the year ended 28 June 2020

1 General information

The company is a limited liability company incorporated in England and Wales under the Companies Act.

The address of its registered office is:

1 London Bridge Street
London
SE1 9GF

These financial statements were authorised for issue by the Board on 30 October 2020.

The nature of the company's operations and its principal activities are set out in the Strategic Report on page 1.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The financial statements are made up to the Sunday closest to the 30 June each year. Consequently, the financial statements for the current period cover 52 weeks ended 28 June 2020 (52 weeks ended 30 June 2019). The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest £'000.

News Collins Limited

Notes to the Financial Statements

For the year ended 28 June 2020 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

FRS 102 paragraph 1.12 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of and no objection to the use of exemptions by the company's shareholders. The equivalent disclosures are included in the consolidated financial statements of News Corporation, the ultimate parent undertaking.

The company has taken advantage of the following exemptions:

(a) From preparing a statement of cash flows and related notes as required by Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);

(b) From the financial instruments disclosures as required by FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, including:

- Categories of financial instruments,
- Items of income, expenses, gains or losses relating to financial instruments, and
- Exposure to and management of financial risks.

(c) From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Consolidated financial statements

Under Section 401 of the Companies Act 2006 the company is exempt from the requirement to prepare and deliver group financial statements since it is a wholly owned subsidiary of News Corporation which is incorporated in the United States of America and prepares consolidated financial statements which are publicly available. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The ultimate parent undertaking, News Corporation (the "Parent Company") has agreed to provide continuing financial support to enable the Company to meet its obligations as and when they fall due for a minimum period of at least 12 months from the date of these financial statements.

The Parent Company has considered the impacts to the business of the recent outbreak of COVID-19. The Parent Company will continue to review its liquidity needs in light of the business and economic impacts of COVID-19; however it expects that its current cash balances will enable it to meet its liquidity needs for at least 12 months from the date of these financial statements, including repayment of debt. The Parent Company also has available borrowing capacity under its undrawn \$750 million revolving credit facility and expects to have access to the worldwide credit and capital markets, subject to market conditions, in order to issue additional debt if needed or desired. Please refer to the latest financial statements of News Corp found at: <https://investors.newscorp.com/>

Based on this information and on enquiries, the directors believe that News Corporation has the ability to provide financial support to the Company for the foreseeable future.

Taking into account the position of the ultimate parent, the directors are of the view, to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

News Collins Limited

Notes to the Financial Statements For the year ended 28 June 2020 (continued)

2 Accounting policies (continued)

Interest receivable

Interest receivable is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxation

Taxation expense for the reporting period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax, including UK corporation tax and foreign tax, is the amount payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investments

Investments are recorded at cost and adjusted for any impairment provisions. When an impairment has been identified it is reflected in the profit and loss account.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

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 in FRS 102 Section 33 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

Critical accounting judgements and key sources of estimation uncertainty

No critical judgements or key sources of estimation uncertainty in applying the company's accounting policies have been identified in the current or preceding year.

3 Auditor's remuneration

	2020	2019
	£ 000	£ 000
Audit of the financial statements	9	9

Auditor's remuneration is borne by another group undertaking.

4 Employees

The company has no employees (2019 - None).

News Collins Limited

Notes to the Financial Statements For the year ended 28 June 2020 (continued)

5 Directors' remuneration

The directors' remuneration for the period was as follows:

	2020 £ 000	2019 £ 000
Remuneration	1,305	1,455
Value of company pension contributions to money purchase schemes	9	18
	<u>1,314</u>	<u>1,473</u>

The number of directors who through participating in News Corporation's long term incentive plan were remunerated in News Corporations Common A stock were as follows:

	2020 No.	2019 No.
Long term incentive plan	<u>2</u>	<u>2</u>

The directors of the company are also directors of the holding company or fellow UK subsidiaries. The directors received total remuneration for the year, as shown above, all of which was paid by a fellow group company. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the subsidiary companies.

6 Interest receivable

	2020 £ 000	2019 £ 000
Interest on amounts receivable from group undertakings	<u>453</u>	<u>515</u>

7 Taxation

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before tax	<u>453</u>	<u>515</u>
Corporation tax at standard rate	86	98
Group relief	<u>(86)</u>	<u>(98)</u>
Total tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

News Collins Limited

Notes to the Financial Statements For the year ended 28 June 2020 (continued)

7 Taxation (continued)

The UK corporation tax rate has remained at 19% for several years. The rate was expected to reduce to 17% from 1 April 2020, however due to the March 2020 Budget announcement, the rate will now remain at 19%. The rate of 19% is expected to remain in place until 31 March 2022, although is only currently substantially enacted for the period ending 31 March 2021.

8 Investments

	£ 000 Subsidiary Undertaking
Cost	
At 1 July 2019 and 28 June 2020	226,312
Impairment	
At 1 July 2019 and 28 June 2020	<u>(226,312)</u>
Carrying amount	
At 30 June 2019 and 28 June 2020	<u><u>-</u></u>

The company owns 100% of the ordinary share capital and 100% of the 15% cumulative 'A' and 'B' preference shares of HarperCollins (UK), a company incorporated in England and Wales. A full list of subsidiary undertakings is presented in note 13.

9 Debtors

	2020 £ 000	2019 £ 000
Amounts owed by group undertakings	<u>38,531</u>	<u>38,078</u>

The amounts owed by group undertakings are unsecured, repayable on demand and are subject to interest at a rate of between 0.5% and 1.0% above the monthly UK LIBOR.

10 Group banking arrangements

News Corp UK & Ireland Limited operates two collective overdraft facilities with its bankers, which allows individual companies in the News UK group to overdraw subject to an agreed limit of £20 million, for each facility, not being exceeded in aggregate. The overdraft facilities are also guaranteed by News Corporation.

News Collins Limited

Notes to the Financial Statements For the year ended 28 June 2020 (continued)

11 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each of £1 each	<u>218,930,181</u>	<u>218,930,181</u>	<u>218,930,181</u>	<u>218,930,181</u>

12 Parent and ultimate parent undertaking

The company's immediate parent company is News Corp UK & Ireland Limited, a company incorporated in England and Wales.

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

The smallest and 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, NY 10036. The consolidated financial statements of this group are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF.

News Collins Limited

Notes to the Financial Statements For the year ended 28 June 2020 (continued)

13 Subsidiary undertakings

Harper Collins (UK) is the only direct sharholding of News Collins Limited (see note 8). All other companies are indirect shareholdings of News Collins Limited.

Indirect subsidiary undertakings (Unless stated all ownership is 100% of ordinary shares and registered in England & Wales)

HarperCollins Publishers Limited - Book publishing
Harlequin Enterprises UK Limited - Book publishing
Dolphin Bookclub Limited - Book publishing
HarperCollins Publishers (Holdings) PTY Limited - Holding company (registered in Australia)
HarperCollins Publishers (Australia) PTY Limited - Book publishing (registered in Australia)
HarperCollins Publishers Holdings (New Zealand) - Holding company (registered in New Zealand)
HarperCollins Publishers (New Zealand) Limited - Book publishing (registered in New Zealand)
HarperCollins Canada Limited - Book publishing (registered in Canada)
HarperCollins Publishers Limited - Book publishing (registered in Canada)
HarperCollins Publishers India Pvt - Book publishing (registered in India)
Harlequin India Pvt Limited - Book publishing (registered in India)

14 Investments in Associates

HarperCollins Publishers Middle East Books Trading LLC (49%), a company registered in United Arab Emirates, is the only indirect associate of News Collins Limited.