

Registered number: 00706607

Dolphin Book Club Limited

Report and financial statements

For the year ended 30 June 2016

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Dolphin Book Club Limited

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Dolphin Book Club Limited

Directors' report 30 June 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Principal activities and business review

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.

A strategic review and a business review have not been included for the company because it is entitled to claim the exemption from doing so under Section 414B and 415A of the Companies Act 2006.

Principal risks and uncertainties

A summary of the principal risks and uncertainties facing the company has not been included because it is entitled to claim the exemption from preparing the strategic review under Section 415A of the Companies Act 2006.

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.

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 financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £Nil (2015 - £Nil).

The directors do not recommend a dividend (2015 - £Nil).

Directors

The directors who served during the year were:

C. Redmayne
E. Kielbasiewicz (resigned 1 December 2016)
S. Dowson-Collins
D. Alford (appointed 1 December 2016)

All directors served throughout the year and are still directors at the date of this report.

The Articles of Association do not require directors to retire either by rotation or in the year of appointment.

Dolphin Book Club Limited

Directors' report (continued) 30 June 2016

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting 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 auditor

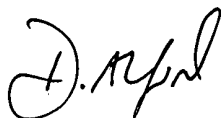
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The directors have passed a resolution to dispense with the requirement to reappoint auditors annually. Ernst & Young LLP are deemed to be reappointed as auditor in the absence of a notice that the appointment is to be terminated.

This report was approved by the board and signed on its behalf by:



D. Alford
Director

Date: 3rd February 2017

1 London Bridge Street
London
SE1 9GF

Independent auditor's 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 2016 which comprise the Profit and loss account, the Balance sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 11. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditor's 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 auditor

As explained more fully in the statement of directors' responsibilities set out on page 2, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 auditor's 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report and take advantage of the small companies' exemption in preparing the Directors' report.



Annie Graham (Senior Statutory Auditor)

On behalf of
Ernst & Young LLP
Statutory Auditor
Glasgow

Date: 6th February 2017

Dolphin Book Club Limited

Profit and loss account For the year ended 30 June 2016

	Note	2016 £	2015 £
Interest receivable	5	1,000,000	1,000,000
Interest payable	6	(1,000,000)	(1,000,000)
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Profit for the financial year		-	-

The notes on pages 8 to 11 form part of these financial statements.

Statement of comprehensive income For the year ended 30 June 2016

	Note	2016 £	2015 £
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

Dolphin Book Club Limited
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Balance sheet
As at 30 June 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	7	10,635,616	10,635,616
		<u>10,635,616</u>	<u>10,635,616</u>
Creditors: amounts falling due within one year	8	(10,000,000)	(10,000,000)
Net current assets		<u>635,616</u>	<u>635,616</u>
Net assets		<u>635,616</u>	<u>635,616</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		<u>635,516</u>	<u>635,516</u>
Shareholders' funds		<u>635,616</u>	<u>635,616</u>

The financial statements were approved and authorised for issue by the board on 3rd February 2017 and were signed on its behalf by:



D. Alford
Director

The notes on pages 8 to 11 form part of these financial statements.

Dolphin Book Club Limited

**Statement of changes in equity
For the year ended 30 June 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	100	635,516	635,616
At 30 June 2016	100	635,516	635,616

**Statement of changes in equity
For the year ended 30 June 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2014	100	635,516	635,616
At 30 June 2015	100	635,516	635,616

The notes on pages 8 to 11 form part of these financial statements.

Dolphin Book Club Limited

Notes to the financial statements 30 June 2016

1. Accounting policies

1.1 General information

Dolphin Book Club Limited is a company incorporated in the United Kingdom under the companies Act. The address of the registered office is 1 London Bridge Street, London, SE1 9GF. The nature of the company's operations and its principal activities are set out in the Directors report on page 1.

1.2 Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.3 Basis of preparation of financial statements

The financial statements of Dolphin Book Club Limited were approved for issue by the Board of Directors on 3rd February 2017. The financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The financial statements are presented in pounds sterling which is the functional currency of the company, and rounded to the nearest pound.

The company transitioned from previously extant UK GAAP to FRS 102 as at 30 June 2014. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

No changes to accounting policies were considered necessary as a result.

1.4 Financial reporting standard 102 - reduced disclosure exemptions

FRS 102 paragraph 1.12 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The equivalent disclosures are included in the consolidated financial statements of News Corporation.

The company has taken advantage of the following exemptions:

- a) From preparing a statement of cash flows and related notes as required by Section 7 Statement of Cash Flows and Section 3 Financial Presentation paragraph 3.17(d).
- b) From the financial instruments disclosures as required by FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, including:
 - Categories of financial instruments,
 - Items of income, expenses, gains or losses relating to financial instruments, and
 - Exposure to and management of financial risks.
- c) From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

**Notes to the financial statements
30 June 2016**

1. Accounting policies (continued)

1.5 Going concern

The company is an investment company and therefore does not actively trade.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

1.6 Related party transactions

As a wholly owned subsidiary undertaking of News Corporation whose financial statements are publicly available, the company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by News Corporation.

1.7 Interest receivable and payable

Interest receivable and payable is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

1.8 Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

No critical judgements or key sources of estimation uncertainty in applying the company's accounting policies have been identified in the current or preceding year.

Dolphin Book Club Limited

Notes to the financial statements 30 June 2016

3. Auditor's remuneration

	2016 £	2015 £
Audit of financial statements	2,500	2,500

Auditor's remuneration, including amounts in respect of non-audit services, is borne by another group undertaking.

Fees paid to the company's auditors, Ernst & Young LLP, for services other than statutory audit of the company are disclosed in the financial statements of HarperCollins Publishers Limited.

4. Particulars of employees

No staff or director remuneration is incurred by the company. The remuneration for directors which was allocated to the company by the group in 2016 as noted below was £3,000 (2015 - £3,000).

All Directors are paid by other Group entities and no recharge is made to the company. No Director receives any specific payment in respect of their roles or function for this company. An appropriate notional allocation of their total remuneration in respect of qualifying services provided to the company is included in the aggregate directors remuneration total disclosed above.

5. Interest receivable

	2016 £	2015 £
Interest on amounts due from group undertakings (10% Loan Balance)	1,000,000	1,000,000

6. Interest payable

	2016 £	2015 £
Interest on loan stock (10% Loan Stock)	1,000,000	1,000,000

7. Debtors

	2016 £	2015 £
Amounts due from parent undertaking (repayable on demand)	10,635,616	10,635,616

Dolphin Book Club Limited

Notes to the financial statements 30 June 2016

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
10% loan stock (repayable on demand)	10,000,000	10,000,000

9. Share capital

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

10. Ultimate parent company

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

The ultimate parent company is News Corporation, a company incorporated in Delaware in the United States.

The smallest and largest group in which the results of the company are consolidated is that headed by News Corporation, whose principal place of business is at 1211 Avenue of the Americas, New York, NY 10036. The consolidated financial statements are available to the public and may be obtained from 1 London Bridge Street, London, SE1 9GF.

11. First time adoption of FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 30 June 2015.

The date of transition to FRS 102 was 30 June 2014.

The transition had no impact on the profit and loss for the financial year ended 30 June 2015 and the total equity as at 30 June 2014 and 30 June 2015, hence no reconciliation between UK GAAP as previously reported and FRS 102 is presented.