

WILLIAM COLLINS SONS & COMPANY LIMITED

REPORT AND ACCOUNTS

30 JUNE 1997

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**WILLIAM COLLINS SONS & COMPANY LIMITED**  
**REPORT AND ACCOUNTS 1997**

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**WILLIAM COLLINS SONS & COMPANY LIMITED**

**DIRECTORS AND OFFICERS**

**CHAIRMAN:** K.R. Murdoch

**DIRECTORS:** E. Bell  
D. Houston

**SECRETARY:** D.E. Slowman

**REGISTERED OFFICE:** Westerhill Road  
Bishopbriggs  
GLASGOW  
G64 2QT

**AUDITORS:** Arthur Andersen

**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 1997.

**Principal activities and business review**

The company did not trade during the year but paid a dividend of £26,850,000 out of its distributable reserves to its parent undertaking, HarperCollins Publishers Limited, on 30 September 1996.

**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 at 30 June 1997 in News International Limited are disclosed in the accounts of HarperCollins Publishers Limited, the company's parent company. The interests of Mr K. R. Murdoch in The News Corporation Limited are disclosed in the accounts of that company.

The other directors at 30 June 1997 had no notifiable interests in shares or debentures of group companies at that date.

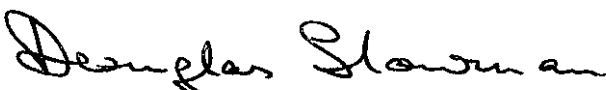
**Directors' responsibilities**

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, 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.

**Auditors**

The directors will place a resolution before the Annual General Meeting to re-appoint Arthur Andersen as auditors for the ensuing year.

By order of the Board

  
D.E. SLOWMAN  
SECRETARY

Westerhill Road  
Bishopbriggs  
GLASGOW  
G64 2QT

1 December 1997

## 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.

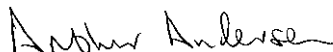
### Basis of opinion

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 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 at 30 June 1997 and of the results of the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen  
Chartered Accountants and Registered Auditors  
199 St Vincent Street  
Glasgow  
G2 5QD

1 December 1997

## **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.

#### **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.

#### **Subsidiary undertakings**

Investments in subsidiary undertakings are included at cost. Provisions for losses have been made to write down the investments to the value of the underlying net assets.

#### **Cash flow**

The company is exempt from the requirements of Financial Reporting Standard 1 to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary undertaking of NewsCorp Investments Limited which will produce a consolidated cash flow statement.

#### **Related party transactions**

As a subsidiary undertaking of The News Corporation Limited, 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 The News Corporation Limited.

WILLIAM COLLINS SONS & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT  
YEAR ENDED 30 JUNE 1997

	NOTE	1997 £000	1996 £000
Amounts written off investments		-	(101)
Loss on voluntary liquidation of subsidiary undertaking		<u>-</u>	<u>(252)</u>
(Loss) on ordinary activities before and after taxation and for the financial year		-	(353)
Dividends to parent undertaking		<u>(26,850)</u>	<u>-</u>
Retained loss for year		<u><u>(26,850)</u></u>	<u><u>(353)</u></u>

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss for the financial year of £26,850,000 (1996: loss of £353,000).

The accompanying notes are an integral part of this profit and loss account.

WILLIAM COLLINS SONS & COMPANY LIMITED

BALANCE SHEET  
AT 30 JUNE 1997

	NOTE	1997 £000	1996 £000
<b>Fixed assets</b>			
Investments - shares	2	(32)	(32)
<b>Current assets</b>			
Debtors	3	108,828	108,828
Cash at bank and in hand		8,918	8,918
		117,746	117,746
Creditors: amounts falling due within one year	4	(36,619)	(9,769)
<b>Net current assets</b>		81,127	107,977
<b>Total assets less current liabilities</b>		81,095	107,945
<b>Equity capital and reserves</b>			
Called-up share capital	5	344	344
Profit and loss account	5	80,751	107,601
		81,095	107,945

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

These accounts were approved by the Board of Directors on 1 December 1997 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 1997**

**1. Tax on results of ordinary activities**

No corporation tax arises in respect of 1997 or 1996.

**2. Investments - shares in subsidiary undertakings**

	Harper Collins Netherlands Finance £000	Collins Publishers (Asia) £000	Total £000
As at 1 July 1996	(32)	-	(32)
and at 30 June 1997			

Principal subsidiary undertakings comprise:

Collins Netherlands Finance BV (Netherlands)

The above subsidiary undertakings which are wholly owned are dormant.  
The country of principal operation and registration/incorporation is  
stated after the company.

**3. Debtors**

	1997 £000	1996 £000
Amounts due by parent undertakings	108,828	108,828

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

	1997 £000	1996 £000
Amounts due to a fellow subsidiary undertaking	9,769	9,769
Dividends paid to parent undertaking	26,850	-
	36,619	9,769

**WILLIAM COLLINS SONS & COMPANY LIMITED**

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 JUNE 1997**

**5. Called-up share capital**

	1997		1996	
	Number	Value £000	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 1996	344	107,601	107,945
Dividends payable	-	(26,850)	(26,850)
Balance at 30 June 1997	344	80,751	81,095

Shareholders' funds are entirely attributable to equity interests.

**6. 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.