

SC 934

WILLIAM COLLINS SONS & COMPANY LIMITED

REPORT AND ACCOUNTS

30 JUNE 1994



WILLIAM COLLINS SONS & COMPANY LIMITED  
REPORT AND ACCOUNTS 1994

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WILLIAM COLLINS SONS & COMPANY LIMITED  
DIRECTORS AND OFFICERS

CHAIRMAN: K.R. Murdoch

DIRECTORS: E. Bell (appointed 9 August 1993)  
G. Craig  
D. Houston  
J.C. McAlpine (resigned 9 August 1993)  
P.A. Winslow (resigned 30 September 1994)

SECRETARY: D.E. Slowman

REGISTERED OFFICE: Westerhill Road  
Bishopbriggs  
GLASGOW  
G64 2QT

AUDITORS: Ernst & Young

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 1994.

Profit and loss account

The profit for the year after taxation is £4,602,000.

A dividend of £464,422,000 has been declared and paid during the year leaving a loss of £459,820,000 being deducted from reserves.

Activities, review of the business and future developments

The company did not trade during the year under review. Income receivable during the year arises from interest on loans to group undertakings.

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 and Mr. G. Craig at 30 June 1994 in The News Corporation Limited and News International plc are disclosed in the accounts of HarperCollins Publishers Limited, the company's parent company.

None of the other directors at 30 June 1994 had any notifiable interests in shares or debentures of group companies at that date.

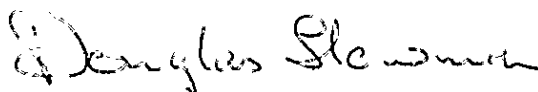
Directors' responsibilities

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 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. 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.

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the Board



D.E. SLOWMAN  
SECRETARY

Westerhill Road  
Bishopbriggs  
GLASGOW  
G64 2QT

6 December 1994

# REPORT OF THE AUDITORS

TO THE MEMBERS OF WILLIAM COLLINS SONS & COMPANY LIMITED

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 4.

## Respective responsibilities of directors and auditors

As described on page 2 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.

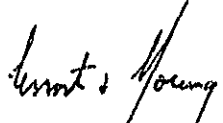
## Basis of opinion

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 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 accounts are free from material mis-statement, 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 at 30 June 1994 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young  
Chartered Accountants  
Registered Auditor  
Glasgow

6 December 1994

WILLIAM COLLINS SONS & COMPANY LIMITED

ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention.

Group accounts

The company is a wholly owned subsidiary of HarperCollins Publishers Limited registered in Scotland. In accordance with the exemption provided by Section 228 of the Companies Act 1985, group accounts for the company and its subsidiary undertakings have not been prepared. The company's results are included in the consolidated accounts of HarperCollins (UK) which is registered in England.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Foreign currency transactions are recorded at rates ruling at the date of the transactions. All differences are taken to net operating expenses with the exception of differences on foreign currency investments made by means of long term loans or inter company deferred trading balances which are taken to profit and loss account reserves.

Subsidiary undertakings

Investments in subsidiary undertakings are included at cost. Provisions for losses are made where appropriate to write down the investment to the value of the underlying net assets.

WILLIAM COLLINS SONS & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT  
YEAR ENDED 30 JUNE 1994

	NOTE	1994 £000	1993 £000
Operating income	1	<u>245</u>	<u>260</u>
Profit on ordinary activities before interest		245	260
Investment income	2	-	3,406
Income from fixed asset investments	3	<u>4,374</u>	<u>116,924</u>
Profit on ordinary activities before taxation		4,619	120,590
Tax on profit on ordinary activities	4	<u>17</u>	<u>145</u>
Profit attributable to shareholders	9	4,602	120,445
Dividends		<u>464,422</u>	<u>-</u>
(Loss)/profit retained for the financial year		<u>(459,820)</u> =====	<u>120,445</u> =====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
YEAR ENDED 30 JUNE 1994

	1994 £000	1993 £000
(Loss)/profit for the financial year	(459,820)	120,445
Currency translation differences on foreign currency net investments	-	1,237
	<u>(459,820)</u> =====	<u>121,682</u> =====

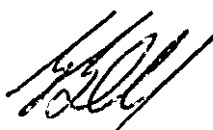
WILLIAM COLLINS SONS & COMPANY LIMITED

BALANCE SHEET  
AT 30 JUNE 1994

	NOTE	1994 £000	1993 £000
<b>Fixed assets</b>			
Investments - shares	5	321	321
Investments - loans	6	-	87,310
		<u>321</u>	<u>87,631</u>
<b>Current assets</b>			
Debtors	7	207,993	491,963
Cash at bank and in hand		8,918	8,918
		<u>216,911</u>	<u>500,881</u>
Creditors: amounts falling due within one year	8	108,934	20,394
<b>Net current assets</b>		<u>107,977</u>	<u>480,487</u>
<b>Total assets less current liabilities</b>		<u>108,298</u> =====	<u>568,118</u> =====
<b>Capital and reserves</b>			
Called-up share capital	9	344	344
Profit and loss account	9	107,954	567,774
		<u>108,298</u> =====	<u>568,118</u> =====

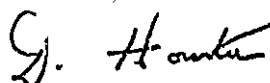
These accounts were approved by the Board of Directors on 6 December 1994 and signed on their behalf by:

E. BELL



DIRECTOR

D. HOUSTON



DIRECTOR



WILLIAM COLLINS SONS & COMPANY LIMITED

NOTES TO THE ACCOUNTS  
YEAR ENDED 30 JUNE 1994

1. Operating income on continuing operations	1994 £000	1993 £000
Net operating income	245 =====	260 =====
2. Investment income	1994 £000	1993 £000
Dividends received from subsidiary undertakings	- =====	3,406 =====
3. Income from fixed asset investments	1994 £000	1993 £000
Profit on assignation of loan note to a parent undertaking	-	88,604
Interest on loan notes to a parent undertaking	-	21,518
Interest on loan to a parent undertaking	4,206	5,431
Interest on loan to fellow subsidiary undertaking	168	1,371
	4,374 =====	116,924 =====
4. Tax on profit on ordinary activities	1994 £000	1993 £000
Withholding tax	17 =====	145 =====

No corporation taxation charge arises in respect of 1994 or 1993 due to the availability of group tax losses for which no consideration is payable.

5. Investments - shares in subsidiary undertakings	£000
As at 1 July 1993 and 30 June 1994	321 =====

Principal subsidiary undertakings comprise:

Collins Neth -lands Finance BV (Netherlands)  
HarperCollir Publishers Asia Pty Limited (India)

All the above subsidiary undertakings are wholly owned and are engaged in book publishing and related activities.

The country of principal operation and registration/incorporation is stated after the company.

6. Investments - loan	1994 £000	1993 £000
Loan to a parent undertaking	- =====	87,310 =====

The loan of £87,310,406 due from a parent undertaking was repaid during the year.

WILLIAM COLLINS SONS & COMPANY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 1994 (continued)

7. Debtors	1994 £000	1993 £000
Short term investments	-	9,387
Accrued interest on loan notes due by a parent undertaking	103,286	103,286
Accrued interest on loan to a parent undertaking	17,388	13,182
Amounts due by parent undertakings	87,319	363,489
Amounts due by a fellow subsidiary undertaking	-	2,619
	<u>207,993</u>	<u>491,963</u>

8. Creditors: amounts falling due within one year	1994 £000	1993 £000
Amounts due to a parent undertaking	99,165	10,756
Amounts due to a fellow subsidiary undertaking	9,769	9,638
	<u>108,934</u>	<u>20,394</u>

9. Called-up share capital	1994 Number	Value £000	1993 Number	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 1993	344	567,774	568,118
Profit attributable to members of the company	-	4,602	4,602
Dividends	-	(464,422)	(464,422)
Balance at 30 June 1994	<u>344</u>	<u>107,954</u>	<u>108,298</u>

Shareholders' funds are entirely attributable to equity interests.

10. Ultimate parent company

The ultimate parent company is The News Corporation Limited, a company incorporated in South Australia.

The largest group in which the results of William Collins Sons & Company Limited and its subsidiary undertakings are consolidated is that headed by The News Corporation Limited, incorporated in South Australia, 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 HarperCollins (UK), a company incorporated in England.

The consolidated accounts of The News Corporation Limited are available to the public and may be obtained from PO Box 495, Virginia Street, London E1 9XY.