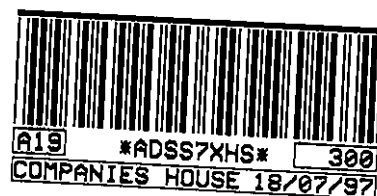


MONITOR TRADING LIMITED

ANNUAL REPORT

31 December 1996

Registration Number: 1596176



MONITOR TRADING LIMITED
DIRECTORS AND CORPORATE INFORMATION

Directors

P K Wood

A J Keating

Secretary

S A Yencken

Registered Office

John Carpenter House

John Carpenter Street

London

EC4Y ONB

Reg. no 1596176 England

Auditors

Price Waterhouse

Southwark Towers

32 London Bridge Street

London

SE1 9SY

MONITOR TRADING LIMITED REPORT OF THE DIRECTORS

The directors submit their annual report and audited financial statements for the year ended 31 December 1996.

Principal activity

Until 31 December 1995 the company traded as a distributor of economic and financial news and information and operated through a branch in South America. At 31 December 1995 the company transferred its assets and liabilities to Reuters Limited, and from this date has operated only as an agent for Reuters Limited under an agency agreement.

Dividends

The directors do not recommend payment of a dividend.

Directors

Directors of the Company during the year were:

P K Wood
A J Keating

None of the directors had any beneficial interest in the share capital of the Company or an interest in any transactions or arrangements with the Company which require disclosure.

The interests of the other directors in the share capital of group companies at 31 December 1996 and 31 December 1995 were as follows:

Reuters Holdings PLC

	Ordinary Shares	
	1996	1995
	£	£
P K Wood	19,282	14,400
A J Keating	18,252	5,524

Options to acquire shares in Reuters Holdings PLC were as follows, as at 31 December 1995 and 31 December 1996:

	31 December 1995		Granted		Exercised		31 December 1996	
	Executive	SAYE	Executive	SAYE	Executive	SAYE	Executive	SAYE
P K Wood	94,000	10,712	-	1,721	-	(7,316)	94,000	5,117
A J Keating	75,412	10,712	-	973	(75,412)	(7,316)	-	4,369

Options are exercisable in the years 1996 to 2000 at prices ranging from 192.25p to 601.2p.

MONITOR TRADING LIMITED
REPORT OF THE DIRECTORS (continued)

The market price when P K Wood exercised his options was 746p; when A J Keating exercised his the market price ranged between 754.5p and 783.5p.

During 1993 Reuters introduced a new long term incentive scheme under which annual awards of restricted ordinary shares in Reuters Holdings PLC may be made to senior executives. P K Wood was awarded 33,488 restricted shares in respect of 1993 and 28,004 restricted shares in respect of 1994. These shares vested on 1 January 1996 and 1 January 1997 for the 1993 and 1994 awards respectively.

During 1995 Reuters introduced a further and substantially similar performance-related share plan under which annual awards of rights to ordinary shares in Reuters Holdings PLC may be made to senior executives who do not participate in the long term incentive scheme. Vesting of these shares depends on performance. P K Wood was awarded rights to 22,550 ordinary shares in respect of 1995; 1996 - 19,473.

The above share numbers have been adjusted to reflect a four for one sub-division of Reuters Holdings PLC shares on 15 April 1994.

MONITOR TRADING LIMITED
REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the period.

In preparing the financial statements, applicable accounting standards have been followed, suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made. The directors are satisfied that the company is a going concern.

The directors are responsible for ensuring that the company maintains an adequate system of internal control designed to provide reasonable assurance that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded. The concept of reasonable assurance recognises that the cost of a control procedure should not exceed the expected benefits.

Auditors

In accordance with section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually.

By Order of the Board,



S A Yencken
Secretary

MONITOR TRADING LIMITED

REPORT OF THE AUDITORS

To the members of Monitor Trading Limited

We have audited the financial statements on pages 6 to 10, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
and Registered Auditors
LONDON

17 June 1997

MONITOR TRADING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996

	Notes	1996 £	1995 £
Revenue	2	-	2,854,306
Production and communications costs		-	(3,039,488)
Administrative expenses		-	(5,636)
Loss on ordinary activities before taxation	3	-	(190,818)
Taxation on loss on ordinary activities	4	-	(18,788)
Loss on ordinary activities after taxation		-	(209,606)
Retained profit brought forward		<u>1,410,218</u>	<u>1,619,824</u>
Retained profit carried forward		<u><u>1,410,218</u></u>	<u><u>1,410,218</u></u>

The company has no recognised gains or losses.

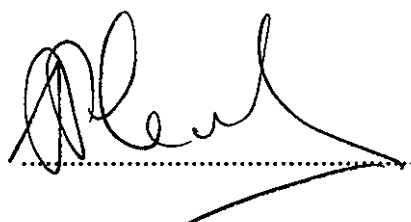
The notes on pages 8 to 10 form part of these financial statements.

MONITOR TRADING LIMITED
BALANCE SHEET AT 31 DECEMBER 1996

	Notes	1996 £	1995 £
<u>CURRENT ASSETS</u>			
Debtors	5	<u>1,410,318</u>	<u>1,410,318</u>
NET CURRENT ASSETS		<u>1,410,318</u>	<u>1,410,318</u>
<u>Capital and reserves</u>			
Called-up share capital	6	100	100
Profit and loss account		<u>1,410,218</u>	<u>1,410,218</u>
		<u>1,410,318</u>	<u>1,410,318</u>

The notes on pages 8 to 10 form part of these financial statements.

These financial statements were approved by the directors on 17 June 1997


 Director

MONITOR TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

1. ACCOUNTING POLICIES

(a) Accounting basis

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Revenue

Revenue represents the turnover derived from the total amount of subscriptions net of discounts to news and financial services applicable to the year.

(c) Foreign currency translation

Current assets and liabilities denominated in a foreign currency are translated into sterling at the exchange rates ruling at the balance sheet date.

Revenue and expenses in foreign currencies are recorded in sterling at the rates ruling on the dates of the transactions. All gains and losses arising on translation are reported as part of the operating profit for the year.

(d) Cash Flow

The company is exempted from producing a cash flow statement, since a consolidated cash flow statement prepared in accordance with Financial Reporting Standard 1 (Revised) is included in the accounts of its ultimate parent undertaking, Reuters Holdings PLC.

2. REVENUE

Revenue represents revenue earned in South America.

MONITOR TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1996</u>	<u>1995</u>
	£	£
Is stated after charging		
Exchange differences	-	(8,944)
	<u>-</u>	<u>(8,944)</u>

Auditors' remuneration is borne by Reuters Limited.

The directors are employed and paid by Reuters Limited.

As noted in the directors report the company sold its business and net assets to Reuters Limited on 31 December 1995. No profit or loss arose on this transaction.

4. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
	£	£
The taxation charge comprises:		
Overseas withholding tax	-	74,606
Amount receivable in respect of group relief for 1995 loss at 33%	-	(55,818)
	<u>-</u>	<u>18,788</u>

5. DEBTORS: amounts falling due within one year

	<u>1996</u>	<u>1995</u>
	£	£
Amounts owed by group undertakings	<u>1,410,318</u>	<u>1,410,318</u>
	<u>1,410,318</u>	<u>1,410,318</u>

MONITOR TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

6. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Authorised, called-up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

7. MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1996</u>	<u>1995</u>
	£	£
Opening shareholders' funds	1,410,318	1,619,924
Retained loss for the year	<u>-</u>	<u>(209,606)</u>
Closing shareholders' funds	<u>1,410,318</u>	<u>1,410,318</u>

8. RELATED PARTIES

The company's ultimate holding company is Reuters Holdings PLC, a company registered in England, and is the parent undertaking of the largest group and smallest group to consolidate these accounts.

Copies of the consolidated accounts for Reuters Holdings PLC and Reuters Limited may be obtained from 85 Fleet Street, London EC4P 4AJ.