

# International Herald Tribune Limited

Company Registration No 01106659

## Director's report and financial statements

For the period ended 25 December 2011

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# INTERNATIONAL HERALD TRIBUNE LIMITED

## COMPANY INFORMATION

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Director	S Dunbar Johnson
<b>Company secretary</b>	P Falconer
Company number	01106659
Registered office	2nd Floor 1 New Oxford Street London WC1A 1NU
Auditor	Mazars LLP Chartered Accountants & Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

# INTERNATIONAL HERALD TRIBUNE LIMITED

## CONTENTS

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	Page
Director's report	1 - 2
Independent auditor's 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 25 DECEMBER 2011

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The director presents his report and the financial statements for the period ended 25 December 2011

### 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 £389,281 (2010 £599,129) On 20 December 2011, and in order to facilitate clearing of intercompany debtor balances, the company declared a dividend of £1,000,000, being £200 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

### Director's responsibilities statement

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,
- 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 25 DECEMBER 2011

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### Financial Instruments

The director considers the company's exposure to price risk, credit risk, liquidity risk and cash flow risk to be low, and considers information relating to company's financial risk management objectives and policies to be immaterial for the assessment of assets, liabilities, financial position and profit and loss of the company

### Provision of information to auditor

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

### Auditor

The auditor, 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 by



**S Dunbar Johnson**  
Director

Date 26 09 2012

# **INTERNATIONAL HERALD TRIBUNE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL HERALD TRIBUNE LIMITED**

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We have audited the financial statements of International Herald Tribune Limited for the period ended 25 December 2011 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 auditor**

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](http://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 25 December 2011 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 AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL HERALD TRIBUNE LIMITED

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#### 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



William Neale Bussey (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor

Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

Date 27 SEPTEMBER 2012

# INTERNATIONAL HERALD TRIBUNE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 25 DECEMBER 2011

		52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
Turnover	1,2	5,033,282	4,921,823
Administrative expenses		<u>(4,499,440)</u>	<u>(4,008,712)</u>
<b>Operating profit</b>	<b>3</b>	533,842	915,111
Interest receivable and similar income		135	140
Interest payable and similar charges		<u>-</u>	<u>(296)</u>
<b>Profit on ordinary activities before taxation</b>		533,977	914,955
Tax on profit on ordinary activities	6	<u>(144,696)</u>	<u>(315,826)</u>
<b>Profit for the financial period</b>	<b>11</b>	<u><u>389,281</u></u>	<u><u>599,129</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses 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 01106659

## BALANCE SHEET AS AT 25 DECEMBER 2011

	Note	25 December 2011		26 December 2010	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		54,849		87,244
<b>Current assets</b>					
Debtors	8	671,602		1,499,711	
Cash at bank and in hand		529,266		362,727	
		<u>1,200,868</u>		<u>1,862,438</u>	
<b>Creditors</b> amounts falling due within one year	9	<u>(846,267)</u>		<u>(929,513)</u>	
<b>Net current assets</b>			<u>354,601</u>		<u>932,925</u>
<b>Total assets less current liabilities</b>			<u><u>409,450</u></u>		<u><u>1,020,169</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		5,000		5,000
Profit and loss account	11		404,450		1,015,169
<b>Shareholders' funds</b>	12		<u><u>409,450</u></u>		<u><u>1,020,169</u></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 26.04 2012 .

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 25 DECEMBER 2011

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### 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 25 December 2011 (2010 52 week period ending 26 December 2010)

#### 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 during the period, exclusive of Value Added Tax and trade discounts

Revenue in respect of acting as an advertising sales agency is recognised on completion of the service

Revenue in respect of sponsorship and delegate fees for conferences is recognised at the completion of each conference until which point amounts invoiced are recorded as deferred income

#### 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

Short term leasehold property	-	20% straight line
Motor vehicles	-	20% straight line
Fixtures & fittings	-	20% straight line
Office 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

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 DECEMBER 2011

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### 1. Accounting policies (continued)

#### 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

#### 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 in respect of the period

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 DECEMBER 2011

### 2. Turnover

An analysis of turnover by class of business is as follows

	52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
Advertising commissions	3,465,631	3,239,804
Conferences	1,567,651	1,682,019
	<u>5,033,282</u>	<u>4,921,823</u>

An analysis of turnover by geographical market is as follows

	52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
United Kingdom	236,006	432,334
Europe	3,899,734	4,143,995
Middle East	131,756	130,220
Africa	11,378	3,376
Asia	78,088	104,228
America	676,320	107,670
Total	<u>5,033,282</u>	<u>4,921,823</u>

### 3 Operating profit

The operating profit is stated after charging

	52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
Depreciation of tangible fixed assets - owned by the company	36,126	37,917
Difference on foreign exchange	21,074	67,351
Operating leases - land and buildings	91,818	100,730
Operating lease rentals - other	6,297	5,320
	<u>155,335</u>	<u>211,318</u>

During the period, no director received any emoluments in respect of services to the company (2010 - £NIL)

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 DECEMBER 2011

### 4. Auditor's remuneration

	52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	16,000	14,950
Fees payable to the company's auditor in respect of Other services relating to taxation	2,500	2,500
All other services	500	24,400
	<u>          </u>	<u>          </u>

### 5. Staff costs

Staff costs were as follows

	52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
Wages and salaries	2,219,256	1,803,417
Social security costs	237,707	226,425
Other pension costs	136,678	132,522
	<u>          </u>	<u>          </u>
	<u>2,593,641</u>	<u>2,162,364</u>

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

	52 weeks ended 25 December 2011 No.	52 weeks ended 26 December 2010 No.
Sales and advertising	18	17
Editorial	3	3
Marketing and research	10	9
	<u>          </u>	<u>          </u>
	<u>31</u>	<u>29</u>

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 DECEMBER 2011

### 6 Taxation

	52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
<b>Analysis of tax charge in the period</b>		
UK corporation tax charge on profit for the period	160,508	285,180
Adjustments in respect of prior periods	(15,812)	30,646
	<u>144,696</u>	<u>315,826</u>
<b>Tax on profit on ordinary activities</b>	<u>144,696</u>	<u>315,826</u>

#### Factors affecting tax charge for the period

The tax assessed for the period is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are explained below

	52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
Profit on ordinary activities before tax	<u>533,977</u>	<u>914,955</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	141,504	256,187
<b>Effects of.</b>		
Expenses not deductible for tax purposes	15,278	25,584
Depreciation in excess of capital allowances	3,726	3,409
Adjustments to tax charge in respect of prior periods	(15,812)	30,646
	<u>144,696</u>	<u>315,826</u>
<b>Current tax charge for the period (see note above)</b>	<u>144,696</u>	<u>315,826</u>

#### 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 25 DECEMBER 2011

### 7. Tangible fixed assets

	Short term leasehold property £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>					
At 27 December 2010	119,969	20,000	87,496	31,729	259,194
Additions	-	-	-	3,731	3,731
At 25 December 2011	119,969	20,000	87,496	35,460	262,925
<b>Depreciation</b>					
At 27 December 2010	59,098	18,000	65,063	29,789	171,950
Charge for the period	24,400	2,000	8,258	1,468	36,126
At 25 December 2011	83,498	20,000	73,321	31,257	208,076
<b>Net book value</b>					
At 25 December 2011	36,471	-	14,175	4,203	54,849
At 27 December 2010	60,871	2,000	22,433	1,940	87,244

### 8. Debtors

	25 December 2011 £	26 December 2010 £
Trade debtors	380,083	347,529
Amounts owed by group undertakings	119,856	1,076,369
Other debtors	97,801	-
Prepayments and accrued income	73,862	75,813
	<u>671,602</u>	<u>1,499,711</u>

### 9. Creditors. Amounts falling due within one year

	25 December 2011 £	26 December 2010 £
Trade creditors	54,223	36,342
Amounts owed to group undertakings	4,830	2,127
Corporation tax	144,443	276,493
Social security and other taxes	71,503	106,448
Other creditors	-	12,451
Accruals and deferred income	571,268	495,652
	<u>846,267</u>	<u>929,513</u>

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 DECEMBER 2011

### 10. Share capital

	25 December 2011 £	26 December 2010 £
Authorised, allotted, called up and fully paid 5,000 Ordinary shares of £1 each	5,000	5,000

### 11. Reserves

	Profit and loss account £
At 27 December 2010	1,015,169
Profit for the period	389,281
Dividends (Note 12)	(1,000,000)
At 25 December 2011	404,450

### 12. Reconciliation of movement in shareholders' funds

	52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
Opening shareholders' funds	1,020,169	3,171,040
Profit for the period	389,281	599,129
Dividends (Note 13)	(1,000,000)	(2,750,000)
Closing shareholders' funds	409,450	1,020,169

### 13. Dividends

	52 weeks ended 25 December 2011 £	52 weeks ended 26 December 2010 £
Dividends paid on equity capital	1,000,000	2,750,000

On 20 December 2011 (2010 5 March 2010) and in order to facilitate clearing intercompany debtor balances, a dividend of £1,000,000 (2010 £2,750,000) was declared by the company, being £200 (2010 £550) per share



# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 DECEMBER 2011

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### 14. Operating lease commitments

At 25 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		2011 £	Other 2010 £
	2011 £	2010 £		
<b>Expiry date:</b>				
Between 2 and 5 years	109,135	109,135	3,036	497

### 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.

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](http://www.nytc.com)