

**Pearson Television Overseas Limited**  
(Registered Number: 2786185)

**Directors' Report and Accounts**  
**Year Ended 31 December 1999**



# Pearson Television Overseas Limited

## Directors' Report For The Year Ended 31 December 1999

The directors present their report and the audited accounts of the company for the year ended 31 December 1999.

### Principal Activities and Future Developments

The company's principal activity during the year was acquiring and holding investments in fellow subsidiary undertakings. The company will continue to hold its investments for the foreseeable future.

### Results and dividends

The company's profit for the financial year is £9,000 (1998: £1,093,000). The Directors do not recommend the payment of a dividend (1998: £Nil).

### Directors and their interests

The directors who held office during the year are given below:

CA del Tufo (resigned 31 March 1999)

SFH Tingay

IRM Ousey

NW Humby (appointed 31 March 1999)

As at 1 January 1999 and 31 December 1999, the directors had no beneficial interest in the shares of the company.

NW Humby is a director of the company's immediate parent company, Pearson Television Limited. His interests in the shares of group companies and the ultimate parent company are shown in the accounts of Pearson Television Limited.

The interests of the other directors in the 25p ordinary shares of Pearson plc, the ultimate parent company are as follows:

	At 1 Jan 1999 or date of appointment	Shares/ Options - Acquired/ granted	Shares/ Options - Lapsed/ exercised	At 31 Dec 1999
<b>SFH Tingay</b>				
Ordinary shares	-	15	-	15
Senior Executive Options	25,700	10,681	6,300	30,081
<b>IRM Ousey</b>				
Ordinary Shares	470	22	-	492
SAYE Options	2,968	-	-	2,968
Senior Executive Options	28,200	12,000	6,800	33,400
Annual bonus share matching scheme	784	-	-	784

# Pearson Television Overseas Limited

## Directors' Report For The Year Ended 31 December 1999 (continued)

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 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 which 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.

### Year 2000

The company experienced no problems in connection with the Year 2000 issue. Full details of the Year 2000 programme are contained in the financial statements of Pearson plc. During the year no costs were incurred in relation to this issue.

### Auditors

Our auditors, PricewaterhouseCoopers have indicated their willingness to continue in office. In accordance with section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to hold an annual general meeting.

By Order of the Board



Helen Farnaby  
Secretary

28 February 2000

## **Auditors' Report To The Members of Pearson Television Overseas Limited**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

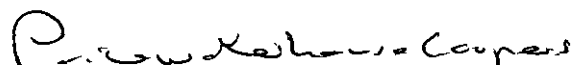
### **Basis of audit opinion**

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 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 at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London

28 February 2000

## Pearson Television Overseas Limited

### Profit And Loss Account For The Year Ended 31 December 1999

	Note	1999 £'000	1998 £'000
<b>Operating result - continuing operations</b>		-	-
Exchange gain on settlement on debt		13	-
Income from shares in group undertakings		-	1,288
<b>Profit on ordinary activities before taxation</b>		13	1,288
Tax on profit on ordinary activities	3	(4)	(195)
<b>Retained profit for the financial year</b>	9	9	1,093

The company had no recognised gains or losses during the year other than those reflected in the profit and loss account above.

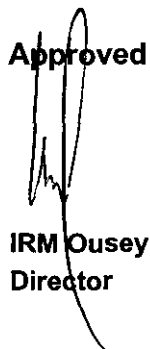
The notes on pages 6 to 9 form part of these accounts.

# Pearson Television Overseas Limited

## Balance Sheet As At 31 December 1999

	Note	1999 £'000	1998 £'000
<b>Fixed assets</b>			
Investments	4	319	319
<b>Current assets</b>			
Debtors	5	1,224	1,288
<b>Creditors – Amounts falling due within one year</b>	6	(441)	(514)
Net current assets		783	774
Total assets less current liabilities		1,102	1,093
<b>Capital and reserves:</b>			
Called up share capital	7	-	-
Profit and loss account	8	1,102	1,093
<b>Total shareholders' funds</b>	9	1,102	1,093
<b>Analysis of shareholders' funds:</b>			
Equity		1,102	1,093

Approved By The Board and Signed On 28 February 2000



**IRM Ousey**  
Director

The notes on pages 6 to 9 form part of these accounts.

# Pearson Television Overseas Limited

## Notes To The Accounts For The Year Ended 31 December 1999

### 1 Accounting policies

Accounting policies have been consistently applied.

#### A. Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the significant accounting policies is set out below.

#### B. Basis of Consolidation

The company is a wholly owned subsidiary of Pearson plc and is included in the financial statements of Pearson plc which are publicly available. Consequently, the company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. Therefore, these accounts include financial information about the company as an individual undertaking rather than as a group.

#### C. Cashflow and Related Party Disclosure

The company is a wholly owned subsidiary of Pearson plc and is included in the consolidated financial statements of Pearson plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8, Related Party Disclosures, from disclosing related party transactions with other members of the Pearson plc Group.

#### D. Foreign currencies

Exchange differences due to trading transactions are taken to the profit and loss account.

#### E. Investments

Investments are stated at the lower of cost less provisions for diminution in value.

### 2 Staff Cost

The Company had no employees during the year (1998: Nil).

### 3 Taxation on profit on ordinary activities

	1999 £'000	1998 £'000
<b>Taxation on the profit for the year</b>		
UK corporation tax at 30.25% (1998: 31 %)	4	491
Double tax relief	-	(296)
	<b>4</b>	<b>195</b>

# Pearson Television Overseas Limited

## Notes To The Accounts For The Year Ended 31 December 1999

### 4 Fixed asset investments

	£'000
Cost at 1 January 1999 and 31 December 1999	319

The following is the principal subsidiary at 31 December 1999:

Subsidiary	Activity	% of ordinary shares held by the company
Grundy Holdings BV (incorporated in The Netherlands)	Holding Company	100%

### 5 Debtors

	1999 £'000	1998 £'000
Amount owed by group undertakings	1,224	1,224
Other debtors	-	64
	1,224	1,288

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

### 6 Creditors - Amounts falling due within one year

	1999 £'000	1998 £'000
Taxation	4	195
Amount owed to group undertakings	437	319
	441	514

Amounts due to group undertakings are unsecured, interest free and repayable on demand.



# Pearson Television Overseas Limited

## Notes To The Accounts For The Year Ended 31 December 1999

### 7 Called up share capital

	1999 £	1998 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	2	2

### 8 Reserves

		Profit and Loss Account £'000
At 1 January 1999	1,093	1,093
Retained profit for the financial year	9	-
<b>At 31 December 1999</b>	<b>1,102</b>	<b>1,093</b>

### 9 Reconciliation of movements in shareholders' funds

	1999 £'000	1998 £'000
Profit for the year	9	1,093
Net addition to shareholders' funds	9	1,093
Shareholders' funds as at 1 January	1,093	-
<b>Shareholders' funds as at 31 December</b>	<b>1,102</b>	<b>1,093</b>

### 10 Directors' emoluments

None of the directors received emoluments from this company since their duties are incidental to their duties to other subsidiaries of Pearson Plc.

# **Pearson Television Overseas Limited**

## **Notes To The Accounts For The Year Ended 31 December 1999**

### **11 Ultimate parent undertaking**

The immediate parent undertaking is Pearson Television Limited, a company registered in England and Wales. The ultimate parent undertaking and controlling party is Pearson plc which is the smallest and largest group to consolidate these accounts. Copies of Pearson plc group accounts can be obtained from the Company Secretary at Pearson plc, 3 Burlington Gardens, London, W1X 1LE.