Registration number: 00706607

Dolphin Book Club Limited

Report and financial statements

for the year ended 30 June 2019



Dolphin Book Club Limited

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Dolphin Book Club Limited

Directors' Report
For the year ended 30 June 2019

The directors present their report and the financial statements for the year ended 30 June 2019.

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 completed 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 completed because it is entitled to claim the exemption from preparing the strategic report under Section 414B of the Companies Act 2006.

Going concern
The Company's business activities are described above.

The Company has £636k of net assets, which comprise a loan provided to its parent, HarperCollins Publishers Limited (HCP Ltd and loan stock provided by HCP.

Each year it generates £1m of interest receivable and has £1m of interest payable, both to HarperCollins Publishers Limited (HCP Ltd).

COVID-19 will not impact the going concern assumption because any reduction income would be offset by an equal reduction in costs. Request for repayment of the loan by HCP would also trigger a request for repayment from HCP.

Based on the above the Directors have concluded that the Company has adequate resources to continue operating for the foreseeable future and therefore have adopted the Going Concern basis in preparing the Statutory Accounts.

Results and dividends
The result for the year, after taxation, amounted to £Nil (2018 - £Nil).

The directors do not recommend a dividend (2018 - £Nil).

Directors of the company
The directors who held office during the year were as follows:

C. Redmayne

S. Dowson-Collins

D. Alford

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

Directors' Report (continued)
For the year ended 30 June 2019

Post balance sheet events

In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified in Wuhan, China. The virus has spread globally including to the UK and Europe and the World Health Organization (WHO) declared COVID-19 a pandemic on 11 March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - closing borders, ordering home quarantine and cancelling public events. To date there has been no impact on Company revenues or costs, and the business has continued to operate. The directors have assessed the impact of COVID-19 on the Company, including a review of the Companies parent, HCP Ltd, and its relationship with the Company.

In light of the information available at 30 June 2019, the COVID-19 pandemic is considered to be a non-adjusting event in this set of financial statements.

At present, based on the impact of COVID-19 to date and actions taken the directors believe the company is in a strong position to continue to operate with minimal impact.

Directors' responsibilities statement

The directors acknowledge their responsibilities 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 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 apply them consistently;
- make judgements 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 director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Directors' Report (continued)
For the year ended 30 June 2019

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.

Approved by the Board on 26 June 2020 and signed on its behalf by:

Dalford

D. Alford
Director

Registered office:
1 London Bridge Street
London
SE1 9GF

Independent Auditor's Report to the Members of Dolphin Book Club Limited

Opinion

We have audited the financial statements of Dolphin Book Club Limited for the year ended 30 June 2019 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity, and related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2019 and of its results 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Effects of COVID-19

We draw attention to notes 2 and 11 of the accounts, which describe the economic and operational consequences the company is facing as a result of Covid-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Dolphin Book Club Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

Paul Copland (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor, Edinburgh
Date: 30th June 2020

Dolphin Book Club Limited

Profit and Loss Account
For the year ended 30 June 2019

	Note	2019 £	2018 £
Interest receivable	5	1,000,000	1,000,000
Interest payable	6	(1,000,000)	(1,000,000)
Result before tax		-	-
Taxation		-	-
Result for the financial year		-	-

Statement of Comprehensive Income
For the year ended 30 June 2019

	2019 £	2018 £
Result for the year	-	-
Total comprehensive income for the year	-	-

The notes on pages 9 to 13 form part of these financial statements.

Dolphin Book Club Limited
Registered number: 00706607

Balance Sheet as at 30 June 2019

	Note	2019 £	2018 £
Current assets			
Debtors	7	10,635,616	10,635,616
Creditors: Amounts falling due within one year	8	(10,000,000)	(10,000,000)
Net assets		635,616	635,616
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		635,516	635,516
Shareholders' funds		635,616	635,616

Approved and authorised by the Board on 26 June 2020 and signed on its behalf by:

Dalford

D. Alford
Director

The notes on pages 9 to 13 form part of these financial statements.

Statement of changes in equity
For the year ended 30 June 2019

	Share capital £	Profit and loss account £	Total £
At 1 July 2018	100	635,516	635,616
At 30 June 2019	100	635,516	635,616

Statement of Changes in Equity
For the year ended 30 June 2018

	Share capital £	Profit and loss account £	Total £
At 1 July 2017	100	635,516	635,616
At 30 June 2018	100	635,516	635,616

The notes on pages 9 to 13 form part of these financial statements.

Notes to the Financial Statements
For the year ended 30 June 2019

1 General information

The company is a incorporated in United Kingdom under the Companies Act.

The address of its 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.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation
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 £.

Summary of 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 ultimate parent undertaking.

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 Statement Presentation paragraph 3.17(d);

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

(b) From the financial instruments disclosures as required by FRS 102 paragraphs 11.42 to 11.48A and paragraphs 12.26 to 12.27, 12.29 (a) & (b) and 12.29A, 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.

Going concern

The Company has £636k of net assets, which comprise a loan provided to its parent, HarperCollins Publishers Limited (HCP Ltd and loan stock provided by HCP.

Each year it generates £1m of interest receivable and has £1m of interest payable, both to HarperCollins Publishers Limited (HCP Ltd).

COVID-19 will not impact the going concern assumption because any reduction income would be offset by an equal reduction in costs. Request for repayment of the loan by HCP would also trigger a request for repayment from HCP.

Based on the above the Directors have concluded that the Company has adequate resources to continue operating for the foreseeable future and therefore have adopted the Going Concern basis in preparing the Statutory Accounts.

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.

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.

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.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

2 Accounting policies (continued)

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.

Critical accounting judgements 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.

3 Auditor's remuneration

	2019	2018
	£	£
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 (2018 - £Nil). The remuneration for directors which was allocated to the company by the group in 2019 as noted below was £3,000 (2018 - £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

	2019	2018
	£	£
Interest on amounts due from group undertakings	1,000,000	1,000,000

6 Interest payable

	2019	2018
	£	£
Interest on 10% loan stock	1,000,000	1,000,000

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

7 Debtors

	2019	2018
	£	£
Amounts due from parent undertaking	10,635,616	10,635,616

8 Creditors

	2019	2018
	£	£
Due within one year		
10% loan stock	10,000,000	10,000,000

9 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

10 Parent and ultimate parent undertaking

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

The ultimate parent 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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

11 Post balance sheet events

In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified in Wuhan, China. The virus has spread globally including to the UK and Europe and the World Health Organization (WHO) declared COVID-19 a pandemic on 11 March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - closing borders, ordering home quarantine and cancelling public events. To date there has been no impact on Company revenues or costs, and the business has continued to operate. The directors have assessed the impact of COVID-19 on the Company, including a review of the Companies parent, HCP Ltd, and its relationship with the Company.

In light of the information available at 30 June 2019, the COVID-19 pandemic is considered to be a non-adjusting event in this set of financial statements.

At present, based on the impact of COVID-19 to date and actions taken the directors believe the company is in a strong position to continue to operate with minimal impact.