DOLPHIN BOOK CLUB LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2009

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DOLPHIN BOOK CLUB LIMITED

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DOLPHIN BOOK CLUB LIMITED

DIRECTORS AND OFFICERS

DIRECTORS:	V Barnsley G D'Agnes (resigned 31 August 2008) E Kielbasiewicz
SECRETARY:	P Duffy (resigned 30 June 2009) E Kielbasiewicz (appointed 30 June 2009)
REGISTERED OFFICE:	77/85 Fulham Palace Road Hammersmith LONDON W6 8JB
AUDITORS:	Ernst & Young LLP
COMPANY NUMBER:	706607

DOLPHIN BOOK CLUB LIMITED **[COMPANY NO. 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 2009

Results and dividends

The company made neither a profit nor a loss during the year under review (2008 £Nil)

The directors do not recommend the payment of a final dividend (2008 £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

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 judgments 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

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

E Kielbasiewicz
Secretary

77/85 Fulham Palace Road
Hammersmith
LONDON
W6 8JB

5 March 2010

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DOLPHIN BOOK CLUB LIMITED

We have audited the financial statements of Dolphin Book Club Limited for the year ended 30 June 2009 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 sections 495 and 496 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 2009 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 statement

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DOLPHIN BOOK CLUB 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

Ernst & Young LLP

Walter Campbell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP Statutory Auditor

Glasgow

5 March 2010

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 2009

	NOTE	2009 £	2008 £
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 2009 and 30 June 2008

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

DOLPHIN BOOK CLUB LIMITED

BALANCE SHEET
AT 30 JUNE 2009

	NOTE	2009 £	2008 £
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		635,616	635,616
Equity capital and reserves			
Called-up share capital	6	100	100
Profit and loss account	6	635,516	635,516
Equity shareholders' funds		635,616	635,616

The accompanying notes are an integral part of this balance sheet

These accounts were approved by the Board of Directors on 5 March 2010 and signed on their behalf by

E KIELBASIEWICZ DIRECTOR

DOLPHIN BOOK CLUB LIMITED

NOTES TO THE ACCOUNTS 30 JUNE 2009

1. Interest receivable

	2009	2008
	£	£
Interest on amounts due from parent undertaking	1,000,000	1,000,000

2. Interest payable

	2009	2008
	£	£
Interest on loan stock	1,000,000	1,000,000

3. Tax on profit on ordinary activities

No corporation tax arises in respect of 2009 or 2008

4. Debtors

	2009	2008
	£	£
Amounts due from parent undertaking	10,635,616	10,635,616

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

	2009 £	2008 £
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	2009 Value £	Number	2008 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 2008 and 30 June 2009	100	635,516	635,616

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