

that the personal assurances which have been given to the Commission should be reinforced by a formal undertaking in whatever form may be appropriate given by The Thomson Organisation to the Board of Trade

- (i) that it accepts as binding on itself the assurances given about the preservation of the separate identities of the Times and the Sunday Times and the maintenance of the independence of their editors and
- (ii) that it will procure that Times Newspapers Ltd. when incorporated gives and honours a similar formal undertaking.

BRIAN DAVIDSON

#### APPENDIX 1

### **Reference to the Monopolies Commission under Section 8 of the Monopolies and Mergers Act 1965**

Whereas the Board of Trade have this day received an application for their consent under section 8 of the Monopolies and Mergers Act 1965 to the transfer of "The Times" and "The Sunday Times" newspapers to a newspaper proprietor: And whereas, by virtue of section 8(1) of the said Act, the Board may not give such consent until they have received a report on the matter from the Monopolies Commission;

Now, therefore, the Board of Trade, in pursuance of section 8(3) of the said Act, hereby refer to the Monopolies Commission for investigation and report the matter of the proposed transfer of the said newspapers.  
Dated 30th September 1966.

F. W. GLAVES-SMITH

*An Under Secretary of the Board of Trade*

## APPENDIX 2

### **Definition and Sources of Circulation Figures used in Chapter 1**

The figures in the tables on page 3 for the years 1937, 1947 and 1961 have been taken from the report of the Royal Commission on the Press (1961-62). According to a note in that report the figures for 1937 represent the average net circulation per issue for the year; those for 1947 the average net circulation for four weeks in June 1947; and those for 1961 are largely compiled from the published circulations for the six months to 31st December of those newspapers in existence at the end of the year. The 1937 circulation for the Financial Times is the estimated combined circulations of the Financial Times and the Financial News. The Royal Commission did not include the figures for the Guardian in the totals for 1937 and 1947 as it was classified by the 1949 Royal Commission as a provincial newspaper. We have, however, amended their totals for these years to include the Guardian. The figures for 1965 and 1966 are for the first half year and were supplied by the Press Council.

The figures in the table on page 4 were supplied by the Press Council.

APPENDIX 3

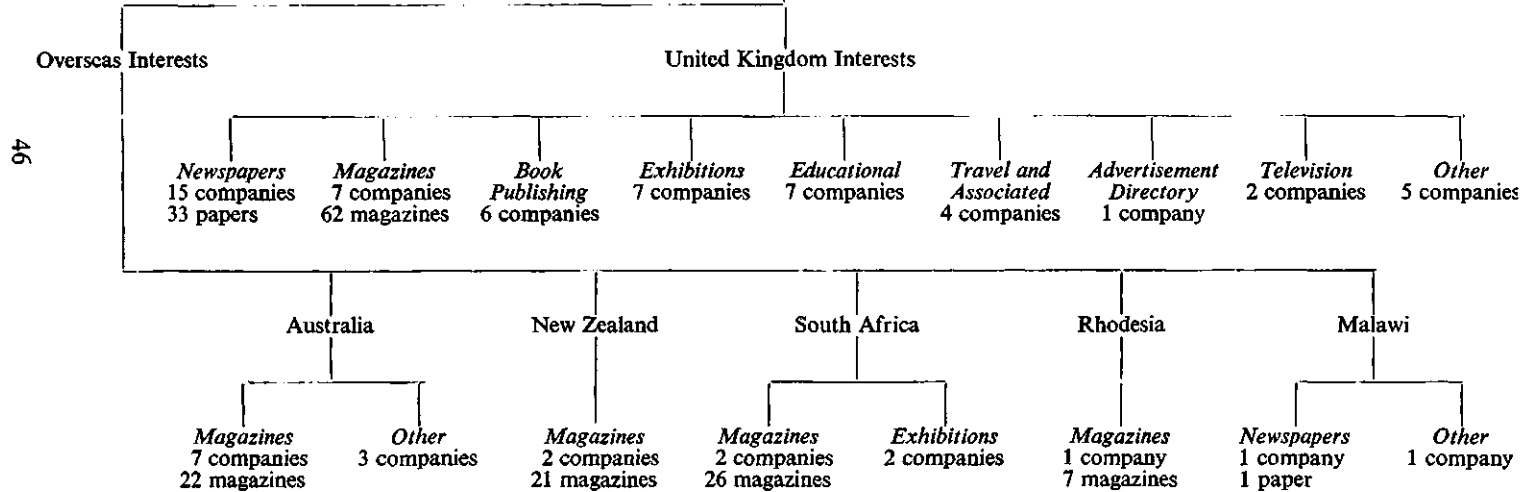
The principal Thomson business interests in the United Kingdom and elsewhere

Interests of companies registered in the United Kingdom

Thomson British Holdings Ltd. (see note 1 opposite)

Thomson Scottish Associates Ltd. (see notes 2 and 5 opposite)

The Thomson Organisation Ltd. (see notes 3 and 4 opposite)



*Companies in which The Thomson Organisation Ltd. has a substantial but not a controlling interest:*

1 magazine company (registered in U.K.)—50 per cent holding.

1 printing company (registered in U.K.)—40 per cent holding.

**Notes:**

1. All the Thomson British Holdings equity is held by family trusts created by Lord Thomson and domiciled in Canada.
2. Thomson Scottish Associates equity consists of voting and non-voting shares. The voting shares which form 15 per cent of the par value of the total equity are held, in terms of voting power, as to 80 per cent by Thomson Television Ltd. (a company registered in the United Kingdom not included in the chart above) and 20 per cent by other shareholders. The non-voting shares which form 85 per cent. of total equity are held as to 71 per cent of total by Thomson British Holdings Ltd. and 14 per cent by The Thomson Foundation, a charitable trust. The equity of Thomson Television Ltd. consists of voting and non-voting shares; the voting shares which form 1 per cent of the par value of the total equity are held by Lord Thomson and the non-voting shares are held by Thomson British Holdings.
3. About 78 per cent of The Thomson Organisation equity is held by Thomson Scottish Associates. The Thomson Organisation is a public company whose shares are quoted on the London, Northern and Scottish Stock Exchanges.
4. Through their holding in The Thomson Organisation the Thomson interests operate the businesses listed below:—
  - 34 newspapers.
  - 138 magazines.
  - 9 exhibition companies.
  - 7 educational companies.
  - Commercial television in Scotland.
  - A company providing technical television management services to 14 overseas countries.
  - 4 travel and associated companies.
  - 6 book publishing companies.
  - 8 other companies.
5. Through their holding in Thomson Scottish Associates the Thomson interest operates 8 newspapers in Scotland.

APPENDIX 3 (contd.)

**The principal Thomson business interests in the United Kingdom and elsewhere**

**Interests of companies registered in Canada**

<i>Newspapers</i>	<i>Television</i>	<i>Radio</i>	<i>Printing</i>
39 in Canada 26 in U.S.A. 1 in Thailand 3 in West Indies	3 stations in Canada 1 station in Trinidad	5 stations in Canada 1 station in Trinidad	1 company in each of Scotland, Eire and India

**Note:**

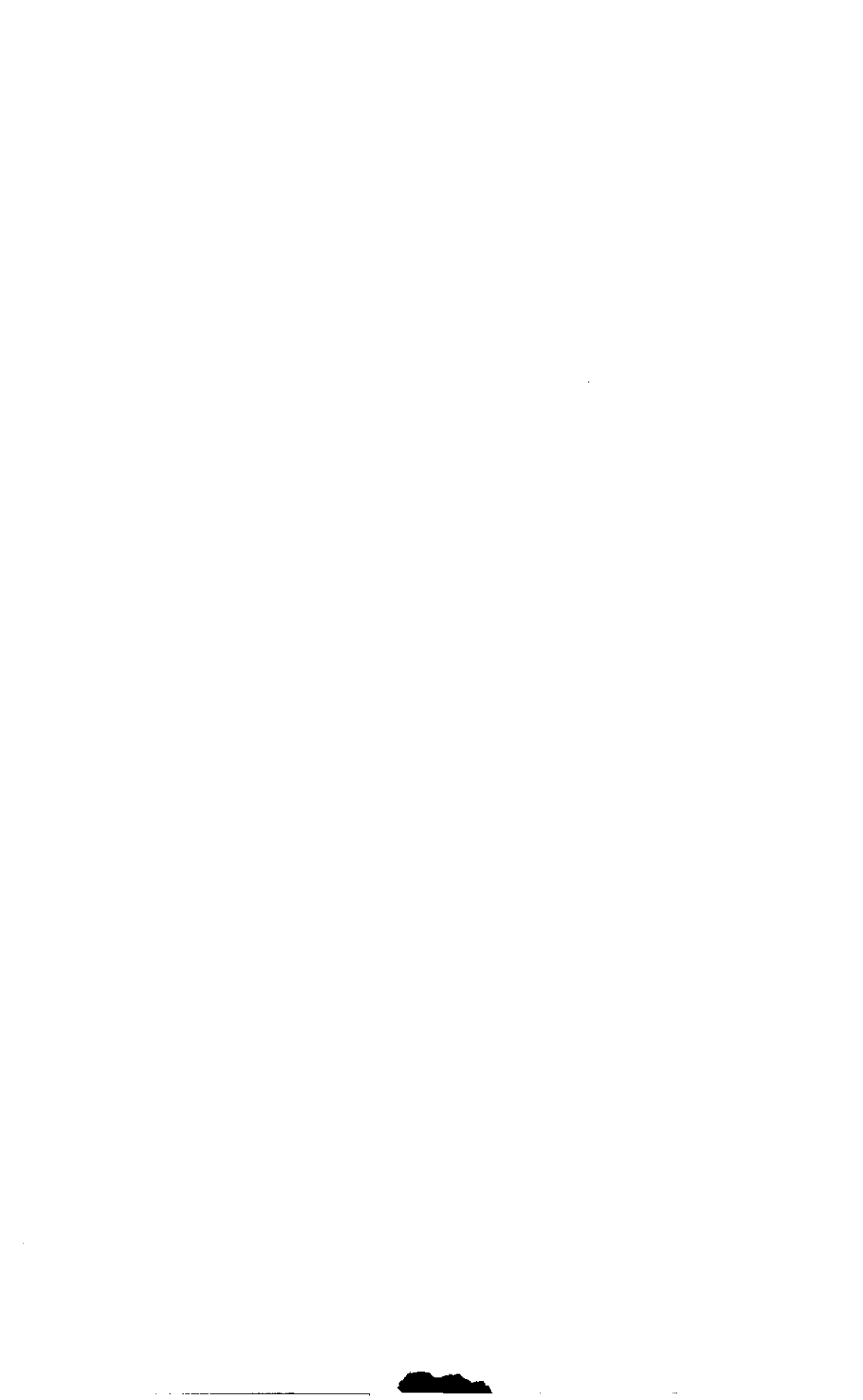
Through their holding in companies registered in Canada, the Thomson interests operate the businesses listed below:—

- 69 newspapers.
- 3 television stations in Canada.
- 1 television station in Trinidad.
- 6 radio stations.
- 3 printing companies.

APPENDIX 4

Thomson Group Financial Statistics

Years ended 31st December	1961	1962	1963	1964	1965
	£'000	£'000	£'000	£'000	£'000
<b>Net Assets Employed:</b>					
Current assets ... ..	7,491	9,656	11,791	13,231	16,833
Property, plant and trade investments ... ..	16,367	19,174	21,983	25,760	27,500
Copyrights and goodwill ... ..	15,496	15,778	16,619	17,103	19,036
<b>Total assets ... ..</b>	<b>39,354</b>	<b>44,608</b>	<b>50,393</b>	<b>56,094</b>	<b>63,369</b>
Current and other liabilities ... ..	-8,549	-12,666	-10,802	-10,875	-15,997
Provision for pensions ... ..	-1,233	-1,118	-998	-886	-1,334
<b>Net assets ... ..</b>	<b>29,572</b>	<b>30,824</b>	<b>38,593</b>	<b>44,333</b>	<b>46,038</b>
<b>Financed as follows:</b>					
Issued ordinary capital ... ..	5,870	5,925	5,925	7,117	7,124
Capital reserves ... ..	1,587	1,754	1,707	4,425	4,418
Retained group profit ... ..	5,439	5,841	6,848	7,638	9,658
<b>Total ordinary shareholders' interest ... ..</b>	<b>12,896</b>	<b>13,520</b>	<b>14,480</b>	<b>19,180</b>	<b>21,200</b>
Issued preference capital ... ..	9,500	9,500	9,500	9,500	9,500
Minority interests in subsidiaries ... ..	2,056	1,932	2,014	2,084	4,528
Debenture stocks and loans ... ..	2,742	3,002	9,569	9,402	9,327
Deferred taxation ... ..	2,378	2,870	3,030	4,167	1,483
<b>Total funds invested ... ..</b>	<b>29,572</b>	<b>30,824</b>	<b>38,593</b>	<b>44,333</b>	<b>46,038</b>
Sales ... ..	29,520	33,862	40,869	44,570	54,204
Profit for the year after taxation ... ..	2,115	2,186	2,563	3,149	3,874
Depreciation ... ..	648	695	798	903	1,024
Trading profit ... ..	4,777	4,667	5,369	6,711	6,996
Capital profit ... ..	32	298	285	74	217
Net dividends—preference ... ..	818	818	818	818	789
ordinary ... ..	849	871	871	1,188	1,172
Cash flow—pence per share ... ..	20·03d.	19·92d.	28·76d.	25·97d.	43·36d.
Earnings on ordinary shares—pence per share ... ..	13·41d.	14·08d.	17·67d.	19·65d.	25·97d.
Dividend on ordinary shares—pence per share, less income tax ... ..	8·82d.	8·82d.	8·82d.	10·02d.	9·87d.
Trading profit as a percentage of total funds invested ... ..	16·2%	15·1%	13·9%	14·9%	15·2%



APPENDIX 5 (Part 1)

The Thomson Organisation Ltd.

CIRCULATION OF DAILY, EVENING AND SUNDAY NEWSPAPERS

Newspaper						Class		Published by					Circulation for half-year to 30th June 1966	
						Morning	M							
						Evening	E							
						Sunday	S							
The Sunday Times	...	...	...	...	...	S		Thomson Newspapers Ltd.	...	...	...	...	...	1,360,320
The Press and Journal	...	...	...	...	...	M		Aberdeen Journals Ltd.	...	...	...	...	...	104,032
Evening Express	...	...	...	...	...	E		Aberdeen Journals Ltd.	...	...	...	...	...	74,347
<sup>15</sup> The Journal	...	...	...	...	...	M		Newcastle Chronicle & Journal Ltd.	...	...	...	...	...	114,916
Evening Chronicle	...	...	...	...	...	E		Newcastle Chronicle & Journal Ltd.	...	...	...	...	...	245,087
Sunday Sun	...	...	...	...	...	S		Newcastle Chronicle & Journal Ltd.	...	...	...	...	...	252,849
North Eastern Evening Gazette	...	...	...	...	...	E		North Eastern Evening Gazette Ltd.	...	...	...	...	...	119,362
Sporting Chronicle	...	...	...	...	...	M		Sporting Chronicle Publications Ltd.	...	...	...	...	...	99,742
Burnley Evening Star	...	...	...	...	...	E		The North Western Newspaper Co. Ltd. (formerly The Evening Telegraph Ltd.)	...	...	...	...	...	29,752
Lancashire Evening Telegraph	...	...	...	...	...	E		The North Western Newspaper Co. Ltd. (formerly The Evening Telegraph Ltd.)	...	...	...	...	...	71,043
Western Mail	...	...	...	...	...	M		Western Mail & Echo Ltd.	...	...	...	...	...	103,006
South Wales Echo	...	...	...	...	...	E		Western Mail & Echo Ltd.	...	...	...	...	...	154,671
Belfast Telegraph	...	...	...	...	...	E		Belfast Telegraph Newspapers Ltd.	...	...	...	...	...	215,070
The Scotsman	...	...	...	...	...	M		The Scotsman Publications Ltd.	...	...	...	...	...	72,865
Edinburgh Evening News and Dispatch	...	...	...	...	...	E		The Scotsman Publications Ltd.	...	...	...	...	...	165,868
Evening Post	...	...	...	...	...	E		Reading Standard Ltd.	...	...	...	...	...	25,115*

APPENDIX 5 (Part 2)

The Thomson Organisation Ltd.

AVERAGE CIRCULATIONS OF WEEKLY NEWSPAPERS(a)

Newspaper	1947	1957	1959	1960	1961	1962	1963	1964	1965	1966
Lancashire County Express series (3 papers) (h) ... ..	—	29,086	22,206	17,268	16,015	15,555	14,043	11,249	11,256	9,771
Stockport Express series (2 papers) ...	34,146	39,396	40,306	39,763	41,001	41,532	38,874	37,442	37,205	36,285
Macclesfield Express ... ..	13,384	17,450	17,190	16,599	17,135	17,423	17,653	18,028	18,256	18,319
Salford City Reporter ... ..	—	—	20,351(f)	19,897(e)	19,577(e)	19,676(e)	20,071	20,442	21,237	22,071
Morthyr Express series (3 papers) ...	28,175(g)	27,202(c)	25,833(c)	25,541(c)	25,421(c)	25,425(c)	25,860	26,744	26,590	26,059
Pontypridd Observer series (4 papers) ...	33,000(g)	16,084(c)	15,261(c)	15,345(c)	15,546(c)	15,542(c)	15,551	15,540	15,708	33,721
Rhondda Leader series (2 papers) ...		19,457(c)	18,265(c)	17,899(c)	17,761(c)	17,816(c)	17,875	18,018	18,297	
Glamorgan Gazette ... ..	11,500(g)	19,472	17,836	17,428	17,784(g)	19,538(g)	19,953(g)	19,404(e)	18,426	18,608
Neath Guardian (2 papers) ... ..	11,000(g)	21,983	21,350	20,974	21,045	17,022	17,789	18,367	18,351	18,829
Aberdare Leader ... ..	15,500(g)	15,000(g)	16,340(b)	16,294	16,135	15,785	15,785	15,943	15,356	15,350
South Wales Gazette ... ..	3,700(g)	3,700(g)	3,750(g)	3,750(g)	3,750(g)	3,750(g)	3,800(g)	3,800(g)	3,799(e)	—
Ulsterweek (formerly Belfast Weekly Telegraph) ... ..	—	13,000(g)	12,500(g)	12,100(g)	11,579(e)	10,503	10,037	8,705	8,159	(i)
Ballymena Times (formerly Ballymena Weekly Telegraph) ... ..	—	6,800(g)	6,900(g)	6,900(g)	6,782(e)	7,221	7,302	7,569	8,559	9,783
East Antrim Times ... ..	—	13,000(g)	13,100(g)	13,250(g)	12,763(e)	12,857	12,693	13,437	13,894	14,950
Reading Standard ... ..	—	26,316	28,383	29,253	31,159	32,364	33,897	36,678	37,797	(j)
Chester Chronicle series (6 papers) ...	59,749	68,380(d)	65,588(d)	66,048(d)	66,972(d)	67,175(d)	67,767(d)	67,128(d)	67,696(d)	67,980
Flintshire County Herald ... ..	—	7,262	6,531	6,562	6,568	6,696	6,705	6,838	6,829	6,828
Wokingham, Bracknell & Ascot Times ...	8,000(g)	9,425	10,788	12,606	13,080	13,579	13,697	13,717	13,919	13,998

## Highland Printers Ltd.(k)

### AVERAGE CIRCULATIONS OF WEEKLY NEWSPAPERS PUBLISHED BY HIGHLAND PRINTERS LTD. OR ITS SUBSIDIARIES(g)

Newspaper	1947	1957	1959	1960	1961	1962	1963	1964	1965	1966
Northern Chronicle ... ..	—	—	—	—	—	2,333	2,120	1,901	1,583	1,428
Highland News ... ..	—	—	—	—	—	2,515	2,483	2,958	3,080	3,130
Football Times ... ..	—	—	—	—	—	5,654	5,600	5,915	5,688	5,652
Forres News ... ..	—	—	—	—	—	1,125	1,079	1,081	819	688
North Star ... ..	—	—	—	—	—	2,002	2,009	2,151	2,235	2,340
Caithness Courier ... ..	—	—	—	—	—	1,159	1,085	1,038	1,408	1,987
John O'Groats Journal ... ..	—	—	—	—	—	10,645	10,753	10,677	10,502	10,343

53 (a) Unless otherwise indicated the figures given are the average weekly circulation for the January to June period of each year as published by the Audit Bureau of Circulation.

(b) Average weekly circulation for July–December as published by the Audit Bureau of Circulation.

(c) Average weekly circulation for January to December period as published by the Audit Bureau of Circulation.

(d) Average weekly circulation for October to March periods as published by the Audit Bureau of Circulation.

(e) Company's External Audit average weekly circulation for January to June.

(f) Company's External Audit average weekly circulation for January to December.

(g) Unaudited estimate of average weekly circulation for January to December supplied by the newspaper.

(h) Two of these papers were merged with the Salford City Reporter in 1966.

(i) Ulsterweek ceased publication in the week ending 12th March 1966.

(j) The Reading Standard was superseded by the Reading Evening Post on 14th September 1965.

(k) Highland Printers Ltd is a subsidiary of Thomson Scottish Associates Ltd. which is not part of the Thomson Organisation Ltd. (See Appendix 3). Thomson Scottish Associates publish the Weekly Scotsman the average circulation of which was 40,383 for the period January to June 1966.

(l) The first January to June Audit Bureau of Circulation figure for these publications.

Years for which it has not been possible to obtain an actual or estimated circulation of any kind have a dash inserted in the appropriate column.

## APPENDIX 6

## The Times Publishing Company Limited

SUMMARY OF TRADING FIGURES FOR THE 10 YEARS  
ENDED 31ST DECEMBER 1966

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross contribution										
The Times ... ..	338	458	700	808	784	612	595	827	831	288
Other publications, etc. ... ..	166	206	384	418	416	384	429	480	565	636
Total ... ..	504	664	1,084	1,226	1,200	996	1,024	1,307	1,396	924
Deduct management and establishment expenses ... ..	529	615	630	710	767	834	905	1,045	1,250	1,245
Trading profit or loss (-) ... ..	-25	49	454	516	433	162	119	262	146	321
Add investment income ... ..	84	49	51	86	95	93	89	170	70	47
Deduct interest payable, etc. ... ..	59	98	505	602	528	255	208	432	216	-274
	54	3	4	11	20	42	80	98	13	11
Profit or loss (-) for the year before taxation ... ..	5	95	501	591	508	213	128	334	203	-285
Profit as percentage of capital employed ... ..	0.2%	3.4%	16.3%	17.0%	13.3%	5.4%	3.2%	6.8%	3.5%	N/A

## Notes:

1. The data for the year 1966 comprise a mixture of actual figures and estimates; it is considered that the mixture gives a reasonably accurate indication of trading experience during the year.
2. Gross contribution represents the excess of revenue over expenses specifically allocated (i.e. editorial, production, distribution and publicity costs, and the costs of the advertising department).
- 3(a) Management and establishment expenses consist largely of managerial salaries and expenses but there are some other expenses (e.g. depreciation, national insurance and pension funds payments) which could also have been specifically allocated.  
(b) The estimated amount charged as depreciation in 1966 was £268,000. This charge includes the estimated net expenditure during the year on motor vehicles written off in order to maintain, as formerly, the net book value of £1; depreciation of other fixed assets has been provided, also as formerly, at such rates as are estimated to write off the fixed assets over their anticipated useful lives.
4. Investment income consists of dividends and interest received from subsidiaries and other investments.