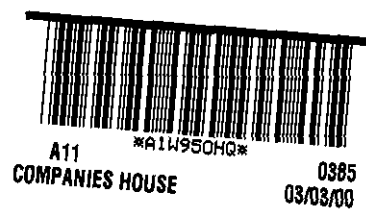


Thames Television Holdings Limited
(Registered Number: 3140632)

Directors' Report and Accounts
Year Ended 31 December 1999



Thames Television Holdings 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 holds an investment in SelectTV Limited. It will continue to hold this investment.

Results and dividends

The company's loss for the financial year is £365 (1998: £1,000). 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 (appointed 21 March 1999)

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

The interests of the 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
SFH Tingay				
Ordinary shares	-	15	-	15
Senior Executive Options	25,700	10,681	6,300	30,081
IRM Ousey				
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

Thames Television Holdings 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

29 February 2000

Auditors' Report To The Members of Thames Television Holdings 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.

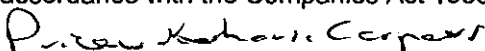
Basis of audit opinion

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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

London

29 February 2000

Thames Television Holdings Limited

Profit and Loss Account For The Year Ended 31 December 1999

	Note	1999 £'000	1998 £'000
Administrative expenses		-	-
Amounts written off investments		-	-
Loss on ordinary activities before interest		-	-
Income from other fixed asset investments		-	-
Other interest receivable and similar income		1	1
Loss on ordinary activities before taxation		-	1
Tax on loss on ordinary activities	3	(1)	-
Retained loss for the financial year	7	-	1

All operations of the company are continuing

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.

Thames Television Holdings Limited

Balance Sheet As At 31 December 1999

	Note	1999 £'000	1998 £'000
Fixed assets			
Investments	4	21,809	21,809
Current assets			
Cash at bank and in hand		115	123
Creditors – Amounts falling due within one year	5	(21,316)	(21,324)
Net current liabilities		(21,201)	(21,201)
Total assets less current liabilities		608	608
Capital and reserves	6,7,8		
Called up share capital		-	-
Share premium account		17	17
Profit and loss account		591	591
Total shareholders' funds		608	608
Analysis of shareholders' funds			
Equity		608	608

Approved By The Board and Signed On 29 February 2000


S F H Tingay
Director

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

Thames Television Holdings 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 statement and Related Party Disclosures

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 entities that are members of the Pearson plc Group.

D. Investments

Investments are stated at cost, less any provision for diminution in value.

2 Staff and Other Costs

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

3 Taxation on profit on ordinary activities

	1999 £'000	1998 £'000
Taxation on the profit for the year		
UK corporation tax at 30.25% (1998:31%)	1	-

Thames Television Holdings Limited

Notes To The Accounts For The Year Ended 31 December 1999 (Continued)

4 Fixed Asset Investments

	£'000
1 January 1999 and 31 December 1999	21,809

The following is the principal operating subsidiary at 31 December 1999:

Subsidiary	Activity	% of ordinary shares held by the company
SelectTV Ltd	Production of television Programmes	100%

SelectTV Ltd is incorporated in England and Wales.

In the opinion of the directors the value of the interest in the subsidiary undertaking is not less than the amount at which it is stated in the balance sheet.

5 Creditors - Amounts falling due within one year

	1999 £'000	1998 £'000
Amounts owed to group undertakings	21,223	21,222
Other creditors	93	102
	21,316	21,324

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

6 Called up share capital

	1999 £	1998 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted and fully paid		
100 ordinary shares of £1 each	100	100

Thames Television Holdings Limited

Notes To The Accounts For The Year Ended 31 December 1999 (Continued)

7 Reserves

	Share Premium Account £'000	Profit and Loss Account £'000	Total £'000
At 1 January 1999	17	591	608
Retained loss for the financial year	-	-	-
At 31 December 1999	17	591	608

8 Reconciliation of movements in shareholder's funds

	1999 £'000	1998 £'000
Result for the year	-	1
Net addition to shareholder's funds	-	1
Shareholder's funds as at 1 January	608	607
Shareholder's funds as at 31 December	608	608

9 Director's emoluments

Neither of the directors received any emoluments from this company since their duties are incidental to their main duties to other subsidiary undertakings of Pearson Plc.

10 Contingent liabilities

Bank guarantees

The company participates in an arrangement with HSBC Bank plc whereby the accounts of Pearson plc (ultimate parent company) and thirty eight of its subsidiaries, "the guarantors", are combined, with cleared debit and credit balances being offset for interest calculation purposes. In order to comply with banking regulations, each guarantor to this arrangement has provided a multilateral guarantee in respect of the overdraft obligations (but no other debts due to the bank) of each of the other participants. The net balance under this arrangement at 31 December 1999 was a cash balance of £7,915,282.

The maximum amount of this guarantee is limited to a net overdraft of £50,000,000.

At 31 December 1999, this was the potential liability of the Company, the ultimate parent company and fellow subsidiary undertakings.

Thames Television Holdings Limited

Notes To The Accounts For The Year Ended 31 December 1999 (Continued)

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, W1X1LE.