

9

International Herald Tribune Limited

Company Registration No. 01106659

Director's report and financial statements

For the period ended 26 December 2010



INTERNATIONAL HERALD TRIBUNE LIMITED

COMPANY INFORMATION

Director	S Dunbar Johnson
Company secretary	P Falconer
Company number	1106659
Registered office	2nd Floor 1 New Oxford Street London WC1A 1NU
Auditors	Mazars LLP Chartered Accountants & Statutory Auditors Times House Throwley Way Sutton Surrey SM1 4JQ

INTERNATIONAL HERALD TRIBUNE LIMITED

CONTENTS

	Page
Director's report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 14

INTERNATIONAL HERALD TRIBUNE LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 26 DECEMBER 2010

The director presents his report and the financial statements for the 52 week period ended 26 December 2010

Principal activities

The principal activities of the company continued to be to act as an advertising sales agency for its parent undertaking, International Herald Tribune SAS, which publishes the daily international newspaper The International Herald Tribune, and to organise international conferences

Results for the period

The company made a profit in the 52 week period of £599,129 (2009: £380,152) On 5th March 2010 and in order to facilitate clearing of intercompany debtor balances, the company declared a dividend of £2,750,000, being £550 per share

Director

The director who served during the period was

S Dunbar Johnson

Future developments

The director anticipates future performance to be in line with that seen previously

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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

INTERNATIONAL HERALD TRIBUNE LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 26 DECEMBER 2010

Provision of information to auditors

The director at the time when this director's report is approved has confirmed that

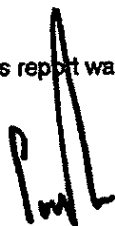
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

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

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

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



S Dunbar Johnson
Director

Date 27/09/11

INTERNATIONAL HERALD TRIBUNE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL HERALD TRIBUNE LIMITED

We have audited the financial statements of International Herald Tribune Limited for the period ended 26 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of director and auditors

As explained more fully in the statement of director's responsibilities set out on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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 auditors' 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 26 December 2010 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.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INTERNATIONAL HERALD TRIBUNE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL HERALD TRIBUNE LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to take advantage of the small companies' exemption in preparing the director's report



Richard Gilbert (Senior Statutory Auditor)

for and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditors

Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Date 30 September 2011

INTERNATIONAL HERALD TRIBUNE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 26 DECEMBER 2010

	Note	2010 £	2009 £
Turnover	1,2	4,921,823	4,499,824
Administrative expenses		(4,006,712)	(3,949,560)
Operating profit	3	915,111	550,264
Interest receivable and similar income		140	179
Interest payable and similar charges		(296)	(1,771)
Profit on ordinary activities before taxation		914,955	548,672
Tax on profit on ordinary activities	5	(315,826)	(168,520)
Profit for the period	10	599,129	380,152

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 7 to 14 form part of these financial statements

INTERNATIONAL HERALD TRIBUNE LIMITED

Registered number: 1106659

BALANCE SHEET AS AT 26 DECEMBER 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	6		87,244		122,943
Current assets					
Debtors	7	1,499,711		3,482,707	
Cash at bank and in hand		362,727		176,647	
		<u>1,862,438</u>		<u>3,659,354</u>	
Creditors: amounts falling due within one year	8	<u>(929,513)</u>		<u>(611,257)</u>	
Net current assets			<u>932,925</u>		<u>3,048,097</u>
Total assets less current liabilities			<u>1,020,169</u>		<u>3,171,040</u>
Capital and reserves					
Called up share capital	9		5,000		5,000
Profit and loss account	10		<u>1,015,169</u>		<u>3,166,040</u>
Shareholders' funds	11		<u>1,020,169</u>		<u>3,171,040</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: 27/09/11

The notes on pages 7 to 14 form part of these financial statements.

INTERNATIONAL HERALD TRIBUNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 DECEMBER 2010

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

These financial statements represent the 52 week period ending 26 December 2010 (2009 52 week period ending 27 December 2009)

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

L/Term leasehold property	-	20% straight line
Motor vehicles	-	20% straight line
Fixtures & fittings	-	20% straight line
Computer equipment	-	20% straight line

1.5 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted.

INTERNATIONAL HERALD TRIBUNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 DECEMBER 2010

1. Accounting policies (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period

2. Turnover

An analysis of turnover by class of business is as follows:

	2010 £	2009 £
Advertising commissions	3,239,804	3,202,762
Conferences	1,682,019	1,297,062
	<u>4,921,823</u>	<u>4,499,824</u>

Geographical market

	2010 £	2009 £
United Kingdom	432,334	286,272
Europe	4,143,995	3,744,265
Middle East	130,220	155,080
Africa	3,376	4,089
Asia	104,228	70,605
America	107,670	239,513
Total	<u>4,921,823</u>	<u>4,499,824</u>

INTERNATIONAL HERALD TRIBUNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 DECEMBER 2010

3. Operating profit

The operating profit is stated after charging/(crediting).

	2010 £	2009 £
Depreciation of tangible fixed assets - owned by the company	37,917	39,502
Auditors' remuneration - audit services	14,950	14,000
Auditors' remuneration - non audit services	26,900	6,500
Difference on foreign exchange	67,351	(32,193)
Operating leases - land and buildings	100,730	98,880
	<u>247,848</u>	<u>126,689</u>

During the period, no director received any emoluments (2009 - £NIL)

4. Staff costs

Staff costs were as follows

	2010 £	2009 £
Wages and salaries	1,803,417	1,661,643
Social security costs	226,425	163,032
Other pension costs	132,522	137,254
	<u>2,162,364</u>	<u>1,961,929</u>

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

	2010 No.	2009 No.
Employees	<u>29</u>	<u>30</u>

INTERNATIONAL HERALD TRIBUNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 DECEMBER 2010

5. Taxation

	2010 £	2009 £
Analysis of tax charge in the period		
UK corporation tax charge on profit for the period	285,180	168,520
Adjustments in respect of prior periods	30,646	-
	<u>315,826</u>	<u>168,520</u>

Tax on profit on ordinary activities

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2009 - higher than) the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>914,955</u>	<u>548,672</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	256,187	153,628
Effects of:		
Expenses not deductible for tax purposes	24,967	11,893
Other adjustments	617	-
Capital allowances in excess of depreciation	3,409	2,999
Adjustments to tax charge in respect of prior periods	30,646	-
	<u>315,826</u>	<u>168,520</u>

Current tax charge for the period (see note above)

Factors that may affect future tax charges

There were no factors that may affect future tax charges

INTERNATIONAL HERALD TRIBUNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 DECEMBER 2010

6. Tangible fixed assets

	L/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost					
At 28 December 2009	119,969	20,000	87,496	29,511	256,976
Additions	-	-	-	2,218	2,218
At 26 December 2010	119,969	20,000	87,496	31,729	259,194
Depreciation					
At 28 December 2009	34,698	14,000	56,805	28,530	134,033
Charge for the period	24,400	4,000	8,258	1,259	37,917
At 26 December 2010	59,098	18,000	65,063	29,789	171,950
Net book value					
At 26 December 2010	60,871	2,000	22,433	1,940	87,244
At 27 December 2009	85,271	6,000	30,691	981	122,943

7. Debtors

	2010 £	2009 £
Trade debtors	347,529	119,155
Amounts owed by group undertakings	1,076,369	3,223,706
Other debtors	-	97,359
Prepayments and accrued income	75,813	42,487
	1,499,711	3,482,707

INTERNATIONAL HERALD TRIBUNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 DECEMBER 2010

8. Creditors:

Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	-	5,163
Trade creditors	36,342	102,067
Amounts owed to group undertakings	2,127	144,996
Corporation tax	276,493	114,094
Social security and other taxes	106,448	53,000
Other creditors	12,451	-
Accruals and deferred income	495,652	191,937
	<u>929,513</u>	<u>611,257</u>

The parent company has provided a guarantee covering bank borrowings obtained by the company.

9. Share capital

	2010 £	2009 £
Authorised, allotted, called up and fully paid 5,000 Ordinary Shares shares of £1 each	<u>5,000</u>	<u>5,000</u>

10. Reserves

	Profit and loss account £
At 28 December 2009	3,166,040
Profit for the period	599,129
Dividends. Equity capital	(2,750,000)
	<u>1,015,169</u>
At 26 December 2010	

11. Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Opening shareholders' funds	3,171,040	2,790,888
Profit for the period	599,129	380,152
Dividends (Note 12)	(2,750,000)	-
	<u>1,020,169</u>	<u>3,171,040</u>

INTERNATIONAL HERALD TRIBUNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 DECEMBER 2010

12. Dividends

	2010 £	2009 £
Dividends paid on equity capital	<u>2,750,000</u>	<u>-</u>

On 5 March 2010 and in order to facilitate clearing intercompany debtor balances, a dividend of £2,750,000 was declared by the company, being £550 per share

13. Pension commitments

Defined contribution

	2010 £	2009 £
Contributions payable by the company for the period	<u>132,522</u>	<u>137,254</u>

14. Operating lease commitments

At 26 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		2010 £	Other 2009 £
	2010 £	2009 £		
Expiry date:				
Between 2 and 5 years	<u>109,135</u>	<u>109,135</u>	<u>497</u>	<u>3,011</u>

INTERNATIONAL HERALD TRIBUNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 DECEMBER 2010

15. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

16. Ultimate parent undertaking and controlling party

The immediate parent company is International Herald Tribune SAS, incorporated in France, and the ultimate parent company is the 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 International Herald Tribune SAS, a company incorporated in France