

THE FINANCIAL TIMES LIMITED

INDEX TO THE REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31st DECEMBER 1979

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THE FINANCIAL TIMES LIMITED

A subsidiary of Pearson Longman

Directors

A.V. Hale, M.C. (Chairman and Chief Executive)  
A.G. Cox  
J.P. Dukos  
M.H. Fisher  
The Hon. C.P. Gibson  
M.C. Gorman, C.A.  
R.A.F. McClean  
R.P. West, F.C.A.

Secretary and Registered Office

D.J. Hall, F.C.A.  
Bracken House,  
Cannon Street,  
London, EC4P 4BY.

Auditors

Deloitte Haskins & Sells

Bankers

Midland Bank Limited

Solicitors

Freshfields

THE FINANCIAL TIMES LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the fifty-second Annual General Meeting of The Financial Times Limited will be held at Bracken House, Cannon Street, London, EC4P 4BY on Tuesday 6th May 1980, at 3.00 p.m. for the following purposes:

1. To receive and consider the balance sheet and statement of accounts made up to 31st December 1979, and the reports of the directors and auditors thereon.
2. To re-elect directors.
3. To re-appoint the auditors and resolve that their remuneration be agreed by the directors.
4. To approve a final dividend.

BY ORDER OF THE BOARD



Secretary

1st April 1980

Note: Any member of the company entitled to attend and vote may appoint another person (whether a member or not) as his proxy to attend and vote instead of him.

## THE FINANCIAL TIMES LIMITED

### REPORT OF THE DIRECTORS

The directors have pleasure in presenting the accounts for the year ended 31st December 1979.

#### PROFIT AND APPROPRIATIONS

The net profit of the group attributable to The Financial Times Limited is	£1,695,724
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from which the following appropriations for  
dividends are made:

First interim	125,000
Second interim	225,000
Proposed final	650,000

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1,000,000

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Balance retained and added to reserves	£ 695,724
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#### PRINCIPAL ACTIVITIES OF THE GROUP AND SIGNIFICANT CHANGES

The principal business activity of the company during the year under review has been the publication of the national daily newspaper the "Financial Times". From 2nd January 1979 the group has also published an international edition from Germany.

Other activities of the group include the publication of magazines and newsletters, the organisation of business conferences and the provision of business information services. Certain of these activities, previously carried on by the parent company, were transferred to subsidiaries as at 1st January 1979.

The company also has interests in other companies as set out in note 9 on the accounts.

During the year the company sold the issued share capital of a subsidiary, Fairplay Publications Limited and transferred the business of publishing year-books to a fellow subsidiary.

#### VALUATIONS

Leasehold properties, which are included in fixed assets in the consolidated balance sheet at 31st December 1979 at the net book amount of £6,416,662 had, in the opinion of the directors, a market value of approximately £9,800,000 at that date. This opinion is based on a valuation prepared by St. Quintin, Chartered Surveyors. If the properties had been disposed of at the estimated value, tax payable on the surplus and not provided for in the accounts would have been some £1,990,000.

THE FINANCIAL TIMES LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS

The present directors are listed on page 2.

Mr. C.R.E. Brooke also served as a director until his resignation on 31st May 1979. The directors who retire by rotation are The Hon. C.P. Gibson and Mr. R.A.F. McClean who, being eligible, offer themselves for re-election.

DIRECTORS INTERESTS

The interests of directors and their families in shares, debentures and unsecured loan stocks of S. Pearson & Son, Limited and its subsidiaries were as follows:-

	S. Pearson & Son, Limited 25p Ordinary Shares	
	<u>31st December 1979</u>	<u>1st January 1979</u>
A.G. Cox	-	-
J.P. Dukes	-	-
M.C. Gorman	1,500	3,000
R.A.F. McClean	-	-

Mr. Fisher, The Hon. C.P. Gibson, Mr. Hare and Mr. West are also directors of the immediate holding company, Pearson Longman Limited, and are not required to notify their interests to this company.

EXPORTS

Overseas revenue from the sale of publications and advertisement space during the year amounted to £13,150,958 (1978 £11,222,452).

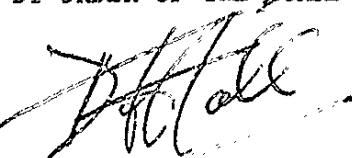
EMPLOYEES

During 1979 the average number of United Kingdom employees of the group was 1,690 (1978 1,621) and their aggregate remuneration £14,008,778 (1978 £10,898,487).

AUDITORS

Deloitte Haskins & Sells have indicated their willingness to continue in office and their re-appointment at a remuneration to be agreed by the Board will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

  
Secretary

1st April 1980.

REPORT OF THE AUDITORS  
TO THE MEMBERS OF THE FINANCIAL TIMES LIMITED

We have examined the accounts set out on pages 7 to 20 which have been prepared on the basis of the accounting policies set out on page 12.

In our opinion the accounts give a true and fair view of the state of affairs of the company and, so far as concerns members of the company, of the group at 31st December 1979 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 and 1967.

  
Chartered Accountants

London

1st April 1980.

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 1979

	<u>Notes</u>	<u>1979</u> <u>£</u>	<u>1978</u> <u>£</u>
TURNOVER (net circulation, advertisement and other revenue)		£44,322,232	£34,256,737
PROFIT BEFORE TAXATION			
The company and its subsidiaries	2	3,755,248	2,702,861
Associated companies	3	241,027	449,535
		3,996,275	3,152,396
TAXATION THEREON	4	2,226,999	1,500,533
PROFIT AFTER TAXATION		1,769,276	1,651,863
LOSSES ATTRIBUTABLE TO MINORITY INTERESTS		48,958	-
PROFIT OF THE YEAR BEFORE EXTRAORDINARY ITEMS		1,818,234	1,651,863
EXTRAORDINARY ITEMS	6	(122,510)	-
NET PROFIT ATTRIBUTABLE TO THE FINANCIAL TIMES LIMITED		1,695,724	1,651,863
Of which £1,601,285 (1978 £1,494,903) is dealt with in the accounts of the company.			
DIVIDENDS OF THE FINANCIAL TIMES LIMITED			
First interim		125,000	100,000
Second interim		225,000	100,000
Proposed final		650,000	750,000
		1,000,000	950,000
PROFIT RETAINED AND ADDED TO RESERVES	12		
Capital reserves		(80,844)	-
Revenue reserves		776,568	701,863
		£695,724	£701,863

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET 31st DECEMBER 1979

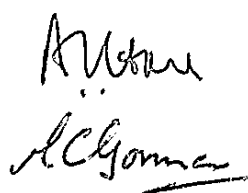
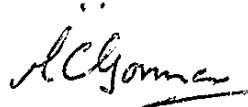
	<u>Notes</u>	<u>1979</u> £	<u>1978</u> £
FIXED ASSETS	7	<u>9,751,715</u>	<u>9,430,311</u>
INVESTMENTS			
Associated companies	9	3,805,156	3,817,731
Other	10	<u>83,458</u>	<u>1,115</u>
		<u>3,888,614</u>	<u>3,818,846</u>
GOODWILL AND COPYRIGHTS		<u>2,397,583</u>	<u>2,551,720</u>
CURRENT ASSETS			
Stocks		792,426	566,348
Debtors		9,768,845	7,200,047
Amounts due from holding company and fellow subsidiaries		253,383	14,580
Deposit with holding company		6,000,000	5,550,000
Deposits and bank balances		<u>827,891</u>	<u>1,384,766</u>
		<u>17,642,545</u>	<u>14,715,741</u>
CURRENT LIABILITIES			
Creditors		8,469,925	6,505,082
Amounts due to fellow subsidiaries		61,045	19,957
Current taxation		1,575,531	1,948,702
Corporation tax due on 1st January 1981		1,751,250	1,447,700
Short term borrowing	11	386,179	-
Proposed dividend		<u>650,000</u>	<u>750,000</u>
		<u>12,893,930</u>	<u>10,671,441</u>
NET CURRENT ASSETS		<u>4,748,615</u>	<u>4,044,300</u>
		<u>£20,786,527</u>	<u>£19,845,177</u>
INTEREST OF SHAREHOLDERS OF THE FINANCIAL TIMES LIMITED			
Share capital of the company (page 9)		<u>1,800,000</u>	<u>1,800,000</u>
Reserves:	12		
the company and its subsidiaries		16,313,447	15,524,522
associated companies		<u>2,508,080</u>	<u>2,520,655</u>
		<u>18,821,527</u>	<u>18,045,177</u>
DEFERRED TAXATION	13	<u>20,621,527</u>	<u>19,845,177</u>
		<u>165,000</u>	<u>-</u>
		<u>£20,786,527</u>	<u>£19,845,177</u>



THE FINANCIAL TIMES LIMITED

BALANCE SHEET 31st DECEMBER 1979

	Notes	1979 £	1978 £
FIXED ASSETS	7	7,300,045	7,297,943
INVESTMENT IN SUBSIDIARIES	8	2,474,677	2,333,739
INVESTMENTS			
Associated companies	9	1,297,076	1,297,076
Other	10	75,982	982
		1,373,058	1,298,058
GOODWILL AND COPYRIGHTS		1,084,108	1,312,540
CURRENT ASSETS			
Stocks		411,680	363,979
Debtors		7,668,307	6,449,377
Amounts due from subsidiaries		2,066,809	199,878
Amounts due from fellow subsidiaries		9,515	16,804
Deposit with holding company		6,000,000	5,550,000
Deposits and bank balances		330,642	1,028,255
		16,486,953	13,608,293
CURRENT LIABILITIES			
Creditors		4,635,386	4,892,547
Amounts due to subsidiaries		1,151,787	725,658
Amounts due to fellow subsidiaries		25,001	9,602
Current taxation		1,767,626	1,946,240
Corporation tax due on 1st January 1981		1,775,000	1,386,200
Short term borrowing	11	1,972,430	-
Proposed dividend		650,000	750,000
		11,977,230	9,710,247
NET CURRENT ASSETS		4,509,723	3,898,046
		£16,741,611	£16,140,326
ORDINARY CAPITAL			
Authorised, issued and fully paid			
2,001,208 ordinary shares of 25p each		500,302	500,302
5,198,792 'A' ordinary shares of 25p each		1,299,698	1,299,698
		1,800,000	1,800,000
RESERVES	12	14,941,611	14,340,326
		£16,741,611	£16,140,326



 ) Directors

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

SOURCE AND APPLICATION OF LIQUID FUNDS  
FOR THE YEAR ENDED 31st DECEMBER 1979

	1979 £	1978 £
<b>SOURCE OF FUNDS</b>		
Generated from trading operations		
Profit before tax of the company and its subsidiaries	3,755,248	2,702,861
Depreciation charged against profit	637,758	393,449
Dividends received from associated companies	133,550	126,992
Losses attributable to minorities	48,958	-
	<hr/>	<hr/>
	4,575,514	3,223,302
Proceeds from sale of subsidiaries and goodwill	285,000	-
	<hr/>	<hr/>
	4,860,514	3,223,302
	<hr/>	<hr/>
<b>APPLICATION OF FUNDS</b>		
Purchase of subsidiaries and goodwill	165,802	614,502
Purchase of fixed assets net of disposals at book value	973,441	1,239,932
Purchase of investments	82,344	-
Tax paid during the year	2,009,176	1,720,320
Dividends paid	1,100,000	1,150,000
Changes in working capital		
Stocks	235,241	174,921
Debtors	2,916,894	1,538,603
Creditors	(2,180,893)	(1,539,862)
	<hr/>	<hr/>
	971,242	173,662
	<hr/>	<hr/>
	5,302,005	4,898,416
	<hr/>	<hr/>
<b>DECREASE IN NET LIQUID FUNDS</b>		
Deposit with holding company	450,000	(1,750,000)
Deposits and bank balances	(505,312)	74,886
Short term borrowing	(386,179)	-
	<hr/>	<hr/>
	£(441,491)	£(1,675,114)
	<hr/>	<hr/>

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON SOURCE AND APPLICATION OF LIQUID FUNDS  
FOR THE YEAR ENDED 31st DECEMBER 1979

Note:

In reconciling the flow of funds with balance sheet figures it is necessary to take account of the following:

	<u>1979</u> £
(i) Reconversion of net assets in overseas currencies	
Fixed assets	(1,559)
Stocks	(1,246)
Debtors	(4,474)
Deposits and bank balances	(6,620)
Creditors	15,440
Taxation	(1,360)
	<hr/>
Dealt with in reserves	£ 181
	<hr/>
(ii) Disposal of subsidiaries and goodwill	
Fixed assets	12,720
Investments	133
Goodwill	319,939
Stocks	7,917
Debtors	104,819
Deposits and bank balances	44,943
Creditors	(159,522)
Taxation	16,693
	<hr/>
Net assets eliminated on disposal	347,642
Net surplus on disposal	12,358
	<hr/>
Consideration received	£360,000
consisting of:	<hr/>
Cash	285,000
Investment	75,000
	<hr/>
	£360,000
	<hr/>

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of accounting

The annual accounts are prepared on the historical cost basis of accounting, modified to include the revaluation of certain properties as noted below.

Basis of consolidation

The accounts of the subsidiaries are made up to 31st December and all are included in the consolidated accounts.

Associated companies

Profits and losses of associated companies are included in the consolidated profit and loss account to the full extent of the investing company's interest therein. Its share of the undistributed reserves of associated companies arising since acquisition is included in the amount at which such investments are stated in the consolidated balance sheet. For this purpose the latest available audited accounts are used, supplemented by unaudited management accounts made up to 31st December.

Goodwill and copyrights

This represents the net excess of the cost of shares in subsidiaries over the appropriate proportion of the book values of their net assets at dates of acquisition, together with the cost of goodwill and copyrights acquired by purchase.

Fixed assets

Fixed assets are stated at cost less government grants or at valuation.

Long-term leasehold properties are depreciated by equal instalments over the unexpired periods of the leases less a deduction therefrom of five years to cover dilapidations. Other fixed assets are depreciated over their estimated economic lives by equal annual instalments. Generally short-term leasehold properties are depreciated over the period of the lease, motor vehicles at 25% per annum and other plant and equipment at appropriate rates between 5% and 20% per annum.

Stocks

Stocks, which comprise newsprint, paper, type metal and other materials, are valued at the lower of cost and net realisable value.

Deferred taxation

The group provides deferred taxation, at the rates current at 31st December, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes except to the extent it is, in the opinion of the directors, reasonable to assume that the timing differences will not reverse in the future so as to give rise to a tax liability.

Overseas currencies

Assets, liabilities and profits of the year in overseas currencies are converted to sterling at the rates ruling at balance sheet date. The exchange difference arising on the annual reconversion of fixed assets, investments and long-term liabilities is taken direct to capital reserves. The exchange difference arising on the annual reconversion of other assets and liabilities is taken direct to revenue reserves.

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS (continued)

	<u>1979</u> £	<u>1978</u> £
<b>2. PROFIT BEFORE TAXATION</b>		
The profit before taxation of the company and its subsidiaries is arrived at		
after crediting:		
Interest receivable:		
Holding company	765,148	635,932
Other	10,339	23,853
Rents receivable	128,246	201,148
and after charging:		
Interest payable on bank loans and other loans repayable within five years	12,837	530
Depreciation of fixed assets	637,758	393,449
Special contributions to pension schemes	-	600,000
Amount paid by associated company to employees declared redundant on closure of printing operation	464,283	-
Auditors' remuneration	<u>51,261</u>	<u>30,715</u>

**3. ASSOCIATED COMPANIES**

Dividends received from the unlisted associated companies including tax credits of £57,232 (1978 £50,222) amounted to £190,782 (1978 £177,214).

The profit before taxation and retained reserves of associated companies include £42,848 (1978 £292,659) and a deficit of £84,786 (1978 reserves of £50,616) respectively derived from unaudited management accounts.

**4. TAXATION**

	<u>1979</u> £	<u>1978</u> £
The company and its subsidiaries		
Corporation tax on the profit of the year at 52%	1,900,840	1,284,915
Deferred Corporation tax	165,000	-
Double taxation relief	<u>(203,300)</u>	<u>(39,400)</u>
	1,862,540	1,245,515
Overseas taxation	<u>223,962</u>	<u>32,284</u>
	2,086,502	1,277,799
Associated companies	<u>140,497</u>	<u>222,734</u>
	<u>£2,226,999</u>	<u>£1,500,533</u>

The taxation charge would have been increased by £24,000 (1978 £472,000) if full provision had been made for deferred taxation.

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS (continued)

5. EMOLUMENTS OF THE DIRECTORS AND EMPLOYEES OF  
THE FINANCIAL TIMES LIMITED

	<u>1979</u> £	<u>1978</u> £
DIRECTORS		
Fees	1,000	678
Less: borne by an associated company	(1,000)	(678)
	<hr/>	<hr/>
Other emoluments	-	-
Pensions of past executive directors	176,105 19,675	155,517 19,228
	<hr/>	<hr/>
	£195,780	£174,745
Analysis of emoluments (exclusive of contributions to pension funds):	<hr/>	<hr/>
Chairman	£33,718	£30,361
	<hr/>	<hr/>

The number of directors, including the above,  
in each of the following ranges of  
remuneration was:

Up to £5,000	3	3
£15,001 - £20,000	-	2
£20,001 - £25,000	4	2
£25,001 - £30,000	-	1
£30,001 - £35,000	2	1

EMPLOYEES

Analysis of emoluments of employees receiving  
more than £20,000 per annum (exclusive of  
contributions to pension funds):

£20,001 - £25,000	1	-
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6. EXTRAORDINARY ITEMS

	£	£
Loss on sale of a subsidiary	(105,513)	-
Surplus on disposal of goodwill to a fellow subsidiary	117,871	-
Further acquisition costs relating to a former investment	(74,868)	-
Fixed assets written off by associated company on closure of factory	(60,000)	-
	<hr/>	<hr/>
	£(122,510)	£-
	<hr/>	<hr/>

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS (continued)

7. FIXED ASSETS	Long Leaseholds £	Short Leaseholds £	Plant and Machinery £	Total £
(a) COMPANY AND ITS SUBSIDIARIES				
Cost or valuation				
At 31st December 1978	7,259,686	116,814	4,928,491	12,304,991
Exchange adjustments	-	-	(2,789)	(2,789)
Additions at cost	-	26,494	1,012,229	1,038,723
Disposals	-	-	(209,083)	(209,083)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1979	7,259,686	143,308	5,728,848	13,131,842
	<hr/>	<hr/>	<hr/>	<hr/>
Analysed as follows:				
Valuation 1971	7,250,000	-	-	7,250,000
Cost	9,686	143,308	5,728,848	5,881,842
	<hr/>	<hr/>	<hr/>	<hr/>
	7,259,686	143,308	5,728,848	13,131,842
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 31st December 1978	775,826	87,889	2,010,965	2,874,680
Exchange adjustments	-	-	(1,230)	(1,230)
Provided in accounts	108,002	14,615	515,141	637,758
Disposals	-	-	(131,081)	(131,081)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1979	883,828	102,504	2,393,795	3,380,127
	<hr/>	<hr/>	<hr/>	<hr/>
Net book values				
At 31st December 1979	£6,375,858	£40,804	£3,335,053	£9,751,715
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1978	£6,483,860	£28,925	£2,917,526	£9,430,311
	<hr/>	<hr/>	<hr/>	<hr/>
(b) COMPANY				
Cost or valuation				
At 31st December 1978	7,259,686	116,814	1,091,001	8,467,501
Additions at cost	-	-	487,972	487,972
Transfers to subsidiaries	-	-	(193,642)	(193,642)
Disposals	-	-	(115,856)	(115,856)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1979	7,259,686	116,814	1,269,475	8,645,975
	<hr/>	<hr/>	<hr/>	<hr/>
Analysed as follows:				
Valuation 1971	7,250,000	-	-	7,250,000
Cost	9,686	116,814	1,269,475	1,395,975
	<hr/>	<hr/>	<hr/>	<hr/>
	7,259,686	116,814	1,269,475	8,645,975
	<hr/>	<hr/>	<hr/>	<hr/>

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS (continued)

7. FIXED ASSETS (continued)	Long Leaseholds £	Short Leaseholds £	Plant and Machinery £	Total £
Depreciation				
At 31st December 1978	775,826	87,889	305,843	1,169,558
Provided in accounts	108,002	12,568	136,336	256,906
Transfers to subsidiaries	-	-	(13,545)	(13,545)
Disposals	-	-	(66,989)	(66,989)
At 31st December 1979	883,828	100,457	361,645	1,345,930
Net book values				
At 31st December 1979	£6,375,858	£16,357	£907,830	£7,300,045
At 31st December 1978	£6,483,860	£28,925	£785,158	£7,297,943

8. INVESTMENT IN SUBSIDIARIES

	1979 £	1978 £
Shares at cost less amounts written off	902,761	2,259,482
Loans and advances less provisions	1,571,916	74,257
	£2,474,677	£2,333,739

Details of subsidiaries are:

	Percentage of capital owned Ordinary
Fintel Limited	55
F.T. (America Advertising) Limited	100
F.T. (France Advertising) Limited (dormant)	100
F.T. (Germany Advertising) Limited	100
F.T. Publications Inc. (incorporated in U.S.A.)	100
Gabonstar Limited	100
St. Clements Press Limited	100
The Financial Times Business Enterprises Limited	100
Apollo Magazine Limited	100
The Financial Times Business Information Limited	100
The Financial Times Business Publishing Limited	100
Investors Chronicle Limited (dormant)	100
Stock Exchange Gazette Publications Limited (dormant)	100
The Banker Limited	100
Throgmorton Publications Limited	100
Fundex Limited	100
F.T. World Business Weekly Limited	100
The Financial Times (Europe) Limited	100
The Financial News Limited (dormant)	100



NOTES ON THE ACCOUNTS (continued)

9. INVESTMENTS IN ASSOCIATED COMPANIES (for details see page 20)

	<u>Company and its subsidiaries</u>		<u>Company</u>	
	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Unlisted				
Shares at cost	1,297,076	1,297,076	1,297,076	1,297,076
Share of post-acquisition reserves	2,508,080	2,520,655	-	-
	<u>£3,805,156</u>	<u>£3,817,731</u>	<u>£1,297,076</u>	<u>£1,297,076</u>

Directors' valuation £4,130,000 (1978 £2,475,000).

See note 3 as to the inclusion of amounts derived from unaudited management accounts.

It is estimated that a liability to corporation tax on chargeable gains not exceeding £875,000 (1978 £375,000) would arise if the above investments were realised at the valuations stated.

10. OTHER INVESTMENTS

	<u>Company and its subsidiaries</u>		<u>Company</u>	
	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Listed in Great Britain	7,476	-	-	-
Market value £7,245				
Unlisted	75,982	1,115	75,982	982
	<u>£83,458</u>	<u>£1,115</u>	<u>£75,982</u>	<u>£982</u>

Directors' valuation of unlisted investments

Group £160,000 (1978 £65,133)

Company £160,000 (1978 £65,000)

It is estimated that a liability to corporation tax on chargeable gains not exceeding £25,000 (1978 £18,000) would arise if the above investments were realised at the valuations stated.

11. SHORT TERM BORROWING

	<u>Company and its subsidiaries</u>		<u>Company</u>	
	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Loan from minority shareholder in subsidiary	63,000	-	-	-
Less: attributable losses	(48,913)	-	-	-
	<u>14,087</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bank overdrafts	372,092	-	1,972,430	-
	<u>£386,179</u>	<u>£-</u>	<u>£1,972,430</u>	<u>£-</u>

There is a right of set-off existing between the company and certain of its subsidiaries with the group's principal U.K. bank.

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS (continued)

12. RESERVES

	<u>Company</u> £	<u>Company and its subsidiaries</u> £	<u>Associated companies</u> £
Capital reserves:			
31st December 1978	6,628,628	6,840,852	1,470,551
Exchange differences	-	(1,559)	-
Transfer from profit and loss account	(132,482)	(80,844)	-
31st December 1979	6,496,146	6,758,449	1,470,551
Revenue reserves:			
31st December 1978	7,711,698	8,683,670	1,050,104
Prior year adjustment on change in accounting policy for work-in-progress	-	-	76,236
Exchange differences	-	1,740	4,209
Transfer from profit and loss account (Group £776,568)	733,767	869,588	(93,020)
31st December 1979	8,445,465	9,554,998	1,037,529
Total reserves:			
31st December 1979	£14,941,611	£16,313,447	£2,508,080
31st December 1978	£14,340,326	£15,524,522	£2,520,655

13. DEFERRED TAXATION

	<u>Company and its subsidiaries</u>			<u>Company</u>
	<u>1979</u> £	<u>1978</u> £	<u>1979</u> £	<u>1978</u> £
Full potential amount:				
Revalued fixed assets	1,013,890	1,027,778	1,013,890	1,027,778
Capital allowances on fixed assets and other timing differences	1,523,280	1,365,916	387,652	304,226
	£2,537,170	£2,393,694	£1,401,542	£1,332,004
Provided in accounts:				
Capital allowances on fixed assets and other timing differences	£165,000	£ -	£ -	£ -

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES ON THE ACCOUNTS (continued)

14. CAPITAL COMMITMENTS

Commitments for capital expenditure amounted at 31st December 1979 to £150,000 (1978 £70,000) for the company and £159,000 (1978 £199,000) for the company and its subsidiaries. Capital expenditure authorised but not contracted for amounted at 31st December 1979 to £455,000 (1978 £118,000) for the company and £620,000 (1978 £118,000) for the company and its subsidiaries.

15. CHARGE ON ASSETS

The company and certain of its subsidiaries have given first floating charges on the whole of their undertakings and assets as security for their guarantee in respect of the Debenture Stocks of Pearson Longman Limited.

16. ULTIMATE HOLDING COMPANY

The ultimate holding company is S. Pearson & Son, Limited, a company incorporated in Great Britain.

THE FINANCIAL TIMES LIMITED AND ITS SUBSIDIARY COMPANIES

INVESTMENTS IN ASSOCIATED COMPANIES

INVESTMENTS IN ASSOCIATED COMPANIES (See note 9 page 17)

All companies are incorporated in the United Kingdom.

	Held at 31st December 1979 % of issue	Status of accounts used
<u>Industrial and Trade Fairs Holdings Limited</u>		
210,400 £1 'A' Shares	-	12 months unaudited
210,400 £1 'B' Shares	100	(latest audited accounts
105,200 £1 'C' Shares	-	31st December 1978)
<u>The Economist Newspaper Limited</u>		
4,536,000 25p ordinary shares	50	3 months audited
252,000 25p A special shares	-	9 months unaudited
252,000 25p B special shares	100	(latest audited accounts
100 5p Trust shares	-	- 31st March 1979)