The Financial Times (Japan) Limited
Registered Number: 01613900

Annual Report and Financial Statements
For the Year Ended: 31 December 2020

Registered address:
Bracken House, 1 Friday Street, London, EC4M 9BT

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 2020.

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
As detailed below and within Note 1 to the accounts, the directors have made a thorough assessment of the impact of the COVID-19 pandemic on the Company's ability to continue operating as a going concern. The company have a reasonable expectation that our cash reserves and the more benign economic conditions seen in 2021 so far will ensure that the company have the resources to meet our commitments as they fall due for a period of at least 12 months from the date of approval of the financial statements. In addition, a letter of support has been received from a parent company which commits to support the Company for at least one year after these financial statements are signed. As such, we continue to adopt the going concern basis of preparation.

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

JD Lund
AR Mackay

Directors' insurance
During the year ended 31 December 2020, 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; and
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor
Deloitte LLP, having indicated its willingness to continue in office, 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.

Approved and authorised for issue by the board

DocuSigned by:
Alison Fortescue
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AM Fortescue
Company Secretary

29 September 2021

Company registered number:
01613900

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Financial Times (Japan) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Financial Times (Japan) Limited

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

Responsibilities of directors
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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:
• had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act 2006 and the Data Protection Act 2018; and
• do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

We have also performed specific procedures to respond to the presumed significant risk of material misstatement within revenue, pinpointing this to the cut-off assertion for comission on advertisement sales. The procedures performed included tracing a sample of journals posted pre and post year end to supporting evidences.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:
• reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
• performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
• enquiring of management, internal audit and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
• reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

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

Report on other legal and regulatory requirements

Opinions 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 have been prepared in accordance with applicable legal requirements.

In the light of our 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
Under the Companies Act 2006 we are required to report in respect of the following matters 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

We have nothing to report in respect of these matters.

Use of our report
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.

DocuSigned by:
Kevin Thompson
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Kevin Thompson (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Statutory Auditor
London, United Kingdom
Date: 30 September 2021

The Financial Times (Japan) Limited

STATEMENT OF COMPREHENSIVE INCOME
For the year ended:
31 December 2020

Continuing operations	Note	**2020** **¥'000**	2019 ¥'000
Revenue	2	**659,532**	772,863
Cost of sales		**(438,635)**	(302,402)
Gross profit		**220,897**	470,461
Distribution costs		**(72,385)**	(314,770)
Administrative expenses		**(123,484)**	(128,955)
Operating profit	3	**25,028**	26,736
Profit before interest and taxation		**25,028**	26,736
Finance income	5	**7**	74
Finance costs	5	**(344)**	(453)
Profit before taxation		**24,691**	26,357
Tax on profit	6	**(6,014)**	(14,104)
Profit for the financial year		**18,677**	12,253
Total comprehensive income for the year		**18,677**	12,253

The notes on pages 9 to 29 form an integral part of these financial statements.

The Financial Times (Japan) Limited

BALANCE SHEET
As at:
31 December 2020

	Note	2020 ¥'000	2019 ¥'000
Non current assets			
Intangible assets	8	**610**	785
Property, plant & equipment	9	**17,669**	56,255
Deferred tax assets	13	**61,695**	48,765
		79,974	105,805
Current assets			
Trade and other receivables	10	**177,381**	179,637
Cash and bank balances		**85,305**	51,478
		262,686	231,115
Trade and other payables: amounts falling due within one year	11	**(183,775)**	(203,084)
Net current assets		**78,911**	28,031
Total assets less current liabilities		**158,885**	133,836
Provisions for liabilities	12	**(14,560)**	(11,440)
Trade and other payables: amounts falling due after more than one year	11	**-**	(12,358)
Retirement benefit obligations	15	**(121,188)**	(87,065)
Net assets		**23,137**	22,973
Capital and reserves			
Called up share capital	14	**13**	13
Profit and loss account		**23,124**	22,960
Total shareholders' funds		**23,137**	22,973

The notes on pages 9 to 29 form an integral part of these financial statements.

The financial statements on pages 6 - 29 were approved by the board of directors and authorised for issue on 29 September 2021. They were signed on its behalf by:

DocuSigned by:
James Lund
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JD Lund
Director

Company registered number:
01613900

The Financial Times (Japan) Limited

STATEMENT OF CHANGES IN EQUITY
For the year ended:
31 December 2020

	Note	Called up share capital ¥'000	Profit and loss account ¥'000	Total shareholders funds ¥'000
At 1 January 2019	14	13	21,492	**21,505**
Impact of change in accounting policy		-	4,215	**4,215**
Restated balance as at 1 January 2019		13	25,707	**25,720**
Profit for the financial year		-	12,253	**12,253**
Total comprehensive income for the year		-	12,253	**12,253**
Dividends paid		-	(15,000)	**(15,000)**
At 31 December 2019	14	**13**	**22,960**	**22,973**
Actuarial losses on defined benefit pension scheme	25	-	(18,513)	**(18,513)**
Profit for the financial year		-	18,677	**18,677**
Total comprehensive income for the year		-	18,677	**18,677**
At 31 December 2020	14	**13**	**23,124**	**23,137**

The notes on pages 9 to 29 form an integral part of these financial statements.

1
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 Bracken House, 1 Friday Street, London EC4M 9BT, United Kingdom.

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.

No updates or amendments to accounting standards have had a material impact on these financial statements.

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 17).

Going concern
The directors have made a thorough assessment of the impact of the COVID-19 pandemic on the Company's ability to continue operating as a going concern. The company have a reasonable expectation that our cash reserves and the more benign economic conditions seen in 2021 so far will ensure that the company have the resources to meet our commitments as they fall due for a period of at least 12 months from the date of approval of the financial statements. In addition, a letter of support has been received from a parent company which commits to support the Company for at least one year after these financial statements are signed. As such, we continue to adopt the going concern basis of preparation.

1
Accounting policies (continued)

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.

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.

In line with IFRS 15, at contract inception, the Company assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a service (or bundle of services) that is distinct. To identify the performance obligations the Company considers all of the services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. Remaining performance obligations represent the transaction price of contracts for work that have not yet been performed, and is recorded as deferred income on the balance sheet.

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.

Intangible assets
(a) Goodwill
Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred over the net assets acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Company does not amortise goodwill but reviews it for impairment on an annual basis or whenever there are indicators of impairment.

(b) Software
Expenditure on software is capitalised when the Company is able to demonstrate all of the following: the technical feasibility of the resulting asset; the ability and intention to complete the development and use or sell it; how the asset will generate probable future economic benefits; and the ability to measure reliably the expenditure attributable to the asset during its development. Development costs which do not meet these criteria are recognised in the income statement as incurred and are not subsequently capitalised. Amortisation is provided at rates calculated to write off the cost of each asset on a straight line basis over its estimated useful life (3 - 5 years).

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

1
Accounting policies (continued)

Property, plant & equipment
Tangible fixed assets are stated at historical cost less depreciation and impairment. 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:
Right of use assets over the term of the associated lease
Plant and machinery 10 years
Fixtures and fittings 3 - 10 years
Computer equipment 3 - 5 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 Company does review assets for impairment on an annual basis or whenever there are indicators of impairment. 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. In line with IFRS 9, provisions for bad and doubtful debts are based on the expected credit loss model. The 'simplified approach' is used with the expected loss allowance measured at an amount equal to the lifetime expected credit losses.

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 the amount can be reliably estimated. Provisions are discounted to present value where the effect is material.

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 31 December 2020.

1
Accounting policies (continued)

Leases
Leases are accounted for in line with IFRS 16 which was adopted as of 01 January 2019.

Contracts with third parties for specified assets, the use of which the Company controls over a period of greater than one year and for a value in excess of £5,000, are accounted for as right of use assets which are depreciated over the shorter of the useful life of the asset or the lease term. A corresponding lease liability is recognised, unwinding over the term of the lease payments, and taking into account interest accruing on the liability.

Lease liabilities are recognised as the present value of the expected lease payments over the life of the lease, discounted using either the interest rate implicit in the in lease, or in its absence the incremental borrowing rate determined by reference to the nature of the asset, the term of the lease and economic environment within which the asset is used. On transition to IFRS 16, right of use assets have been recognised under the modified retrospective approach as outlined below. Any subsequent lease modifications following initial recognition are taken into account when measuring the lease liability and the right of use asset.

Contracts with third parties for specified assets that are for a duration of less than one year or less than £5,000 are accounted for as operating leases, with the expense charged to the profit and loss account on a systematic basis over the term 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.

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met (and are not designated as FVTPL):
• The asset is held within a business model whose objective is to collect the contractual cash flows, and
• The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses' on financial and contract assets.

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

1
Accounting policies (continued)

Financial Instruments (continued)

(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.

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.

Critical accounting judgements and key sources of estimation uncertainty
In preparing the financial statements the directors do not consider that any matters requiring critical accounting judgements were made, or that matters involving significant uncertainty exist.

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

2
Revenue

	2020	2019
Continuing operations	¥'000	¥'000
Sale of goods	**210,774**	288,950
Provision of services	**448,758**	483,913
Total revenue	**659,532**	772,863

In line with IFRS 15 the Company disaggregates revenue by geographical market as shown below:	2020	2019
	¥'000	¥'000
United Kingdom	**448,758**	483,913
Asia and Middle East	**210,774**	288,950
Total revenue	**659,532**	772,863

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

3
Operating profit

Operating profit is stated after charging/(crediting):		**2020**	2019
	Note	**¥'000**	¥'000
Staff costs	4	**256,561**	247,252
Amortisation of intangible assets			
- internally generated	8	**174**	87
Depreciation of tangible fixed assets:			
- owned	9	**8,469**	8,582
- leased	9	**30,117**	30,116
Net foreign exchange gains		**(74)**	(588)
Audit fees payable to the Company's auditor		**1,803**	1,719

No fees were paid to the Company's auditor, Deloitte LLP, and its associates for services other than the statutory audit of the Company (2019: ¥nil).

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 2020

4
Staff costs

	2020	2019
Staff costs	**¥'000**	¥'000
Wages and salaries	**212,822**	214,756
Social security costs	**26,993**	26,335
Other pension costs	**15,282**	6,054
Other staff costs	**1,464**	107
	256,561	247,252

The directors are all employed by and remunerated through a fellow group undertaking which makes no recharge to the Company (2019: nil).

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

	2020	2019
Average monthly number of persons employed by the Company during the year	**Number**	Number
Selling and distribution	**1**	1
Administration	**7**	7
Advertising	**7**	6
Editorial	**2**	2
B2B	**4**	4
	21	20

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

5
Finance income and Finance costs

	2020	2019
Finance income	**¥'000**	¥'000
Other interest receivable	**7**	74
Finance income	**7**	74

	2020	2019
Finance costs	**¥'000**	¥'000
Lease liability interest	**12**	25
Net finance cost in respect of pension benefits	**332**	428
Finance costs	**344**	453

The Financial Times (Japan) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

6
Tax on profit

	2020	2019
	¥'000	¥'000
Current tax		
UK corporation tax on profits for the financial year	**13,511**	6,869
Double tax relief	**(13,511)**	(6,869)
Foreign tax	**18,944**	12,050
Adjustments in respect of prior years	**-**	(520)
Total current tax	**18,944**	11,530
Deferred tax		
Origination and reversal of temporary differences	**(1;122)**	(892)
Impact of change in tax laws and rates	**-**	2,269
Provision for retirement benefits	**(11,808)**	1,197
Total deferred tax	**(12,930)**	2,574
Total tax on profit	**6,014**	14,104
UK standard effective rate of corporation tax (%)	**19.00**	19.00

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

	2020	2019
	¥'000	¥'000
Profit before taxation	**24,691**	26,357
Tax on profit at standard UK corporation tax rate of 19.00% (2019: 19.00%)	**4,691**	5,007
Effects of:		
Expenses not deductible for tax purposes	**151**	247
Higher tax rates on overseas earnings	**5,432**	5,182
Adjustments in respect of prior years	**-**	(520)
Unprovided deferred taxation in year	**(4,260)**	1,918
Change in tax rate	**-**	2,269
Total tax charge for the year	**6,014**	14,104

The standard rate of corporation tax in the UK for the period is 19%. The effective Japanese rate of tax for the period is 36.2%. This rate has been used to calculate the deferred tax asset. As enacted in Finance Act 2016, the UK corporation tax rate will reduce from 1 April 2020 to 17%. In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended :
31 December 2020

7
Dividends

	2020	2019
	¥'000	¥'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2018 (equivalent to ¥150,000 per share)	-	15,000
Dividend paid to the equity owners in the financial year	**-**	15,000
Proposed final dividend for the year (2020: nil; 2019: nil)	-	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended :
31 December 2020

8
Intangible fixed assets

	Software	Total
	¥'000	**¥'000**
Cost		
At 1 January 2020	871	871
At 31 December 2020	**871**	**871**
Amortisation		
At 1 January 2020	87	87
Charge for the year	174	174
At 31 December 2020	**261**	**261**
Net book value		
At 31 December 2019	784	784
At 31 December 2020	**610**	**610**

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

9
Property, plant & equipment

	Right of use assets	Leasehold improvements	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	¥'000	¥'000	¥'000	¥'000	¥'000	¥'000
Cost						
At 1 January 2020	70,171	30,750	2,651	20,971	15,644	140,187
Change in accounting policy	-	-	-	-	-	-
Additions	-	-	-	-	-	-
At 31 December 2020	**70,171**	**30,750**	**2,651**	**20,971**	**15,644**	**140,187**
Depreciation						
At 1 January 2020	30,116	22,096	2,650	19,139	9,931	83,932
Charge for the year	30,117	5,784	-	263	2,422	38,586
At 31 December 2020	**60,233**	**27,880**	**2,650**	**19,402**	**12,353**	**122,518**
Net book value						
At 31 December 2019	40,055	8,654	1	1,832	5,713	56,255
At 31 December 2020	**9,938**	**2,870**	**1**	**1,569**	**3,291**	**17,669**

10
Trade and other receivables

	2020	2019
	¥'000	¥'000
Amounts falling due within one year		
Trade receivables	**18,748**	29,246
Amounts owed by group undertakings		
- immediate parent entity	**89,581**	88,841
- fellow subsidiary entities	**18,489**	29,349
Other taxation	**16,041**	8,184
Prepayments and accrued income	**34,522**	32,910
Total trade and other receivables	**177,381**	188,530

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

11
Trade and other payables

	2020	2019
	¥'000	¥'000
Amounts falling due within one year		
Trade payables	**1,098**	404
Amounts owed to group undertakings		
- fellow subsidiary entities	**11,732**	14,906
Corporation tax	**18,944**	8,893
Lease liability	**12,370**	30,090
Accruals and deferred income	**139,631**	157,684
	183,775	211,977
Amounts falling due after more than one year		
Lease liability	**-**	12,358
Total trade and other payables	**-**	12,358

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

Lease liabilities represent the discounted amounts payable in respect of its contractual right to use commercial and editorial office space. The future lease payments have been discounted at the incremental borrowing rate applicable to each lease at the date of initial application of IFRS 16, 01 January 2019. Based on the characteristics of each lease the incremental borrowing rates have been estimated at 0.05%. There are no variable lease payments, extension or termination options, residual value guarantees, restrictive covenants or sale and leaseback transactions that need to be accounted for.

As at 31 December 2020, the lease cash payments made during the year amounted to ¥12,369,715.

Lease liability maturity analysis - contractual undiscounted cash flows:

	2020	2019
	¥'000	¥'000
Within one year	**12,370**	30,090
Between one and five years	**-**	12,358
Total	**12,370**	42,448

Lease liabilities included in the balance sheet as at 31 December 2020:

	2020	2019
	¥'000	¥'000
Current liability	**12,370**	30,090
Non-current liability	**-**	12,358
Total lease liabilities	**12,370**	42,448

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

12
Provisions

	Dilapidation Provisions	Total
	¥'000	**¥'000**
At 1 January 2020	11,440	11,440
Charged to profit and loss account	3,120	3,120
At 31 December 2020	**14,560**	**11,440**

	2020	2019
Analysis of total provisions:	**¥'000**	¥'000
Non-current	**14,560**	11,440
	14,560	11,440

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

13
Deferred taxation

	Other Timing Differences	Retirement Benefits	Total
Asset	**¥'000**	**¥'000**	**¥'000**
At 1 January 2020	18,642	30,123	48,765
Credited to profit and loss	1,122	11,808	12,930
At 31 December 2020	**19,764**	**41,931**	**61,695**

	2020	2019
	¥'000	¥'000
Deferred tax assets due within 12 months	**19,764**	18,642
	19,764	18,642

	2020	2019
	¥'000	¥'000
Deferred tax assets due after more than 12 months	**41,931**	30,123
	41,931	30,123

	2020	2019
	¥'000	¥'000
Total deferred tax	**61,695**	48,765

The deferred tax asset is comprised of tax losses, property, plant and equipment, intangible fixed assets, provisions and retirement benefit obligations.

Management has assessed the recoverability of deferred tax assets based on review of latest forward looking forecasts and expects to utilise these assets in the future.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended:
31 December 2020

14
Called up share capital

	2020	2019
	£	£
Total authorised share capital	100	100
	¥	¥
Total authorised share capital	13,000	13,000

	2020	2019	2020	2019
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.

15
Retirement benefit obligations

	2020	2019
	¥'000	¥'000
Profit and loss charge for the Company in respect of its participation in the scheme	**15,282**	5,967

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 Willis Towers Watson, an independent actuary, as at 31 December 2020 using the projected unit credit method. Valuations are carried out every 3 years.

Principal assumptions are :	2020	2019
	%	%
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 actuarial valuation performed in 2020. The DBCPP 2020 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:	2020	2019
	¥'000	¥'000
Present value of defined benefit obligation		
At 1 January 2020	**87,061**	90,520
Current service cost	**15,282**	5,967
Interest cost	**332**	428
Actuarial losses	**18,513**	-
Benefits paid	**-**	(9,850)
At 31 December 2020	**121,188**	87,065
Net amount recognised in balance sheet	**(121,188)**	(87,065)

Amounts for current period and previous 4 periods:

	2020	2019	2018	2017	2016
	¥'000	¥'000	¥'000	¥'000	¥'000
Defined benefit obligation	**121,188**	87,065	90,520	92,100	65,680
Total actuarial losses recognised in directly in equity	**18,513**	-	-	17,618	-

16
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.

17
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. Nikkei Inc. is incorporated in Japan and copies of Nikkei Inc.'s consolidated financial statements can be obtained from its registered office at Nikkei Inc., 1-3-7 Otemachi, Chiyoda-ku, Tokyo 100-8066, Japan.