

DOLPHIN BOOK CLUB LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

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DOLPHIN BOOK CLUB LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

CONTENTS	PAGE
Directors and Officers	1
Report of the Directors	2 - 4
Independent Auditors' Report	5 - 6
Accounting Policies	7
Profit and Loss Account	8
Balance Sheet	9
Notes to the Accounts	10 – 12

DOLPHIN BOOK CLUB LIMITED

DIRECTORS AND OFFICERS

DIRECTORS:

V Barnsley
G D'Agnes (resigned 31 August 2008)
E Kielbasiewicz

SECRETARY:

P Duffy

REGISTERED OFFICE:

77/85 Fulham Palace Road
Hammersmith
LONDON
W6 8JB

AUDITORS:

Ernst & Young LLP

COMPANY NUMBER:

706607

REPORT OF THE DIRECTORS

The directors present their annual report together with the audited accounts of the company for the year ended 30 June 2008.

Results and dividends

The company made neither a profit nor a loss during the year under review (2007: £Nil).

The directors do not recommend the payment of a final dividend (2007: £Nil).

Principal activity, review of the business and future developments

During the year under review the company continued to carry on the business of an investment company and will continue to do so 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). The financial statements are required by law to 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 those 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

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.

DOLPHIN BOOK CLUB LIMITED

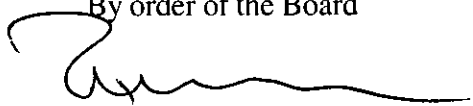
[COMPANY NO. 706607]

REPORT OF THE DIRECTORS (Continued)

Auditors

The company has elected under s386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually. In accordance with this section Ernst & Young LLP remains in office.

By order of the Board



P Duffy
Secretary

77/85 Fulham Palace Road
Hammersmith
LONDON
W6 8JB

24 April 2009

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DOLPHIN BOOK CLUB LIMITED

We have audited the company's financial statements for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

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 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for the preparing of the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DOLPHIN BOOK CLUB LIMITED (Continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered auditors
Glasgow

24 April 2009

DOLPHIN BOOK CLUB 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.

DOLPHIN BOOK CLUB LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2008**

	NOTE	2008 £	2007 £
Interest receivable	1	1,000,000	1,000,000
Interest payable	2	(1,000,000)	(1,000,000)
Profit on ordinary activities before and after taxation and for the financial year		-	-

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses nor profit attributable to the shareholders of the company for the financial years ending 30 June 2008 and 30 June 2007.

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

DOLPHIN BOOK CLUB LIMITED

**BALANCE SHEET
AT 30 JUNE 2008**

	NOTE	2008 £	2007 £
Current assets			
Debtors	4	10,635,616	10,635,616
Creditors			
Amounts falling due after more than one year	5	(10,000,000)	(10,000,000)
Net assets		<u>635,616</u> =====	<u>635,616</u> =====
Equity capital and reserves			
Called-up share capital	6	100	100
Profit and loss account	6	635,516	635,516
Equity shareholders' funds		<u>635,616</u> =====	<u>635,616</u> =====

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

These accounts were approved by the Board of Directors on 24 April 2009 and signed on their behalf by:



E KIELBASIEWICZ

DIRECTOR

DOLPHIN BOOK CLUB LIMITED

NOTES TO THE ACCOUNTS 30 JUNE 2008

1. Interest receivable

	2008	2007
	£	£
Interest on amounts due from parent undertaking	1,000,000	1,000,000
	=====	=====

2. Interest payable

	2008	2007
	£	£
Interest on loan stock	1,000,000	1,000,000
	=====	=====

3. Tax on profit on ordinary activities

No corporation tax arises in respect of 2008 or 2007.

4. Debtors

	2008	2007
	£	£
Amounts due from parent undertaking	10,635,616	10,635,616
	=====	=====

DOLPHIN BOOKCLUB LIMITED

NOTES TO THE ACCOUNTS 30 JUNE 2008 (Continued)

5. Creditors: amounts falling due after more than one year

	2008	2007
	£	£
10% loan stock	10,000,000	10,000,000
	=====	=====

The stockholders have issued an undertaking that no redemption will be called within the next twelve months. Interest on the loan stock is payable by half yearly instalments in arrears.

6. Called-up equity share capital

	Number	2008 Value £	Number	2007 Value £
Authorised, allotted, issued and fully paid:				
Ordinary shares of £1 each	100	100	100	100
	===	===	===	===

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

	Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 July 2007 and 30 June 2008	100	635,516	635,616
	===	=====	=====

DOLPHIN BOOKCLUB LIMITED

NOTES TO THE ACCOUNTS 30 JUNE 2008 (Continued)

7. 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 Dolphin Book Club Limited are 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 News International Limited, PO Box 495, Virginia Street, London, E1 9XY.

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.