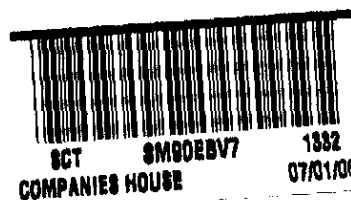


WILLIAM COLLINS SONS & COMPANY LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2005

934
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WILLIAM COLLINS SONS & COMPANY LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005**

CONTENTS	PAGE
Directors and Officers	1
Report of the Directors	2 - 3
Independent Auditors' Report	4 - 5
Accounting Policies	6
Balance Sheet	7
Notes to the Accounts	8 - 9

WILLIAM COLLINS SONS & COMPANY LIMITED

DIRECTORS AND OFFICERS

CHAIRMAN: K R Murdoch

DIRECTORS: J Baillie
V Barnsley
G D'Agnes
E Kielbasiewicz

SECRETARY: P Duffy

REGISTERED OFFICE: 103 Westerhill Road
Bishopbriggs
GLASGOW
G64 2QT

AUDITORS: Ernst & Young LLP

COMPANY NUMBER: 934

REPORT OF THE DIRECTORS

The directors present their annual report together with the audited accounts of the company for the year ended 30 June 2005.

Results and dividends

The company did not trade during the year and made neither a gain nor a loss on ordinary activities before and after taxation (2004: £Nil). A profit and loss account has therefore not been prepared. The directors do not recommend the payment of a final dividend (2004: £Nil).

Principal activity, review of the business and future developments

The company has not traded during the year and will not trade during the forthcoming year.

Directors and their interests

The names of the present directors who held office during the year appear on page 1.

The interests of Mr K R Murdoch in News International Limited are disclosed in the accounts of that company. The interests of Mr K R Murdoch in News Corporation are disclosed in the accounts of that company.

The interests of Mr G D'Agnes and Ms V Barnsley in the shares of News Corporation are disclosed in the accounts of HarperCollins (UK).

The interests of Mr J Baillie and Mr E Kielbasiewicz in the shares of News Corporation are disclosed in the accounts of HarperCollins Publishers Limited.

REPORT OF THE DIRECTORS (Continued)

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 the profit or loss of the company for that year. 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 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.

By order of the Board



P Duffy
Secretary

103 Westerhill Road
Bishopbriggs
GLASGOW
G64 2QT

15 November 2005

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WILLIAM COLLINS SONS & COMPANY LIMITED

We have audited the accounts of William Collins Sons & Company Limited for the year ended 30 June 2005 which comprise the Balance Sheet and the related Notes numbered 1 to 4. These accounts have been prepared under the accounting policies set out on page 6.

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 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.

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 accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 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.

INDEPENDENT AUDITORS' REPORT

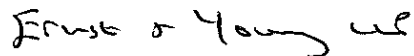
TO THE SHAREHOLDERS OF WILLIAM COLLINS SONS & COMPANY LIMITED (Continued)

Basis of audit opinion (continued)

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.

Audit opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the company at 30 June 2005 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Glasgow

15 November 2005

WILLIAM COLLINS SONS & COMPANY LIMITED

ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Related party transactions

As a subsidiary undertaking of News Corporation, the company has taken advantage of the exemption in Financial Reporting Standard 8 not to disclose transactions with other members of the group headed by News Corporation.

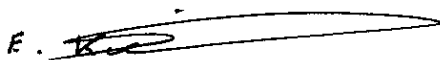
WILLIAM COLLINS SONS & COMPANY LIMITED

**BALANCE SHEET
AT 30 JUNE 2005**

	NOTE	2005 £000	2004 £000
Current assets			
Debtors	1	11,297	11,297
Creditors			
Amounts falling due within one year	2	(9,769)	(9,769)
Total assets less current liabilities		<u>1,528</u> =====	<u>1,528</u> =====
Equity capital and reserves			
Called-up share capital	3	344	344
Profit and loss account	3	<u>1,184</u>	<u>1,184</u>
Equity shareholders' funds		<u>1,528</u> =====	<u>1,528</u> =====

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

These accounts were approved by the Board of Directors on 15 November 2005 and signed on their behalf by:



E KIELBASIEWICZ

DIRECTOR

WILLIAM COLLINS SONS & COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2005

1. Debtors

	2005 £000	2004 £000
Amounts due by parent undertakings	11,297 =====	11,297 =====

2. Creditors: amounts falling due within one year

	2005 £000	2004 £000
Amounts due to a fellow subsidiary undertaking	9,769 =====	9,769 =====

3. Called-up equity share capital

	Number	2005 Value £000	Number	2004 Value £000
Authorised, allotted, issued and fully paid:				
Ordinary shares of £1 each	344,000 =====	344 ===	344,000 =====	344 ===

Share capital, movement on reserves and reconciliation of movements in shareholders' funds

	Share capital £000	Profit and loss account £000	Total shareholders' Funds £000
Balance at 1 July 2004 and 30 June 2005	344 ===	1,184 =====	1,528 =====

WILLIAM COLLINS SONS & COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2005 (Continued)

4. Ultimate parent company

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

The largest group in which the results of William Collins Sons & Company Limited is consolidated is that headed by News Corporation, incorporated in Delaware, United States of America, whose principal place of business is at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808. The consolidated accounts of News Corporation are available to the public and may be obtained from PO Box 495, Virginia Street, London, E1 9XY.

The smallest group in which they are consolidated is that headed by Newscorp Investments, a company incorporated in England. The consolidated accounts of Newscorp Investments are available to the public and may be obtained from News International Plc, PO box 495, Virginia Street, London, E1 9XY.