

# News Collins Holdings Limited

Accounts 30 June 1998  
together with Directors' and auditors' reports

Registered number: 2586472



# Directors' report

For the year ended 30 June 1998

The Directors present their annual report on the affairs of News Collins Holdings Limited ("the Company") together with the accounts and auditors' report for the year ended 30 June 1998.

## Principal activity

The principal activity of the Company is that of an investment company within The News Corporation Limited ("TNCL" the ultimate parent company) group. At 30 June 1998 the Company's only investment was a 0.006% interest in News Finance Pty, a fellow subsidiary undertaking of TNCL.

## Directors and their interests

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

S. F. Hutson  
R.M. Linford  
P.W. Stehrenberger  
J. E. Widdows (resigned 29 August 1997)  
C.A. Fairweather (appointed 29 August 1997)

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

None of the directors have any interest in shares in group companies, or any other interests that require disclosure in accordance with Companies Act law.

## Year 2000

The Directors have considered the issues raised by Year 2000 and reviewed the systems concerned with the financial reporting requirements of the Company. The Directors are confident that the systems are Year 2000 compliant.

## 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:

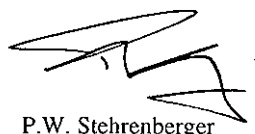
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 to 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.

P.O. Box 495  
Virginia Street  
London  
E1 9XY

11 September 1998

By order of the Board,



P.W. Stehrenberger

Secretary

# Auditors' report

## To the Shareholders of News Collins Holdings Limited:

We have audited the accounts on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 3.

## Respective Responsibilities of Directors and Auditors

As described on page 1 the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

## 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 1998 and of its result for the year then ended 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

11 September 1998

## Principal accounting policies

30 June 1998

### *a) 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 with the preceding year.

### *b) Cash flow statement*

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

### *c) Investments*

Investments are stated at cost or valuation less amounts written off. Income from investments is included in profit only if received, or declared and receivable. Franked investment income includes the appropriate taxation credit.

### *d) Foreign currency transactions*

Normal trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end with any resulting gain or loss being recorded in the profit and loss account.

### *e) Related party transactions*

As a subsidiary undertaking of TNCL, whose accounts are publicly available, the company has taken advantage of the exemption in FRS 8 Related Party Disclosure not to disclose transactions with other members of the group headed by TNCL.

## Profit and loss account

For the year ended 30 June 1998

	Notes	1998 £000	1997 £000
Interest receivable and similar income - foreign exchange gains		2	5
Interest payable and similar charges	1	(2)	(4)
		<hr/>	<hr/>
<b>Profit on ordinary activities before and after taxation and retained for the year</b>	2	-	1
		<hr/>	<hr/>

## Statement of total recognised gains and losses

For the year ended 30 June 1998

There are no recognised gains or losses for the years ended 30 June 1998 or 30 June 1997 other than the profit attributable to shareholders of the Company of £1,269 for the year ended 30 June 1997.

The accompanying principal accounting policies and notes are an integral part of these statements.

## Balance sheet

30 June 1998

	Notes	1998 £000	1997 £000
Fixed assets investments	3	29	59
Creditors: Amounts falling due within one year	4	(28)	(58)
<b>Net current liabilities</b>	7	(28)	(58)
<b>Net assets</b>		1	1
<b>Equity capital and reserves</b>			
Called-up Share Capital	5	-	-
Profit and loss account		1	1
<b>Shareholders' funds</b>	6	1	1

Signed on behalf of the board  
P. W. Stehrenberger



Director

11 September 1998

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

Notes to accounts  
30 June 1998

**1 Interest payable and similar charges**

	1998 £000	1997 £000
Interest payable to other group undertakings	2	4

**2 Profit on ordinary activities before taxation**

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 (1997 - £nil). The Company has no employees.

**3 Fixed asset investments**

The Company owns a 0.006% interest in the ordinary share capital of News Finance Pty ("NFP") a fellow subsidiary undertaking of TNCL. The cost and carrying value of this investment is £29,305. The reduction in the carrying value of the investment during the year is due to a restructuring of capital in NFP.

**4 Creditors: amounts falling due within one year**

	1998 £000	1997 £000
Due to other group undertakings	28	58

**5 Called up equity share capital:**

	1998 £	1997 £
Authorised 50,000 Ordinary shares of £1 each	50,000	50,000
Allotted, called-up and fully paid 2 Ordinary shares of £1 each	2	2

**6 Reconciliation of movement in shareholders' funds**

	Shareholders' Funds £000
Balance at 30 June 1996	-
Profit for the financial year	1
Balance at 30 June 1997 and 30 June 1998	1

## Notes to accounts (continued)

### **7 Net current liabilities**

The net current liabilities of the company as at 30 June 1998 are £28,000 (1997 - £58,000). Newscorp Investments Limited has confirmed its intention to provide continued financial support to the Company to enable it to meet its current liabilities as they fall due, for a period of at least 12 months from the date of signing these accounts.

### **8 Ultimate parent company**

The Company's immediate parent company is Newscorp Investments Limited, a company incorporated in England and Wales. The ultimate parent company is The News Corporation Limited, a company incorporated in South Australia.

The largest group in which the results of the Company are consolidated is that headed by The News Corporation Limited, 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 Limited. The consolidated accounts of these groups are available to the public and are obtainable from P.O. Box 495, Virginia Street, London E1 9XY.