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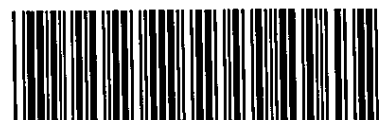
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**WILLIAM COLLINS INTERNATIONAL LIMITED**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 30 JUNE 2012**

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**WILLIAM COLLINS INTERNATIONAL LIMITED**

**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**WILLIAM COLLINS INTERNATIONAL LIMITED**

**DIRECTORS AND OFFICERS**

**DIRECTORS:** V Barnsley  
E Kielbasiewicz

**SECRETARY:** E Kielbasiewicz

**REGISTERED OFFICE:** 77/85 Fulham Palace Road  
Hammersmith  
LONDON  
W6 8JB

**AUDITORS:** Ernst & Young LLP

**COMPANY NUMBER:** 412783

**REPORT OF THE DIRECTORS**

The directors present their annual report together with the audited accounts of the company for the year ended 30 June 2012

**Results and dividends**

The company did not trade during the year and made neither a profit nor a loss (2011 profit of £9,000,000) The Directors do not recommend the payment of a final dividend (2011 £nil)

**Principal activity, review of the business and future developments**

The principal activity of the company is that of a holding company for the investments in and loans to certain non-UK resident subsidiary undertakings and associated undertakings of the HarperCollins (UK) group The company will continue its investment in the forthcoming year

**Directors**

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

**REPORT OF THE DIRECTORS (Continued)****Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently,
- make judgements and 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 auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

**REPORT OF THE DIRECTORS (Continued)**

**Auditors**

The company has elected to dispense with the obligation to appoint auditors annually therefore Ernst & Young LLP remains in office


**Going concern**

In line with the FRC guidance on Going Concern issued in November 2009, the directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis

The company's business activities, together with the factors likely to affect its future development, are described above

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

By order of the Board

E. 

E Kielbasiewicz  
Secretary

77/85 Fulham Palace Road  
Hammersmith  
LONDON  
W6 8JB

17 December 2012

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF WILLIAM COLLINS INTERNATIONAL LIMITED**

We have audited the financial statements of William Collins International Limited for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 7. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 to them in an auditors' 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, or our audit work for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of the company's result 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **INDEPENDENT AUDITORS' REPORT**

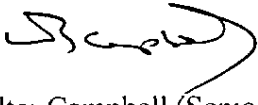
### **TO THE MEMBERS OF WILLIAM COLLINS INTERNATIONAL LIMITED**

(Continued)

#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company's 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



Walter Campbell (Senior Statutory Auditor)

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

Glasgow

17 December 2012



## **WILLIAM COLLINS INTERNATIONAL 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 400 of the Companies Act 2006 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 Publishers Limited which is registered in Scotland.

#### **Related party transactions**

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

**WILLIAM COLLINS INTERNATIONAL LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2012**

	<b>NOTE</b>	<b>2012 £</b>	<b>2011 £</b>
Dividends received from subsidiary undertaking	1	-	9,473,070
Taxation	2	-	(473,070)
		<hr/>	<hr/>
Profit for the financial year	6	-	9,000,000
		<hr/> <hr/>	<hr/> <hr/>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 JUNE 2012**

	<b>2012 £</b>	<b>2011 £</b>
Profit for the financial year	-	9,000,000
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	-	9,000,000
	<hr/> <hr/>	<hr/> <hr/>

# WILLIAM COLLINS INTERNATIONAL LIMITED

## BALANCE SHEET AT 30 JUNE 2012

	NOTE	2012 £	2011 £
<b>Fixed assets</b>			
Investments	3	7,076,344	7,076,344
<b>Current assets</b>			
Debtors	4	18,920,646	18,920,646
<b>Creditors</b>			
Amounts falling due within one year	5	(14,173,679)	(14,173,679)
<b>Net current assets/(liabilities)</b>		4,746,967	4,746,967
<b>Total assets less current liabilities</b>		11,823,311	11,823,311
<b>Equity capital and reserves</b>			
Called-up share capital	6	500	500
Profit and loss account	6	11,822,811	11,822,811
<b>Equity shareholders' funds</b>		11,823,311	11,823,311

The accompanying notes are an integral part of this balance sheet

These accounts were approved by the Board of Directors on 17 December 2012 and signed on their behalf by



E KIELBASIEWICZ

DIRECTOR

# WILLIAM COLLINS INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS 30 JUNE 2012

### 1. Investment Income

	2012	2011
	£	£
Dividends received from a subsidiary undertaking	-	9,473,070

### 2. Taxation

#### Tax on loss on ordinary activities

The tax charge is made up as follows

	2012	2011
	£	£
Withholding tax on dividends at 5%	-	473,070
Deferred tax	-	-
Tax charge on profit on ordinary activities	-	473,070

#### Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is £Nil (2011 £Nil)  
The difference between the tax assessed and the standard rate of corporation tax of 25.5% (2011 27.5%) is explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	-	9,473,070
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.5% (2011 27.5%)	-	2,605,094
Exempt dividend income	-	(2,605,094)
Overseas withholding tax suffered on dividend income	-	473,070
Total current tax	-	473,070

#### Factors affecting future tax charges

The standard rate of UK Corporation Tax will reduce from 26% to 24% from 1 April 2012 and then to 23% from 1 April 2013 and finally reducing to 21% from 1 April 2014. The Finance Act 2012 received Royal Assent on 17 July 2012, with the 24% rate being substantively enacted on 26 March 2012 for UK GAAP purposes. The rate of 23% was substantively enacted on 3 July 2012.

# WILLIAM COLLINS INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS 30 JUNE 2012 (Continued)

### 3. Investments

	£
Balance at 1 July 2011 and 30 June 2012	7,076,344
	=====

At 30 June 2012 the company has the following shares in subsidiary undertakings

	Country of incorporation	Class of shares held	Percentage held	Nature of business
HarperCollins Publishers (Holdings) Pty Limited	Australia	Ordinary shares of Aus \$2	100	Book Publishing
HarperCollins Canada Limited	Canada	Common shares	100	Book Publishing

In the opinion of the directors the value of the interest in subsidiary undertakings comprising shares and unsecured loan stock at cost less associated provisions, and the amounts due by subsidiary undertakings, is not less than the amount at which those assets are stated in the balance sheet

### 4. Debtors

	2012 £	2011 £
Amounts due by parent undertakings	9,151,867	9,151,867
Amounts due by fellow subsidiary undertakings	9,768,779	9,768,779
	=====	=====
	18,920,646	18,920,646

### 5. Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts due to parent undertaking	6,890,186	6,890,186
Amounts due to a fellow subsidiary undertaking	7,283,493	7,283,493
	=====	=====
	14,173,679	14,173,679

**WILLIAM COLLINS INTERNATIONAL LIMITED**

**NOTES TO THE ACCOUNTS 30 JUNE 2012 (Continued)**

**6. Called-up equity share capital**

	<b>Number</b>	<b>2012 Value £</b>	<b>Number</b>	<b>2011 Value £</b>
<b>Authorised, allotted, issued and fully paid:</b>				
Ordinary shares of £1 each	500	500	500	500
	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>

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

	<b>Share capital £</b>	<b>Profit and Loss Account £</b>	<b>Total shareholders' Funds £</b>
Balance at 1 July 2011	500	2,822,811	2,823,311
Result for financial year	-	-	-
Balance at 30 June 2012	<u>500</u>	<u>11,822,811</u>	<u>11,823,311</u>

## **WILLIAM COLLINS INTERNATIONAL LIMITED**

### **NOTES TO THE ACCOUNTS 30 JUNE 2012 (Continued)**

#### **7. Ultimate parent company**

The immediate parent company is HarperCollins Publishers Limited, a company incorporated in Scotland

The largest group in which the results of William Collins International Limited and its subsidiary undertakings are consolidated is that headed by News Corporation, incorporated in Delaware, United States of America, whose principal place of business is at 1211 Avenue of the Americas, New York, NY 10036. The consolidated accounts of News Corporation are available to the public and may be obtained from c/o NI Group Ltd, 3 Thomas More Square, London, E98 1XY

The smallest group in which they are consolidated is that headed by HarperCollins Publishers Limited, a company incorporated in Scotland. The consolidated accounts of HarperCollins Publishers Limited are available to the public and may be obtained from HarperCollins Publishers Limited, 103 Westerhill Road, Bishopbriggs, Glasgow, G64 2QT