

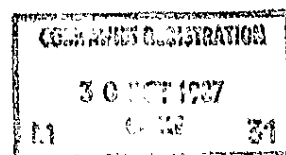
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LONGMAN GROUP UK LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 1986

872828



LONGMAN GROUP UK LIMITED

REPORT OF THE DIRECTORS

The directors submit their annual report and the audited financial statements for the year ended 31st December 1986.

CHANGE TO COMPANY NAME

On 7th July 1986, the company changed its name from Longman Group Limited to Longman Group UK Limited.

RESULT AND DIVIDENDS

	<u>£000</u>
Net profit for the year after taxation	3,083
Dividends paid and proposed	(2,850)

Transfer to reserves	233

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is publishing in the educational and professional market, and there has been no significant change during the year.

The English Language Teaching Division maintained its sparkling record of profitability, with the west European market providing particularly steady and substantial growth. Despite signs of improvement in the UK schools market, this area was still problematical. Longman's efforts to provide teachers and pupils with books for the General Certificate of Secondary Education examination on time were hindered by late and inadequate funding. However, the outlook for 1987 is a little better.

The financial performance of the UK business and professional publishing sector improved, and planned publishing development, together with some changes in management and organisation, leave this sector well positioned for growth and profitability in the next few years.

The development in dictionary publishing proceeded according to plan, and the undoubted quality of Longman's dictionaries and reference books is beginning to be recognised by the market.

Elsewhere in the world, business in and with African countries was very mixed, with problems increasing in the Nigerian market, but with some good results in eastern and southern Africa.

After the considerable development, restructuring and diversification of the last two years, Longman is well placed to develop its markets in the rest of the eighties and into the nineties.

LONGMAN GROUP UK LIMITED

REPORT OF THE DIRECTORS (continued)

MARKET VALUATION OF LAND AND BUILDINGS

It is estimated that the market value of the company's properties at 31st December 1986 is approximately £3,600,000 in excess of book values. The realisation of the company's properties at such a surplus would give rise to a liability to tax of approximately £1,080,000.

SIGNIFICANT MOVEMENTS IN TANGIBLE FIXED ASSETS

During the year the company incurred expenditure of £1,324,000 on the replacement of its computerised systems, which are due to become operational in 1987. Details of other movements in tangible fixed assets are disclosed in note 10.

DIRECTORS

The directors who held office during the year together with the interests in group companies of those who were not also directors of the holding company at the 31st December are as follows:

Mr. T.J. Rix Chairman and Chief Executive
Mr. J.D. Williamson
Mr. M.G.P. Wymer

Pearson plc 25p Ordinary Shares						
31 December 1986			31 December 1985			
Beneficial	S.A.Y.E. Options	Senior Executive Options	Beneficial	S.A.Y.E. Options	Senior Executive Options	
Mr. P. Blackburn	-	2,596	5,000	-	2,596	-
Mr. R.G.B. Duncan	-	3,934	15,000	-	3,934	-
Ms. P. Kahn	-	4,733	15,000	-	3,318	-
Mr. M.P. Kelley	1,000	2,055	10,000	1,000	2,055	-
Ms. J.M. Little	-	1,724	5,000	-	1,405	-
Mr. P.J. Munday	-	2,949	10,000	-	2,150	-
Mr. J. Osborne	-	3,430	5,000	-	2,955	-
Mr. C.J. Rea	28	2,650	15,000	28	2,251	-
Mr. R.P. Watson	-	1,658	10,000	-	1,658	-

In common with other employees of Pearson plc group companies, the above directors may participate in the Pearson plc Save As You Earn Stock Option Scheme under which rights are granted to purchase Ordinary Stock upon the expiry of 5 or 7 year periods. Option prices under the Scheme are related to prices ruling on the Stock Exchange on the last but one dealing day before the date of the letter inviting applications. In addition, the above directors participate in the Pearson plc Senior Executive Share Option Scheme.

LONGMAN GROUP UK LIMITED

REPORT OF THE DIRECTORS (continued)

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the company made various charitable contributions totalling £33,657 (1985 - £30,872). The company did not make any political contributions during the year. (1985 - Nil).

POLICY ON INFORMATION FOR EMPLOYEES

The company attaches great importance to the creation amongst its employees of a sense of involvement in, and identification with, the objectives and success of the business.

For several years the company has aimed to encourage this sense of involvement specifically through the provision to every employee of quarterly and annual information on the progress and objectives of the company. Regular meetings are held with all staff to keep them fully informed of the company's progress and future plans.

All employees after a specified period of service are eligible to participate in the Pearson plc Save As You Earn Stock Option Scheme.

EMPLOYMENT OF DISABLED PERSONS

Full consideration is given by the company to applications for employment made by disabled persons, with due regard to their particular aptitudes and abilities. Employees who become disabled during their employment are given every assistance to continue their employment in appropriate positions. Disabled employees are given the same opportunities for training, career development and promotion as other employees, subject to their particular disabilities.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the company will be put to the annual general meeting.

By Order of the Board



J.E. Robinson
Secretary

5 Bentinck Street
London W1N 5RN

23rd March 1987

LONGMAN GROUP UK LIMITED

AUDITORS' REPORT TO THE MEMBERS OF LONGMAN GROUP UK LIMITED

We have audited the financial statements on pages 5 to 17 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1986 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.



Deloitte Haskins & Sells
Chartered Accountants

London

23rd March 1987

LONGMAN GROUP UK LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1986

	<u>Notes</u>	1986 <u>£000</u>	1985 <u>£000</u>
Turnover	2	60,207	54,219
Cost of sales		(33,712)	(32,493)
Gross profit		26,495	21,726
Other net operating expenses	3	(21,374)	(16,610)
Operating profit		5,121	5,116
Investment income	4	174	791
Profit before interest payable		5,295	5,907
Interest payable	5	(7)	(1,274)
Profit on ordinary activities before taxation	6	5,288	4,633
Taxation	9	(2,205)	(1,743)
Profit on ordinary activities after taxation		3,083	2,890
Dividends			
Interim paid		(1,280)	-
Final proposed		(1,570)	(1,450)
Retained profit credited to profit and loss account		233	1,440

This profit and loss account should be read in conjunction with the notes on pages 8 to 17.

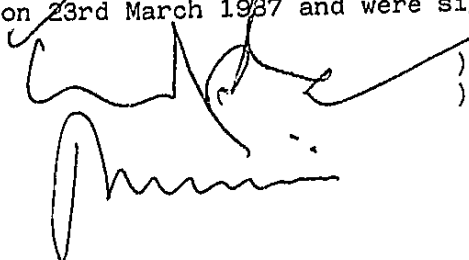
LONGMAN GROUP UK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1986

	<u>Notes</u>	<u>1986</u> <u>£000</u>	<u>1985</u> <u>£000</u>
FIXED ASSETS			
Tangible assets	10	7,915	5,938
Investments	11	-	1,210
		-----	-----
		7,915	7,148
		-----	-----
CURRENT ASSETS			
Stocks	12	18,420	18,605
Debtors	13	27,002	25,732
Investments		112	4
Cash at bank and in hand		1,336	625
		-----	-----
		46,870	44,966
CURRENT LIABILITIES			
Creditors : Amounts falling due within one year	14	(29,424)	(26,758)
		-----	-----
NET CURRENT ASSETS		17,446	18,208
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		25,361	25,356
		=====	=====
CREDITORS: Amounts falling due after more than one year:			
Loan from holding company		18,000	18,500
Corporation tax		1,983	1,743
		-----	-----
		19,983	20,243
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	9	535	503
		-----	-----
		20,518	20,746
		-----	-----
CAPITAL AND RESERVES			
Called up share capital	15	500	500
Share premium account	16	1,014	1,014
Other reserves	16	751	783
Profit and loss account	17	2,578	2,313
		-----	-----
		4,843	4,610
		-----	-----
		25,361	25,356
		=====	=====

This balance sheet should be read in conjunction with the notes on pages 8 to 17.

The financial statements on pages 5 to 17 were approved by the board of directors on 23rd March 1987 and were signed on its behalf by:

 Directors

LONGMAN GROUP UK LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 DECEMBER 1986

	1986 <u>£000</u>	1985 <u>£000</u>
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	5,288	4,633
Items not involving the movement of funds		
Depreciation	1,067	826
Profit on disposal of tangible fixed assets (1985 - Loss)	(15)	143
	-----	-----
Funds generated from operations	6,340	5,602
Proceeds from disposals of fixed asset investments	1,210	5,099
Proceeds from disposals of tangible fixed assets	230	197
	-----	-----
Total source of funds	7,780	10,898
	-----	-----
APPLICATION OF FUNDS		
Purchase of fixed asset investments	-	809
Purchase of goodwill	-	753
Purchase of tangible fixed assets	3,259	2,468
Taxation paid	1,022	951
Dividends paid 1984	-	1,720
1985	1,450	-
1986	1,280	-
	-----	-----
Total application of funds	7,011	6,701
	-----	-----
NET SOURCE OF FUNDS	769	4,197
	=====	=====
INCREASE IN WORKING CAPITAL		
Decrease in stocks (1985 - Increase)	(185)	2,663
Increase in amounts due from group companies	563	3,187
Decrease in amounts due from related companies	(1,381)	3,803)
Increase in other debtors (1985 - Decrease)	2,088	(888)
Increase in current asset investments	108	4
Increase in amounts owed to group companies (1985 - Decrease)	(1,601)	4,361
Decrease in other creditors (1985 - Increase)	420	(1,361)
	-----	-----
	12	4,163
	-----	-----
INCREASE IN LIQUID FUNDS		
Increase in cash balances	711	265
Decrease in overdraft (1985 - Increase)	46	(231)
	-----	-----
	757	34
	-----	-----
	769	4,197
	=====	=====

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986

1. ACCOUNTING POLICIES

- a) Basis of accounting
The financial statements are prepared on the historical cost basis of accounting, modified to include the revaluation of certain fixed assets.
- b) Fixed Assets
Tangible fixed assets are stated at cost or valuation as shown in note 10 and are depreciated over their estimated economic lives by equal annual instalments. Freehold buildings and long leaseholds are depreciated at 2% per annum, short leaseholds over the period of their leases, motor vehicles at 25% per annum and other plant and equipment at appropriate rates between 5% and 33 $\frac{1}{3}$ % per annum.
- c) Goodwill
The cost of goodwill purchased is deducted from reserves in the year of acquisition.
- d) Stocks and work in progress
Stocks and work in progress are valued at the lower of cost and net realisable value. Cost comprises all costs related to production processes which are, in the main, carried out by third parties.
- e) Deferred taxation
The company provides deferred taxation at the expected applicable rates, 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 crystallise a tax liability. The major timing differences and the amounts involved are set out in note 9.
- f) Overseas currencies
Assets and liabilities in overseas currencies are translated into sterling at the rates ruling at the balance sheet date, but where currency balances are covered by forward foreign exchange contracts, provision is made in the profit and loss account to restate these balances in the balance sheet at the appropriate forward rate. Profits and losses arising on translation and on remittances during the year have been included in profit before taxation.
- g) Turnover
Turnover represents the net amount receivable for goods and services excluding value added tax.
- h) Leases
Lease payments in respect of assets held under operating leases are written off as they are incurred. The financial obligations under such leases are set out in note 19.

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986 (continued)

2. GEOGRAPHICAL ANALYSIS OF TURNOVER

	1986 <u>£000</u>	1985 <u>£000</u>
U.K.	27,451	23,111
North America	2,893	2,405
Central and South America	3,860	2,887
Europe	10,513	9,937
Africa (excluding Arab World)	4,334	5,524
Arab World	5,196	4,764
Asia	4,221	3,993
Australasia	1,739	1,598
	----- 60,207 =====	----- 54,219 =====

3. OTHER NET OPERATING EXPENSES

	1986 <u>£000</u>	1985 <u>£000</u>
Distribution costs	3,457	3,146
Administration, marketing and other expenses	20,095	15,392
	----- 23,552	----- 18,538
Other operating income	(2,178)	(1,928)
	----- 21,374 =====	----- 16,610 =====

4. INVESTMENT INCOME

	1986 <u>£000</u>	1985 <u>£000</u>
Income from shares in group companies	-	369
Interest receivable from group companies	-	8
Other interest receivable	174	414
	----- 174 =====	----- 791 =====

5. INTEREST PAYABLE

	1986 <u>£000</u>	1985 <u>£000</u>
Loans repayable within five years	-	1,265
Group companies	6	9
Bank overdraft	1	-
Other interest payable	----- 7 =====	----- 1,274 =====

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986 (continued)

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1986	1985
	<u>£000</u>	<u>£000</u>
After charging:		
Depreciation of fixed assets	1,067	826
Auditors' remuneration	109	101
Operating lease rentals - equipment	16	311
- other	430	497
	=====	=====

7. EMOLUMENTS OF DIRECTORS	1986	1985
	<u>£000</u>	<u>£000</u>
Fees	-	-
Other emoluments	623	440
Compensation for loss of office	-	80
	-----	-----
	623	520
	=====	=====

Analysis of directors' remuneration (exclusive of contributions to pension funds):

	1986	1985
	<u>£000</u>	<u>£000</u>
Chairman and highest paid director	80	66
	=====	=====
Other directors	<u>Number</u>	<u>Number</u>
up to £ 5,000	-	One
£30,001 to £35,000	Two	-
£35,001 to £40,000	Two	Four
£40,001 to £45,000	Two	Two
£45,001 to £50,000	Three	One
£50,001 to £55,000	-	One
£55,001 to £60,000	One	-
£60,001 to £65,000	One	-
	=====	=====

8. EMPLOYEES

The number of senior employees of the company, other than directors, who received remuneration in excess of £30,000 (exclusive of contributions to pension funds) was:-

	1986	1985
	<u>Number</u>	<u>Number</u>
£30,001 to £35,000	Two	Three
£35,001 to £40,000	One	-
	=====	=====

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986 (continued)

8. EMPLOYEES (continued)

The average weekly number of persons (including directors) employed by the company during the year and their aggregate remuneration for the year was:

	<u>1986</u> <u>Number</u>	<u>1985</u> <u>Number</u>
Publishing	478	496
Distribution	94	89
Selling and administration	567	509
	-----	-----
	1,139	1,094
	=====	=====
	<u>1986</u> <u>£000</u>	<u>1985</u> <u>£000</u>
Wages and salaries	11,103	9,975
Social security costs	883	744
Other pension costs	638	617
	-----	-----
	12,624	11,336
	=====	=====

9. TAXATION

	<u>1986</u> <u>£000</u>	<u>1985</u> <u>£000</u>
i) Taxation on profit of the year:		
Corporation tax based on a rate of 36.25% (1985 - 41.25%)	2,134	1,856
Double taxation relief	(151)	(151)
	-----	-----
	1,983	1,705
UK Deferred taxation	57	(10)
Overseas taxation	151	151
	-----	-----
	2,191	1,846
Taxation adjustments relating to previous year:		
Corporation tax	39	(106)
Deferred taxation	(25)	3
	-----	-----
	2,205	1,743
	=====	=====
ii) Deferred Taxation	<u>1986</u> <u>£000</u>	<u>1985</u> <u>£000</u>
The total potential liability to deferred taxation at 31st December is as follows:		
Capital allowances	535	503
	=====	=====

In accordance with the accounting policy set out in note 1(e), the above total potential liability has been provided in full.

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986 (continued)

10. FIXED ASSETS: TANGIBLE ASSETS

	<u>Properties</u> £000	<u>Plant & Motor Vehicles</u> £000	<u>Fixtures & Fittings</u> £000	<u>Total</u> £000
<u>Cost or Valuation:</u>				
At 1st January 1986	3,722	2,755	2,734	9,211
Additions at cost	234	1,474	1,551	3,259
Disposals at cost	(7)	(626)	(47)	(680)
Transfers of classification	(45)	44	1	-
	-----	-----	-----	-----
At 31st December 1986	3,904	3,647	4,239	11,790
	-----	-----	-----	-----
At Directors valuation 1976	1,082	-	-	1,082
At cost	2,822	3,647	4,239	10,708
	-----	-----	-----	-----
	3,904	3,647	4,239	11,790
	-----	-----	-----	-----
<u>Depreciation:</u>				
At 1st January 1986	856	1,113	1,304	3,273
Provided in accounts	72	473	522	1,067
Eliminated in respect of disposals	(7)	(431)	(27)	(465)
Transfers of classification	(23)	23	-	-
	-----	-----	-----	-----
At 31st December 1986	898	1,178	1,799	3,875
	-----	-----	-----	-----
<u>Net book values:</u>				
At 31st December 1986	3,006	2,469	2,440	7,915
	=====	=====	=====	=====
At 31st December 1985	2,866	1,642	1,430	5,938
	=====	=====	=====	=====

The net book value of the properties comprises:

	1986 £000	1985 £000
Freehold	1,778	1,734
Long leasehold	914	896
Short leasehold	314	236
	-----	-----
	3,006	2,866
	=====	=====

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986 (continued)

11. FIXED ASSETS: INVESTMENTS

	1986 <u>£000</u>	1985 <u>£000</u>
Shares in Group Companies:		
Cost and net book value		
At 1st January 1986	1,210	5,500
Additions	-	809
	-----	-----
	1,210	6,309
Less: Transfers to Holding Company	(1,210)	(5,099)
	-----	-----
At 31st December 1986	Nil	1,210
	=====	=====

12. STOCKS

	1986 <u>£000</u>	1985 <u>£000</u>
Paper and other raw materials	2,498	2,752
Work in progress	2,872	2,757
Books and other finished stocks	12,519	12,626
Other stocks	531	470
	-----	-----
	18,420	18,605
	=====	=====

The replacement cost of these stocks is estimated as being approximately £600,000 greater than the amounts stated above.

13. DEBTORS

	1986 <u>£000</u>	1985 <u>£000</u>
Amounts falling due within one year		
Trade debtors	15,109	12,285
Amounts owed by group companies	6,609	6,046
Amounts owed by related companies	1,159	2,540
Other debtors	2,005	2,573
Prepayments and accrued income	946	625
	-----	-----
	25,828	24,069
	-----	-----
Amounts falling due after more than one year		
Prepayments	1,143	1,579
Other debtors	31	84
	-----	-----
	1,174	1,663
	-----	-----
	27,002	25,732
	=====	=====

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986 (continued)

14. CREDITORS	<u>1986</u> <u>£000</u>	<u>1985</u> <u>£000</u>
Amounts falling due within one year:		
Bank overdraft	782	828
Borrowings from group companies	-	800
Trade creditors	1,446	1,605
Amounts owed to group companies (including proposed final dividend)	13,048	10,027
Corporation tax	1,966	1,055
Other taxation and social security payable	348	320
Other creditors	1,193	1,737
Accruals and deferred income	10,641	10,386
	-----	-----
	29,424	26,758
	=====	=====

15. CALLED UP SHARE CAPITAL	<u>1986</u> <u>£000</u>	<u>1985</u> <u>£000</u>
Authorised, issued and fully paid 500,000 ordinary shares at £1 each	500	500
	===	===

16. SHARE PREMIUM ACCOUNT AND OTHER RESERVES	<u>£000</u>
Share premium account:	
At 1 January 1986 and 31 December 1986	1,014
	=====
Capital reserves:	
At 1 January 1986	783
Transfer to profit and loss account	(32)

At 31 December 1986	751
	===

17. PROFIT AND LOSS ACCOUNT	<u>£000</u>
At 1 January 1986	2,313
Transfer from capital reserves	32
Retained profit for the year	233

At 31 December 1986	2,578
	=====

18. CAPITAL COMMITMENTS

Commitments for capital expenditure at 31 December 1986 amounted to £129,000 (1985 - £561,000). Expenditure authorised, but not contracted for at that date was Nil (1985 - Nil).

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986 (continued)

19. OPERATING LEASES

Operating lease rentals payable in the next twelve months are:

	Land and Buildings		Other Operating Leases	
	1986	1985	1986	1985
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Expiry of commitments from balance sheet date:				
Within one year	-	-	-	-
Two to five years	67	58	11	-
After five years	363	363	-	-
	430	421	11	-
	=====			

20. CONTINGENT LIABILITIES

Bank and other guarantees and indemnities at 31 December 1986 amounted to £470,020 (1985 - £577,305) in respect of third parties and £nil (1985 - £2,998,204) in respect of fellow subsidiaries. The company has also given a guarantee in respect of bank overdrafts of certain subsidiaries totalling £281,667 (1985 - £482,079). Losses arising on outstanding forward exchange contracts if translated at year end rate would be £79,704 (1985 - £28,347).

21. DEBENTURE STOCKS OF PEARSON PLC

The company together with certain other subsidiaries of Pearson plc has guaranteed interest on and repayment of £30,936,000 guaranteed unsecured loan stock of Pearson plc.

22. QUASI LOANS

The following quasi loan was made to a director during the year:

M.G.P. Wymer - £9.00

This loan was repaid before 31 December 1986.

23. PENSION COMMITMENTS

The company operates a pension scheme, which is reviewed regularly by actuaries and is funded in accordance with their advice. Pension contributions are held in independent trust administered funds.

24. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Pearson plc, a company incorporated in Great Britain.

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986 (continued)

25. SUBSIDIARY COMPANIES

The company's subsidiaries, all of whose share capital is 100% owned, except where otherwise stated, are:

	<u>Country of incorporation or registration</u>	<u>Proportion held</u>
Longman Group (Overseas Holdings) Ltd	England	100% B Shares of £1
Longman Caribbean Ltd	Trinidad	
Longman English Language Schools(Far East)Ltd	Hong Hong	
Longman Espana S.A.	Spain	
Longman France S.A.	France	
Longman Group (Far East) Holdings Ltd	Hong Kong	
Longman Australia Proprietary Ltd	Australia	
Longman Cheshire Proprietary Ltd	Australia	
Longman Paul Ltd	New Zealand	
Longman Professional Publishing Pty Ltd	Australia	
Pitman Publishing Proprietary Ltd	Australia	
Pitman Publishing New Zealand Ltd	New Zealand	
Universities Press Proprietary Ltd	Australia	
Longman Group (Far East) Ltd	Hong Kong	
Longman Malaysia Sendirian Berhad	Malaysia	
Longman Singapore Publishers (PTE) Ltd	Singapore	
Longman Hellas Publishing S.A.	Greece	
Longman Italia s.r.l.	Italy	
Longman Jamaica Ltd	Jamaica	
Longman Kenya Ltd	Kenya	60%
Longman Lesotho Proprietary Ltd	Lesotho	
Longman Botswana Proprietary Ltd	Botswana	
Longman Malawi Ltd	Malawi	
Longman Penguin Japan Co Ltd	Japan	
Longman Publishing (Asia) Ltd	England	
Longman Sierra Leone Ltd	Sierra Leone	
Longman Swaziland (Proprietary) Ltd	Swaziland	
Longman Tanzania Ltd	Tanzania	
Longman Uganda Ltd	Uganda	
Longman Zambia Ltd	Zambia	
Longman Zimbabwe (Private) Co Ltd	Zimbabwe	
Pitman International Ltd	England	
Pitman Malaysia Sendirian Berhad	Malaysia	
Pitman PTE Ltd	Singapore	
Pitman Publishing Co South Africa Pty Ltd	South Africa	

Group accounts are not submitted as the company is itself a wholly owned subsidiary of another body corporate incorporated in Great Britain. In the opinion of the directors the value of the company's interests in its subsidiaries is not less than the amount at which they are stated in the balance sheet.

LONGMAN GROUP UK LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1986 (continued)

On 1st January 1986, the following subsidiaries were transferred to the ownership of Longman Holdings Limited:-

Books for Schools Ltd
Common Ground (1951) Ltd
The Construction Press Ltd
Councils and Education Press Ltd
Crown Eagle Communications Ltd
George Godwin Ltd
Keesings Publications Ltd
UK Tax Congress Ltd

On 23rd December 1986, the following subsidiaries were transferred to the ownership of Longman Holdings Limited:-

Longman Cartermill Ltd
Innovation Publishing Ltd