

New York Times Limited

Registered number: 01106659

Annual report

For the period ended 31 December 2017

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NEW YORK TIMES LIMITED

COMPANY INFORMATION

Directors	D Brayton S Dunbar Johnson
Company secretary	P Falconer
Registered number	01106659
Registered office	18 Museum Street London WC1A 1JN
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Times House Throwley Way Sutton SM1 4JQ

NEW YORK TIMES LIMITED

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NEW YORK TIMES LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017**

The directors present their report and the audited financial statements for the period ended 31 December 2017.

Principal activities

The principal activities of the company continue to be to act as an advertising sales agency for its fellow group member, New York Times SAS, which publishes the daily international newspaper The International New York Times.

Directors

The directors who served during the period were:

D Brayton (appointed 1 January 2017)
S Dunbar Johnson

Directors' responsibilities statement

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements 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;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 to enable them to ensure that the audited 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 audited financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

NEW YORK TIMES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Results and dividends

The profit for the period, after taxation, amounted to £109,182 (2016 - loss £28,280).

The directors did not recommend the payment of a dividend in the year.

Going concern

The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 414B and 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

S Dunbar Johnson
Director



Date:

24.09.2018

NEW YORK TIMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW YORK TIMES LIMITED

Opinion

We have audited the financial statements of New York Times Limited (the 'company') for the period ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the period 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.

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

NEW YORK TIMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW YORK TIMES LIMITED

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

NEW YORK TIMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW YORK TIMES LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.

Elisabeth Maxwell

Elisabeth Maxwell (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Date: 27th September 2018

NEW YORK TIMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	9,397,714	8,436,052
Gross profit		<u>9,397,714</u>	<u>8,436,052</u>
Administrative expenses		(9,178,607)	(8,477,901)
Operating profit/(loss)	6	219,107	(41,849)
Interest receivable and similar income	9	187	1,054
Profit/(loss) before tax		<u>219,294</u>	<u>(40,795)</u>
Tax on profit/(loss)	10	(110,112)	12,515
Profit/(loss) for the period		<u>109,182</u>	<u>(28,280)</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u>109,182</u>	<u>(28,280)</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 to 23 form part of these financial statements.

NEW YORK TIMES LIMITED
REGISTERED NUMBER: 01106659

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	25 December 2016 £
Fixed assets			
Tangible assets	11	584,975	708,186
		<u>584,975</u>	<u>708,186</u>
Current assets			
Debtors: amounts falling due within one year	12	1,532,977	3,328,630
Cash at bank and in hand	13	112,949	320,235
		<u>1,645,926</u>	<u>3,648,865</u>
Creditors: amounts falling due within one year	14	(2,148,866)	(4,435,444)
Net current liabilities		<u>(502,940)</u>	<u>(786,579)</u>
Total assets less current liabilities		82,035	(78,393)
Provisions for liabilities			
Deferred tax		(51,246)	-
		<u>(51,246)</u>	<u>-</u>
Net assets		<u>30,789</u>	<u>(78,393)</u>
Capital and reserves			
Called up share capital	16	5,000	5,000
Profit and loss account		25,789	(83,393)
Total equity		<u>30,789</u>	<u>(78,393)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S Dunbar Johnson
 Director



Date:

24.09.2018

The notes on pages 9 to 23 form part of these financial statements.

NEW YORK TIMES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 28 December 2015	5,000	(55,113)	(50,113)
Comprehensive income for the period			
Loss for the period	-	(28,280)	(28,280)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(28,280)	(28,280)
Total transactions with owners	-	-	-
At 26 December 2016	5,000	(83,393)	(78,393)
Comprehensive loss for the period			
Profit for the period	-	109,182	109,182
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	109,182	109,182
Total transactions with owners	-	-	-
At 31 December 2017	5,000	25,789	30,789

The notes on pages 9 to 23 form part of these financial statements.

NEW YORK TIMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

1. Accounting policies

New York Times Limited is a private company limited by shares incorporated in the United Kingdom. The registered office address is 18 Museum Street, London WC1A 1JN.

The principle activities of the company continue to be to act as an advertising sales agency for its fellow group member, New York Times SAS, which publishes the daily international newspaper The International New York Times.

The financial statements have been presented in Pounds Sterling, as this is the currency of the primary economic environment in which the company operates, and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The New York Times Company as at 31 December 2017 and these financial statements may be obtained from www.nyfco.com.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.3 Going concern

The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

NEW YORK TIMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short term leasehold property	- 10% straight line
Fixtures & fittings	- 20% straight line
Office equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset or (cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or (CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'administrative expenses'.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.14 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.16 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

2.1 Critical judgements in applying the company's accounting policies

The critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing the functional currency

The directors are required to identify the functional currency of the company. In making this judgement, the directors have considered factors such as the currency which mainly influences both revenue and expenditure prices, and the countries whose competitive forces and regulations affect those prices. Where the functional currency is not clearly identifiable, the directors have used judgement to determine which currency most faithfully represents the economic effects of the underlying transactions, events and conditions. The directors have concluded that the company's functional currency is the Great British Pound (GBP).

2.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Recoverability of debtors

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

NEW YORK TIMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

4. Turnover

	31 December 2017 £	25 December 2016 £
Advertising commissions	9,397,714	5,636,204
Conferences	-	2,463,342
Other income	-	336,506
	<u>9,397,714</u>	<u>8,436,052</u>

5. Analysis of turnover

Analysis of turnover by country of destination:

	31 December 2017 £	25 December 2016 £
United Kingdom	-	6,318,313
Europe	9,397,714	1,595,496
Middle East	-	342,368
Africa	-	-
Asia	-	179,875
America	-	-
	<u>9,397,714</u>	<u>8,436,052</u>

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	131,727	132,056
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	25,000	25,200
Exchange differences	345,964	(136,665)
Operating lease rentals	539,384	273,152
Defined contribution pension cost	387,556	192,425
	<u>1,430,631</u>	<u>496,278</u>

NEW YORK TIMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

7. Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	25,000	25,200
Fees payable to the company's auditor and its associates for other services	8,150	8,050
	<u>33,150</u>	<u>33,250</u>

8. Employees

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	5,098,489	3,515,291
Social security costs	584,833	283,376
Cost of defined contribution scheme	387,556	192,425
	<u>6,070,878</u>	<u>3,991,092</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2017	2016
	No.	No.
Sales and advertising	28	23
Editorial	32	23
Marketing and research	12	12
Operations	5	2
	<u>77</u>	<u>60</u>

During the year remuneration of £93,750 (2016: £nil) was paid to the directors.

During the year pension payments of £10,313 (2016: £nil) were made on behalf of the directors.

9. Interest receivable

	2017	2016
	£	£
Other interest receivable	187	1,054
	<u>187</u>	<u>1,054</u>

NEW YORK TIMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	59,078	212
Adjustments in respect of previous periods	(212)	(12,727)
	<u>58,866</u>	<u>(12,515)</u>
Total current tax	<u>58,866</u>	<u>(12,515)</u>
Deferred tax		
Fixed asset timing differences	51,246	-
Total deferred tax	<u>51,246</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>110,112</u>	<u>(12,515)</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	<u>219,294</u>	<u>(40,795)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	42,207	(8,159)
Effects of:		
Expenses not deductible for tax purposes	23,018	12,088
Fixed asset differences	8,449	4,142
Adjustments to tax charge in respect of prior periods	(212)	(12,727)
Other timing differences leading to an increase (decrease) in taxation	5,068	3,705
Adjust deferred tax to average rate	(6,772)	(6,738)
Deferred tax not recognised	38,354	(4,826)
Total tax charge for the period	<u>110,112</u>	<u>(12,515)</u>

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10. Taxation (continued)**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in July 2015 and took effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted on 6 September 2016.

11. Tangible fixed assets

	Short term leasehold property £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation				
At 26 December 2016	704,283	198,591	121,049	1,023,923
Additions	-	1,960	6,556	8,516
At 31 December 2017	<u>704,283</u>	<u>200,551</u>	<u>127,605</u>	<u>1,032,439</u>
Depreciation				
At 26 December 2016	124,837	110,678	80,222	315,737
Charge for the period	72,395	29,171	30,161	131,727
At 31 December 2017	<u>197,232</u>	<u>139,849</u>	<u>110,383</u>	<u>447,464</u>
Net book value				
At 31 December 2017	<u>507,051</u>	<u>60,702</u>	<u>17,222</u>	<u>584,975</u>
At 25 December 2016	<u>579,446</u>	<u>87,913</u>	<u>40,827</u>	<u>708,186</u>

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12. Debtors

	31 December 2017 £	25 December 2016 £
Trade debtors	19,906	478,037
Amounts owed by group undertakings	1,316,211	2,548,982
Other debtors	95,330	153,584
Prepayments and accrued income	83,486	93,454
Tax recoverable	18,044	54,573
	<u>1,532,977</u>	<u>3,328,630</u>

Amounts owed by group undertakings are non interest bearing and repayable on demand.

13. Cash and cash equivalents

	31 December 2017 £	25 December 2016 £
Cash at bank and in hand	112,949	320,235
	<u>112,949</u>	<u>320,235</u>

14. Creditors: Amounts falling due within one year

	31 December 2017 £	25 December 2016 £
Trade creditors	184,439	155,986
Amounts owed to group undertakings	605,001	3,114,297
Other taxation and social security	214,392	167,361
Other creditors	12,318	10,421
Accruals and deferred income	1,132,716	987,379
	<u>2,148,866</u>	<u>4,435,444</u>

Amounts owed to group undertakings are non interest bearing and repayable on demand.

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15. Deferred taxation

	2017 £
Charged to profit or loss	(51,246)
At end of year	<u><u>(51,246)</u></u>

The deferred taxation balance is made up as follows:

	31 December 2017 £	25 December 2016 £
Fixed asset timing differences	(51,246)	-
	<u><u>(51,246)</u></u>	<u><u>-</u></u>

16. Share capital

	31 December 2017 £	25 December 2016 £
Authorised, allotted, called up and fully paid		
5,000 ordinary shares of £1 each	5,000	5,000
	<u><u>5,000</u></u>	<u><u>5,000</u></u>

17. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £387,556 (2016: £192,425).

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18. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2017 £	25 December 2016 £
Not later than 1 year	415,154	466,992
Later than 1 year and not later than 5 years	1,659,034	1,851,985
Later than 5 years	806,737	1,387,500
	<u>2,880,925</u>	<u>3,706,477</u>

19. Related party transactions

The company has taken advantage of the exemption in Section 33 of the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

	31 December 2017 £	25 December 2016 £
International Herald Tribune (Hong Kong) LTD.	(159,507)	(142,323)
New York Times Company	870,717	2,548,982
International Herald Tribune S.A.S.	-	(2,971,972)
	<u>711,210</u>	<u>(565,313)</u>

20. Post balance sheet events

There have been no significant events affecting the company since the year end.

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21. Controlling party

The immediate parent company is NYT International LLC, incorporated in the United States, and the ultimate parent company is The New York Times Company, incorporated in the United States.

The parent company of the smallest group to include the company in its consolidated financial statements is NYT International LLC,, a company incorporated in the United States.

The parent company of the largest group to include the company in its consolidated financial statements is The New York Times Company and financial statements can be obtained from its website www.nytc.com.