

The Financial Times (Japan) Limited

Registered Number:

1613900

Annual Report and Financial Statements

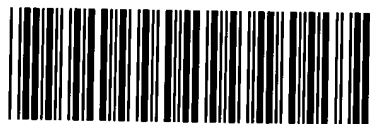
For the Year Ended:

31 December 2016

Registered address:

Number One Southwark Bridge, London, SE1 9HL

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The Financial Times (Japan) Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements of The Financial Times (Japan) Limited (the "Company") for the year ended 31 December 2016.

The Company has taken exemption from preparing a Strategic Report in accordance with s414B of the Companies Act 2006 relating to small companies.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The Company acts as the advertising, circulation and promotional representative of The Financial Times Limited in Japan. The directors do not anticipate any significant change in the Company's activities in the foreseeable future.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the Going Concern basis in preparing the annual financial statements. Further details can be found in Note 1.

Dividends

The directors recommend the payment of a final dividend in respect of the year ended 31 December 2016 of ¥50,000,000, equivalent to ¥500,000 per share (2015: nil).

Political contributions

No political contributions were made during the year (2015: nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

JD Lund

BM Hughes (resigned 29 July 2016)

AR Mackay (appointed 21 July 2016)

Directors' insurance

During the year ended 31 December 2016, the Company maintained insurance covering the directors of the Company against liabilities arising in relation to the Company in accordance with Section 233 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 101 "Reduced Disclosure Framework"). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Financial Times (Japan) Limited

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor

Deloitte LLP was appointed as auditor during 2016. Having indicated its willingness to continue in office, Deloitte LLP will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.


Disclosure of information to auditor

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the board



AM Fortescue
Company secretary

25 May 2017

Company registered number :
1613900

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FINANCIAL TIMES (JAPAN) LIMITED

We have audited the financial statements of The Financial Times (Japan) Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Kevin Thompson (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
25 May 2017

The Financial Times (Japan) Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended:

31 December 2016

	Note	2016 ¥'000	2015 ¥'000
Continuing operations			
Revenue	2	604,299	530,708
Cost of sales		(258,997)	(230,036)
Gross profit		345,302	300,672
Other operating income		4,259	7,470
Distribution costs		(198,585)	(191,294)
Administrative expenses		(126,564)	(109,685)
Operating profit	3	24,412	7,163
Profit before interest and taxation		24,412	7,163
Finance income	5	6	12
Finance costs	5	0	(250)
Profit before taxation		24,418	6,925
Tax on profit	6	(7,862)	10,683
Profit for the financial year		16,556	17,608
Other comprehensive income / (expense):			
Shares exercised/ lapsed during year		0	2,617
Tax adjustment - reserves		0	9,835
Transfers for share based payments		0	1,930
Other comprehensive income for the year		0	14,382
Total comprehensive income for the year		16,556	31,990

The Financial Times (Japan) Limited

BALANCE SHEET

As at:

31 December 2016

		2016	2015
	Note	¥'000	¥'000
Non current assets			
Property, Plant & Equipment	7	32,958	9,767
Deferred tax assets	11	41,687	40,246
		74,645	50,013
Current assets			
Trade and other receivables	8	198,625	200,691
Cash and bank balances		68,470	68,170
		267,095	268,861
Trade and other payables: amounts falling due within one year	9	(223,567)	(213,217)
Provisions for liabilities	10	(2,080)	(10,200)
Net current assets		41,448	45,444
Total assets less current liabilities		116,093	95,457
Retirement Benefit Obligations	14	(65,680)	(61,600)
Net assets		50,413	33,857
Capital and reserves			
Called up share capital	12	13	13
Profit and loss account		50,400	33,844
Total shareholders' funds		50,413	33,857

The financial statements on pages 5 - 25 were approved by the board of directors and authorised for issue on 25 May 2017. They were signed on its behalf by :



JB Lund
Director

The Financial Times (Japan) Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended:

31 December 2016

	Profit and loss account	Called up share capital	Other reserves	Total shareholders funds
	¥'000	¥'000	¥'000	¥'000
At 1 January 2015	1,854	13	2,364	4,231
Profit for the financial year	17,608	0	0	17,608
Other comprehensive income / (expense) for the year:				
Share-based payment transactions	0	0	2,732	2,732
Shares exercised/ lapsed during year	2,617	0	(2,617)	0
Tax adjustment - reserves	9,835	0	(549)	9,286
Transfers for share based payments	1,930	0	(1,930)	0
Total comprehensive income / (expense) for the year	31,990	0	(2,364)	29,626
At 31 December 2015	33,844	13	0	33,857
Profit for the financial year	16,556	0	0	16,556
Total comprehensive income for the year	16,556	0	0	16,556
At 31 December 2016	50,400	13	0	50,413

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended:

31 December 2016

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Accounting policies

The principal accounting policies are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

The Financial Times (Japan) Limited is a private company limited by shares incorporated in England, in the United Kingdom under the Companies Act 2006. The address of its registered office is Number One Southwark Bridge, London, SE1 9HL.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has adopted FRS 101 (Financial Reporting Standard 101 Reduced Disclosure Framework) as issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements requiring disclosure.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Consolidation

The Company is a wholly owned subsidiary of Nikkei Inc. and is included in the consolidated financial statements of Nikkei Inc. which are publicly available (note 16).

Going concern

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Foreign currency translation

The financial statements are presented in Japanese Yen (¥) which is also the Company's functional currency.

Transactions in currencies other than the functional currency are recorded using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not re-translated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

The share capital of the Company has been translated from pounds sterling (£) into Japanese Yen (¥) at a historical rate in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Accounting policies (continued)

Revenue recognition

Revenue represents commissions on advertising sales and service fees receivable from group companies and net newspaper circulation and online revenues from third parties and is recognised on an accruals basis as the related services are delivered.

Current and deferred income tax

Current tax is recognised on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of tax assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Property, Plant & Equipment

Tangible fixed assets are stated at historical cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Plant and machinery 10 years

Fixtures and fittings 3 - 10 years

Computer equipment 3 - 10 years

Leasehold improvements 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The carrying value of an asset is written down to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provisions for bad and doubtful debts and anticipated future sales returns.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks and other short-term investments with maturities of three months or less. Overdrafts are included in borrowings in current liabilities in the balance sheet.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Provisions

Provisions are recognised if the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. Provisions are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Accounting policies (continued)

Pensions

The Company's employees are members of The Financial Times (Japan) Limited Pension Plan, which is a defined benefit scheme. The scheme is unfunded and hence there are no assets to value each year. The liabilities are valued using the projected unit credit method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the Company's defined benefit pension scheme expected to arise from employee service in the period or arising from the passage of time is charged to the profit and loss account. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. An independent actuarial valuation is performed every three years and this was last performed by Towers Watson as at 30 June 2014.

Share-based payments

Options and shares were awarded to the Company's employees under Pearson share and option plans. The fair value of options or shares granted is recognised as an employee expense after taking into account the Company's best estimate of the number of awards expected to vest. Fair value was measured at the date of grant and was spread over the vesting period of the option or share. The fair value of the options granted was measured using an option model that was most appropriate to the award. The fair value of the shares awarded was measured using the share price at the date of grant unless another method was more appropriate. The schemes ceased as at 30 November 2015.

Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

Financial instruments

(a) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

(b) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Prior year disclosure restatement

During the financial years ending 31 December 2015 and 31 December 2016, the Company received tenancy income for a property which was sub-leased. In the prior year financial statements, this was included within Revenue in the Statement of Comprehensive Income. This has been disclosed as Other Operating Income in the current year, with the prior year restated by ¥7,470,000, to reflect the nature of the income.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Revenue

	2016	2015
		Restated -
		note 1
	¥'000	¥'000
Continuing operations		
Sale of goods	361,721	371,150
Provision of services	242,578	159,558
Total revenue	604,299	530,708

Revenue by geographical market is as follows:

	2016	2015
		Restated -
		note 1
	¥'000	¥'000
United Kingdom	242,578	159,558
Asia and Middle East	361,721	371,150
Total revenue	604,299	530,708

The Company's activities consist of one class of business namely net circulation revenues, commission on advertising sales and service fees.

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Operating profit

Operating profit is stated after charging/(crediting):

		2016	2015
	Note	¥'000	¥'000
Staff costs	4	171,252	138,515
Depreciation of tangible fixed assets:			
- owned		6,814	5,135
Operating lease charges		41,617	38,257
Net foreign exchange losses		1,814	3,335
Audit fees payable to the Company's auditor		2,202	2,147
Rental income		(4,259)	(7,470)

No fees were paid to the Company's auditor, Deloitte LLP, and its associates for services other than the statutory audit of the Company.

The Directors' services to this Company are of a non- executive nature and as such their emoluments are deemed to be wholly attributable to their services to other group companies.

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Staff costs			
	2016	2015	
Staff costs	¥'000	¥'000	
Wages and salaries	145,563	114,565	
Social security costs	19,434	15,490	
Other pension costs	6,255	5,728	
Share-based payment costs	0	2,732	
	171,252	138,515	

The directors are all employed by and remunerated through a fellow group undertaking which makes no recharge to the Company (2015: nil).

The employees of the Company worked wholly outside the United Kingdom during the current and prior year.

	2016	2015	
Average monthly number of persons employed by the company during the year	Number	Number	
Selling and distribution	1	1	
Administration	6	6	
Advertising	6	6	
	13	13	

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Finance income and finance costs

	2016	2015
	¥'000	¥'000
Finance income		
Bank interest receivable	2	9
Other interest receivable	4	3
Finance income	6	12
	2016	2015
	¥'000	¥'000
Finance costs		
Net finance cost in respect of pension benefits	0	(250)
Finance costs	0	(250)

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Tax on profit

	2016	2015
	¥'000	¥'000
Current tax		
UK corporation tax on profits for the financial year	6,485	4,616
Double tax relief	(6,485)	(4,616)
Foreign tax	9,698	5,331
Adjustments in respect of prior years	(395)	344
Total current tax	9,303	5,675
Deferred tax		
Origination and reversal of temporary differences	2,029	1,338
Impact of change in tax laws and rates	(1,350)	4,351
Provision for retirement benefits	(1,530)	(2,093)
Adjustment in respect of prior years	(590)	(19,954)
Total deferred tax	(1,441)	(16,358)
Total tax on profit	7,862	(10,683)
UK standard effective rate of corporation tax (%)	20	20.25

The charge for the year can be reconciled to the profit in the statement of comprehensive income as follows:

	2016	2015
	¥'000	¥'000
Profit before taxation	24,418	6,925
Tax on profit on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.25%)	4,884	1,402
Effects of:		
Expenses not deductible for tax purposes	238	2,099
Adjustments in respect of prior years	(985)	(19,610)
Change in tax laws and rates	(1,350)	5,021
Provision for retirement benefits	0	(2,093)
Differential rate of corporate tax in overseas territory	5,075	2,246
Non-profit based tax	0	252
Total tax charge/(credit) for the year	7,862	(10,683)

The standard rate of corporation tax in the UK for the period is 20%. The Japanese corporate tax rate for the period is 37.5%. Accordingly, the Company's profit for this accounting year is taxed at an effective rate of 37.5%. This rate has been used to calculate the deferred tax asset. The rate of corporation tax in the UK is due to fall to 17% with effect from 1 April 2020.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Property, Plant & Equipment

	Leasehold improvements	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	¥'000	¥'000	¥'000	¥'000	¥'000
Cost or valuation					
At 1 January 2016	27,617	2,651	14,899	17,012	62,179
Additions	28,593	0	1,412	0	30,005
Disposals	(25,460)	0	0	0	(25,460)
At 31 December 2016	30,750	2,651	16,311	17,012	66,724
Depreciation					
At 1 January 2016	27,279	2,114	10,491	12,528	52,412
Charge for the year	2,925	134	1,394	2,361	6,814
Disposals	(25,460)	0	0	0	(25,460)
At 31 December 2016	4,744	2,248	11,885	14,889	33,766
Net book value					
At 31 December 2015	338	537	4,408	4,484	9,767
At 31 December 2016	26,006	403	4,426	2,123	32,958

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Trade and other receivables			
	2016	2015	
	¥'000	¥'000	
Amounts falling due within one year			
Trade receivables	28,742	24,270	
Amounts owed by group undertakings	125,904	111,549	
Other taxation	11,551	5,205	
Prepayments and accrued income	32,428	59,667	
Total trade and other receivables	198,625	200,691	

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

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Trade and other payables: amounts falling due within one year

	2016	2015
	¥'000	¥'000
Amounts falling due within one year		
Trade payables	475	1,404
Amounts owed to group undertakings	9,702	0
Corporation tax	7,487	3,979
Accruals and deferred income	205,903	207,834
Total trade and other payables	223,567	213,217

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

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Provisions

	Dilapidation Provision	Total
	¥'000	¥'000
At 1 January 2016	10,200	10,200
Charged to profit and loss account	2,080	2,080
Unused amounts released to profit and loss account	(639)	(639)
Utilisation of provision	(9,561)	(9,561)
At 31 December 2016	2,080	2,080
	2016	2015
Analysis of total provisions:	¥'000	¥'000
Non-current	2,080	0
Current	0	10,200
	2,080	10,200

The dilapidation provision is the current best estimate of the cost of bringing the property held under an operating lease back to its original condition as required by the lease agreement.

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Deferred taxation

	Other Timing Differences	Retirement Benefits	Total
Asset	¥'000	¥'000	¥'000
At 1 January 2016	17,885	22,361	40,246
Charged/(credited) to profit and loss	(828)	2,269	1,441
At 31 December 2016	17,057	24,630	41,687
		2016	2015
		¥'000	¥'000
Deferred tax assets due within 12 months		17,057	17,885
		17,057	17,885
		2016	2015
		¥'000	¥'000
Deferred tax assets due after more than 12 months		24,630	22,361
		24,630	22,361
		2016	2015
		¥'000	¥'000
Total deferred tax		41,687	40,246

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Called up share capital

	2016		2015	
	£		£	
Total share capital	100		100	
	¥		¥	
Total share capital	13,000		13,000	

	2016	2015	2016	2015
Ordinary shares £1 each	Number	Number	£	£
Allotted, called up and fully paid	100	100	100	100

The share capital of the Company has been translated from pounds sterling (£) into Japanese Yen (¥) at a historical rate in the Balance Sheet.

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Capital and other commitments

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2016	2015	2015
	Land and	Other	Land and	Other
	buildings		buildings	
	¥'000	¥'000	¥'000	¥'000
Within one year	28,923	539	22,529	168
Between two and five years	90,939	644	0	0
	119,862	1,183	22,529	168

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Retirement Benefit Obligations

	2016 ¥'000	2015 ¥'000
Profit and loss charge for the Company in respect of its participation in the scheme	6,470	5,728

The Company participates in a defined benefit scheme for senior and long serving employees. The scheme is unfunded and non-contributory. The scheme has been valued by Towers Watson, an independent actuary, as at 30 June 2014 using the projected unit credit method. Valuations are carried out every 3 years.

Principal assumptions are :	2016 %	2015 %
Inflation	1.5	1.5
Rate of increase in pensionable salaries	2.5	2.5
Discount rate	1.0	1.0

Withdrawal rates are based on the historical experience of the Company since the last actuarial valuation performed in 2014. The MHLW2009 mortality table has been used. It represents the most up-to-date mortality table currently available in Japan. It has also been assumed that anyone who reaches age 60 will retire immediately.

Reconciliation of present value of scheme liabilities:	2016 ¥'000	2015 ¥'000
Present value of defined benefit obligation		
At 1 January 2016	61,600	55,833
Current service cost	6,470	5,517
Interest cost	0	250
Benefits paid	(2,390)	0
At 31 December 2016	65,680	61,600
Net amount recognised in balance sheet	(65,680)	(61,600)

Amounts for current period and previous 4 periods:

	2016 ¥'000	2015 ¥'000	2014 ¥'000	2013 ¥'000	2012 ¥'000
Defined benefit obligation	65,680	61,600	55,833	38,139	60,726
Total actuarial gains and losses recognised in the statement of total recognised gains and losses	0	0	16,182	0	(6,840)

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended:

31 December 2016

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Ultimate parent undertaking

The immediate parent undertaking is The Financial Times Limited.

The ultimate parent undertaking and controlling party is Nikkei Inc., which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Nikkei Inc.'s consolidated financial statements can be obtained from Nikkei Inc., 1-3-7 Otemachi, Chiyoda-ku, Tokyo 100-8066, Japan.