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LONGMAN GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1985



LONGMAN GROUP LIMITED

REPORT OF THE DIRECTORS

The directors submit their annual report and the audited financial statements for the year ended 31st December 1985.

RESULT AND DIVIDENDS

	<u>£000</u>
Net profit for the year after taxation	2,890
Dividend proposed	<u>(1,450)</u>
Transfer to reserves	1,440

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.

Sales and profits were above the previous year reflecting both the results of acquisitions in 1984 and 1985 and growth in pre-existing businesses. Trading conditions were generally somewhat more favourable than in 1984 though Longman continued to be adversely affected by low levels of spending on schoolbooks and by libraries in the UK and by continuing economic conditions in some 'Third World' markets.

There were, however, some outstanding performances, notably by the English language teaching division where sales increased by 30% and trading profits by 47%. A significant contribution to that performance was made by the success of two new distribution companies in Europe, Longman Espana and Longman Italia, which started operations at the beginning of the year.

The pace of development in 1985 was fast. Acquisitions made in the UK included the Addison-Wesley UK schools list and the Polytech list and also during the year, Longman Cartermill Limited became a subsidiary of Longman Group Limited.

Churchill Livingstone UK, Britain's largest medical publisher expanded its sales and publishing considerably (partly through the addition of Pitman Medical). The rest of the Longman UK company had a very mixed year. There was a fair performance from academic publishing and the schools publishing division did improve its results through the year (by increase in market share) but the signs of continued low spending and other problems such as the teachers' dispute showed through in poor sales at the end of the year.

Though still kept low by planned development costs, margins in the UK's important business and professional publishing activities began to improve and the seminars business (Crown Eagle and Longman Seminars) had a very successful year. In the UK company's export markets, Longman again suffered from economic and importing problems in Nigeria and the Arab World, though sales were more buoyant to East Africa, India, Japan and Latin America.

The 1985 results fairly reflect the key strategies, being rigorously pursued by Longman, of taking advantage of new growth markets, especially in business and professional publishing, as well as exploiting our competitive advantage in educational markets; and of diversifying internationally.

LONGMAN GROUP 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 1985 is approximately £2,000,000 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 £390,000.

SIGNIFICANT MOVEMENTS IN TANGIBLE FIXED ASSETS

During the year Longman Group Limited acquired the freehold title to its major operating site for £897,000. The company previously held the leasehold title to this property. Details of other movements in tangible fixed assets are disclosed in note 11.

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

	<u>Pearson plc</u>			
	<u>25p Ordinary Shares</u>			
	<u>31st December 1985</u>		<u>31st December 1984</u>	
	<u>Beneficial</u>	<u>Options</u>	<u>Beneficial</u>	<u>Options</u>
Mr. R.G.B. Duncan	-	3,934	-	1,659
Ms. P. Kahn	-	3,318	-	1,659
Mr. M.P. Kelley	1,000	2,055	312	-
Mr. D.J. Mortimer (resigned 11.1.1985)	-	-	50	-
Mr. P.J. Munday	-	2,150	-	1,075
Mr. C.J. Rea	28	2,251	14	869
Mr. R.P. Watson	-	1,658	-	829

On 1st January 1986, the following were appointed as directors:-

Mr. P. Blackburn
Ms. J.M. Little
Mr. J. Osborne

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.

LONGMAN GROUP LIMITED

REPORT OF THE DIRECTORS (continued)

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the company made various charitable contributions totalling £30,872 (1984 - £21,246). The company did not make any political contributions during the year. (1984 - 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

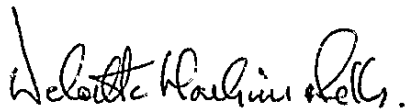
5 Bentinck Street
London W1N 5RN

24th March 1986

AUDITORS' REPORT TO THE MEMBERS OF LONGMAN GROUP 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 1985 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

24th March 1986

LONGMAN GROUP LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1985

	<u>Notes</u>	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
Turnover	2	54,219	46,748
Cost of sales		(32,493)	(27,488)
Gross profit		21,726	19,260
Other net operating expenses	3	(16,610)	(15,926)
Operating profit		5,116	3,334
Investment income	4	791	1,919
Profit before interest payable		5,907	5,253
Interest payable	5	(1,274)	(1,406)
Profit on ordinary activities before taxation	6	4,633	3,847
Taxation	9	(1,743)	(707)
Profit on ordinary activities after taxation		2,890	3,140
Extraordinary item	10	-	(311)
Profit for the financial year		2,890	2,829
Dividends			
Interim paid		-	(780)
Final proposed		(1,450)	(1,720)
Retained profit credited to profit and loss account		1,440	329

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

LONGMAN GROUP LIMITED

BALANCE SHEET AS AT 31st DECEMBER 1985

	Notes	1985 £000	1984 £000
FIXED ASSETS			
Tangible assets	11	5,938	4,636
Investments	12	1,210	5,500
		<hr/>	<hr/>
		7,148	10,136
CURRENT ASSETS			
Stocks	13	18,605	15,942
Debtors	14	25,732	27,236
Investments		4	-
Cash at bank and in hand		625	360
		<hr/>	<hr/>
		44,966	43,538
CURRENT LIABILITIES			
Creditors : Amounts falling due within one year	15	(26,758)	(30,195)
		<hr/>	<hr/>
NET CURRENT ASSETS		18,208	13,343
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		25,356	23,479
CREDITORS: Amounts falling due after more than one year	15	(20,243)	(19,050)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	9	(503)	(506)
		<hr/>	<hr/>
NET ASSETS		4,610	3,923
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	16	500	500
Share premium account	17	1,014	1,014
Other reserves	17	783	629
Profit and loss account	18	2,313	1,780
		<hr/>	<hr/>
		4 10	3,923
		=====	=====

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 24th March 1986 and were signed on its behalf by:

T.J. Bix
J.D. Williamson } Directors

LONGMAN GROUP LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31st DECEMBER 1985

	1985 <u>£000</u>	1984 <u>£000</u>
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	4,633	3,847
Items not involving the movement of funds		
Depreciation	826	667
Loss on disposal of tangible fixed assets	<u>143</u>	<u>16</u>
Funds generated from operations	5,602	4,530
Proceeds from disposals of fixed asset investments	5,099	-
Proceeds from disposals of tangible fixed assets	<u>197</u>	<u>194</u>
Total source of funds	<u>10,898</u>	<u>4,724</u>
APPLICATION OF FUNDS		
Purchase of fixed asset investments	809	-
Purchase of goodwill	753	77
Purchase of tangible fixed assets	2,468	1,708
Taxation paid	951	583
Dividends paid 1983	-	1,200
1984	1,720	780
	<u>6,701</u>	<u>4,348</u>
Total application of funds	<u>6,701</u>	<u>4,348</u>
NET SOURCE OF FUNDS	4,197	376
	=====	=====
INCREASE IN WORKING CAPITAL		
Increase in stocks	2,663	1,971
Increase in amounts due from group companies	3,187	552
Decrease in amounts due from related companies (1984 - increase)	(3,803)	191
Decrease in other debtors (1984 increase)	(838)	4,315
Increase in current asset investments	4	-
Decrease in amounts owed to group companies	4,361	3,251
Increase in other creditors (1984 - decrease)	<u>(1,361)</u>	<u>1,618</u>
	<u>4,163</u>	<u>11,898</u>
INCREASE IN LIQUID FUNDS (1984 - DECREASE)		
Increase in cash balances (1984 - decrease)	265	(11,175)
Increase in overdraft	<u>(231)</u>	<u>(347)</u>
	<u>34</u>	<u>(11,522)</u>
	4,197	376
	=====	=====

LONGMAN GROUP LIMITED

NOTES ON THE ACCOUNTS - 31st DECEMBER 1985

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 11 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 33⅓% 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. 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 20.

LONGMAN GROUP LIMITED

NOTES ON THE ACCOUNTS - 31st DECEMBER 1985 (continued)

2. GEOGRAPHICAL ANALYSIS OF TURNOVER	1985 <u>£000</u>	1984 <u>£000</u>
U.K.	23,111	19,132
North America	2,405	2,181
Central and South America	2,887	2,470
Europe	9,937	6,804
Africa (excluding Arab World)	5,524	6,185
Arab World	4,764	4,675
Asia	3,993	3,432
Australasia	<u>1,598</u>	<u>1,869</u>
	54,219 =====	46,748 =====
3. OTHER NET OPERATING EXPENSES	1985 <u>£000</u>	1984 <u>£000</u>
Distribution costs	3,146	2,632
Administration, marketing and other expenses	<u>15,392</u>	<u>14,795</u>
	<u>18,538</u>	<u>17,427</u>
Other operating income	<u>(1,928)</u>	<u>(1,501)</u>
	16,610 =====	15,926 =====
4. INVESTMENT INCOME	1985 <u>£000</u>	1984 <u>£000</u>
Income from shares in group companies	369	1,029
Interest receivable from group companies	8	845
Other interest receivable	<u>414</u>	<u>45</u>
	791 =====	1,919 =====
5. INTEREST PAYABLE	1985 <u>£000</u>	1984 <u>£000</u>
Loans repayable within five years		
Group companies	1,265	1,293
Bank overdraft	9	18
Loan originally repayable after five years, repaid 30.3.84		
US Dollar bank loan	<u>--</u>	<u>95</u>
	1,274 =====	1,406 =====

LONGMAN GROUP LIMITED

NOTES ON THE ACCOUNTS - 31st DECEMBER 1985 (continued)

6.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1985 <u>£000</u>	1984 <u>£000</u>
	After charging:		
	Depreciation of fixed assets	826	667
	Auditors' remuneration	101	94
	Operating lease rentals - equipment	311	277
	- other	497	515
		=====	=====

7.	EMOLUMENTS OF DIRECTORS	1985 <u>£000</u>	1984 <u>£000</u>
	Fees	-	-
	Other emoluments	440	473
	Compensation for loss of office	80	-
		<u>520</u>	<u>473</u>
		=====	=====

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

	1985 <u>£000</u>	1984 <u>£000</u>
Chairman and highest paid director	66	63
	=====	=====

Other directors	<u>Number</u>	<u>Number</u>
up to £ 5,000	One	-
£15,001 to £20,000	-	One
£30,001 to £35,000	-	Five
£35,001 to £40,000	Four	Two
£40,001 to £45,000	Two	-
£45,001 to £50,000	One	One
£50,001 to £55,000	One	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:-

	1985 <u>Number</u>	1984 <u>Number</u>
£30,001 to £35,000	Three	One
	=====	=====

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

	1985 <u>Number</u>	1984 <u>Number</u>
Publishing	496	489
Distribution	89	87
Selling and administration	<u>509</u>	<u>482</u>
	1,094	1,058
	=====	=====

LONGMAN GROUP LIMITED

NOTES ON THE ACCOUNTS - 31st DECEMBER 1985 (continued)

8.	EMPLOYEES (continued)	1985 <u>£000</u>	1984 <u>£000</u>
	Wages and salaries	9,975	9,161
	Social security costs	744	746
	Other pension costs	617	748
		<u>11,336</u>	<u>10,655</u>
		=====	=====
9.	TAXATION	1985 <u>£000</u>	1984 <u>£000</u>
i)	Taxation on profit of the year		
	Corporation tax based on a rate of 41.25%, (1984 - 46.25%)	1,856	1,093
	Double taxation relief	(151)	(50)
		<u>1,705</u>	<u>1,043</u>
	UK Deferred taxation	(10)	161
	Overseas taxation	151	50
		<u>1,846</u>	<u>1,254</u>
	Taxation adjustments relating to previous year:		
	Corporation tax	(106)	(481)
	Deferred taxation	3	(66)
		<u>1,743</u>	<u>707</u>
		=====	=====
ii)	Deferred Taxation	1985 <u>£000</u>	1984 <u>£000</u>
	The total potential liability to deferred taxation at 31st December is as follows:		
	Capital allowances	503	506
		=====	=====
	In accordance with the accounting policy set out in note 1(e), the following deferred taxation has been provided.		
	Capital allowances	503	506
		=====	=====
	During the year £4,000 was transferred to deferred taxation on the amalgamation of the Crown Eagle Communications Limited business into that of the company.		
10.	EXTRAORDINARY ITEM	1985 <u>£000</u>	1984 <u>£000</u>
	Increase in provision for deferred tax on as at 1st January 1984 in the light of changes in capital allowances and rates of corporation tax contained in the Finance Act 1984.	-	311
		=====	=====

LONGMAN GROUP LIMITED

NOTES ON THE ACCOUNTS - 31st DECEMBER 1985 (continued)

11. FIXED ASSETS: TANGIBLE ASSETS

<u>Cost or Valuation:</u>	<u>Properties</u> £000	<u>Plant & Motor Vehicles</u> £000	<u>Fixtures & Fittings</u> £000	<u>Total</u> £000
At 1st January 1985	2,727	1,974	2,716	7,417
Additions at cost	1,117	701	651	2,469
Disposals at cost	(122)	(454)	(99)	(675)
Transfers of classification	-	534	(534)	-
At 31st December 1985	3,722	2,755	2,734	9,211
At Directors valuation 1976	1,082	-	-	1,082
At cost	2,640	2,755	2,734	8,129
	3,722	2,755	2,734	9,211
<u>Depreciation:</u>				
At 1st January 1985	788	795	1,198	2,781
Provided in accounts	79	405	342	826
Eliminated in respect of disposals	(11)	(288)	(35)	(334)
Transfers of classification	-	201	(201)	-
At 31st December 1985	856	1,113	1,304	3,273
<u>Net book values:</u>				
At 31st December 1985	2,866	1,642	1,430	5,938
	=====	=====	=====	=====
At 31st December 1984	1,939	1,179	1,518	4,636
	=====	=====	=====	=====

The net book value of the properties comprises:-

	1985 £000	1984 £000
Freehold	1,734	-
Long leasehold	896	1,663
Short leasehold	236	276
	=====	=====
	2,866	1,939
	=====	=====

LONGMAN GROUP LIMITED

NOTES ON THE ACCOUNTS - 31st DECEMBER 1985 (continued)

12. FIXED ASSETS: INVESTMENTS

	1985	1984
	<u>£000</u>	<u>£000</u>
Shares in Group Companies		
Cost and net book value		
At 1st January 1985	5,500	5,500
Additions	<u>809</u>	<u>-</u>
	6,309	5,500
Less:- Transfers to Holding Company	<u>(5,099)</u>	<u>-</u>
At 31st December 1985	<u>1,210</u>	<u>5,500</u>
	=====	=====

13. STOCKS

	1985	1984
	<u>£000</u>	<u>£000</u>
Paper and other raw materials	2,752	2,696
Work in progress	2,757	1,898
Books and other finished stocks	12,626	10,816
Other stocks	<u>470</u>	<u>532</u>
	18,605	15,942
	=====	=====

The replacement cost of these stocks is estimated as being approximately £800,000 greater than the amounts stated above.

14. DEBTORS

	1985	1984
	<u>£000</u>	<u>£000</u>
Amounts falling due within one year		
Trade debtors	12,285	14,832
Amounts owed by group companies	6,046	2,859
Amounts owed by related companies	2,540	6,343
Other debtors	2,573	611
Prepayments and accrued income	625	971
	<u>24,069</u>	<u>25,616</u>
Amounts falling due after more than one year		
Prepayments	1,579	1,524
Other debtors	84	96
	<u>1,663</u>	<u>1,620</u>
	25,732	27,236
	=====	=====

LONGMAN GROUP LIMITED

NOTES ON THE ACCOUNTS - 31st DECEMBER 1985 (continued)

15. CREDITORS	1985 <u>£000</u>	1984 <u>£000</u>
Amounts falling due within one year		
Bank overdraft	828	597
Borrowings from group companies	800	8,500
Trade creditors	1,605	1,601
Amounts owed to group companies (including proposed final dividend)	10,027	7,458
Corporation tax	1,055	953
Other taxation and social security payable	320	284
Other creditors	1,737	1,167
Accruals and deferred income	<u>10,386</u>	<u>9,635</u>
	26,758	30,195
	=====	=====
	1985 <u>£000</u>	1984 <u>£000</u>
Amounts falling due after more than one year		
Loan from holding company	18,500	18,000
Corporation tax	1,743	1,050
	<u>20,243</u>	<u>19,050</u>
	=====	=====
	1985 <u>£000</u>	1984 <u>£000</u>
16. CALLED UP SHARE CAPITAL		
Authorised, issued and fully paid 500,000 ordinary shares at £1 each	500	500
	===	===
17. SHARE PREMIUM ACCOUNT AND OTHER RESERVES		
	<u>£000</u>	
Share premium account		
At 1st January 1985 and 31st December 1985	1,014	
	=====	
Capital reserves		
At 1st January 1985	629	
Transfer from profit and loss account	<u>154</u>	
At 31st December 1985	783	
	===	

LONGMAN GROUP LIMITED

NOTES ON THE ACCOUNTS - 31st DECEMBER 1985 (continued)

18. PROFIT AND LOSS ACCOUNT	<u>£000</u>
At 1st January 1985	1,780
Goodwill written off	(753)
Transfer to capital reserves	(154)
Retained profit for the year	<u>1,440</u>
At 31st December 1985	2,313
	=====

The goodwill written off against the profit and loss account represents the purchase consideration for the goodwill, copyright and title of publications acquired in the year.

19. CAPITAL COMMITMENTS

Commitments for capital expenditure at 31st December 1985 amounted to £561,000 (1984 - £13,756). Expenditure authorised, but not contracted for at that date was Nil (1984 - Nil).

20. OPERATING LEASES

Operating lease rentals payable in the next twelve months are:

	<u>Land and Buildings</u>		<u>Other Operating Leases</u>	
	<u>1985 £000</u>	<u>1984 £000</u>	<u>1985 £000</u>	<u>1984 £000</u>
Expiry of commitments from balance sheet date:				
Within one year	-	76	-	311
Two to five years	58	58	-	-
After five years	363	363	-	-
	<u>421</u>	<u>497</u>	<u>-</u>	<u>311</u>
	=====	=====	=====	=====

LONGMAN GROUP LIMITED

NOTES ON THE ACCOUNTS - 31st DECEMBER 1985 (continued)

21. CONTINGENT LIABILITIES

Bank and other guarantees and indemnities at 31st December 1985 amounted to £577,305 (1984 - £293,904) in respect of third parties and £2,998,204 (1984 - £3,731,000) in respect of fellow subsidiaries. The company has also given a guarantee in respect of bank overdrafts of certain subsidiaries totalling £482,079 (1984 - £602,812).

22. DEBENTURE STOCKS OF PEARSON PLC

The company together with certain other subsidiaries of Pearson plc has guaranteed interest on and repayment of £30,937,000 guaranteed unsecured loan stock of Pearson plc.

23. QUASI LOANS

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

Mr. C.J. Rea - £26

This loan was repaid before 31st December 1985.

24. 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.

25. ULTIMATE HOLDING COMPANY

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

LONGMAN GROUP LIMITEDNOTES ON THE ACCOUNTS - 31st DECEMBER 1985 (continued)

26. 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>
Books for Schools Ltd	England	
Common Ground (1951) Ltd	England	
The Construction Press Ltd	England	
Councils and Education Press Ltd	England	
Crown Eagle Communications Ltd	England	
George Godwin Ltd	England	
Keesings Publications Ltd	England	
Longman Cartermill Ltd	England	86%
Innovation Publishing Ltd	England	
U.K. Tax Congress Ltd	England	
Longman Group (Overseas Holdings) Ltd	England	100% - B Shares of £1
Longman Australia Proprietary Ltd	Australia	
Longman Cheshire Proprietary Ltd	Australia	
Longman Paul Ltd	New Zealand	
Longman Professional Publishing Proprietary Ltd	Australia	
Longman Caribbean Ltd	Trinidad	
Longman English Language Schools(Far East)Ltd	Hong Kong	.
Longman Espana S.A.	Spain	
Longman France S.A	France	
Longman Group (Far East) Holdings Ltd	Hong Kong	
Longman Group Far East Ltd	Hong Kong	
Longman Hellas Publishing SA	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 Malaysia Sendirian Berhad	Malaysia	
Longman Penguin Japan Co Ltd	Japan	
Longman Publishing (Asia) Ltd	England	
Longman Sierra Leone Ltd	Sierra Leone	
Longman Singapore Publishers (PTE) Ltd	Singapore	
Longman Swaziland (Proprietary) Ltd	Swaziland	
Longman Tanzania Ltd	Tanzania	
Longman Uganda Ltd	Uganda	
Longman Zambia Ltd	Zambia	
Longman Zimbabwe (Private) Co Ltd	Zimbabwe	

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.