

RYDER STREET PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012



Registered number: 626084

RYDER STREET PROPERTIES LIMITED

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RYDER STREET PROPERTIES LIMITED

Report of the directors for the year ended 31 March 2012

The directors present their annual report and audited financial statements of the company for the year ended 31 March 2012. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities and business review

The principal activity of the company continues to be the letting of business accommodation to other members of The Economist Group and to outside tenants. The directors expect that the present level of business activity will be sustained for the foreseeable future.

Results and dividends

The profit for the financial year amounted to £2,500,000 (2011 £3,007,062). During the year no interim dividend was paid (2011 £nil). The directors recommend the payment of a final dividend of £2,500,000 (2011 £3,007,000).

Property values

The Economist Complex is stated in the balance sheet at depreciated cost. The directors have been advised by external surveyors that the market value of the Economist Complex at 31 March 2012 is £69,350,000 (2011 £67,000,000), the book value is £16,313,000 (2011 £16,590,000).

Directors

The directors who served on the Board during the year and up to the date of signing the financial statements are set out below:

A Rashbass
O K M Grut
C J Stibbs

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

RYDER STREET PROPERTIES LIMITED

Report of the directors for the year ended 31 March 2012 (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

By order of the Board



O K M Grut
Company secretary

21 November 2012

Registered office

25 St James's Street
London
SW1A 1HG

RYDER STREET PROPERTIES LIMITED

Independent auditors' report to the members of Ryder Street Properties Limited

We have audited the financial statements of Ryder Street Properties Limited for the year ended 31 March 2012 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements and report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year 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 other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.


Philip Stokes (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

22 November 2012

RYDER STREET PROPERTIES LIMITED

Profit and loss account for the year ended 31 March 2012

Company registered number 626084

	Note	2012 £'000	2011 £'000
Turnover	1(b)	4,564	4,699
Cost of Sales		<u>(252)</u>	<u>(244)</u>
GROSS PROFIT		4,312	4,455
Administrative expenses		<u>(377)</u>	<u>(535)</u>
OPERATING PROFIT		3,935	3,920
Interest payable and similar charges	2	(471)	(471)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>3,464</u>	<u>3,449</u>
Tax on profit on ordinary activities	6	<u>(964)</u>	<u>(442)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u>2,500</u>	<u>3,007</u>

The results reported above relate solely to continuing activities

There are no recognised gains and losses except for the results reported above and therefore no separate statement of total recognised gains or losses has been presented

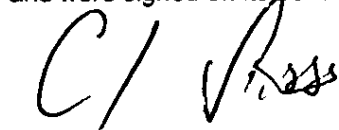
There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

RYDER STREET PROPERTIES LIMITED**Balance sheet as at 31 March 2012**

Company registered number 626084

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible assets	8	16,621	16,592
CURRENT ASSETS			
Debtors	9	8,990	8,980
Cash at bank and in hand	10	<u>2,752</u>	<u>2,436</u>
		11,742	11,416
CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(4,801)</u>	<u>(3,956)</u>
NET CURRENT ASSETS		<u>6,941</u>	<u>7,460</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		23,562	24,052
CREDITORS' AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	<u>(20,062)</u>	<u>(20,045)</u>
NET ASSETS		<u>3,500</u>	<u>4,007</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Profit and loss account	14	<u>2,500</u>	<u>3,007</u>
TOTAL SHAREHOLDERS' FUNDS	15	<u>3,500</u>	<u>4,007</u>

The financial statements on pages 5 to 13 were approved by the Board of directors on 22 November 2012, and were signed on its behalf by



C J Stibbs

Director

RYDER STREET PROPERTIES LIMITED

Notes to the financial statements for the year ended 31 March 2012

1 Accounting policies

(a) Basis of accounting

The financial statements are prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, all of which have been applied consistently, are set out below.

(b) Rental income

Rental income comprises gross rental income receivable for the year but excludes service charge income which is deducted from the related expenses. All amounts are stated exclusive of value added tax.

(c) Leasehold properties

The company's short leasehold properties are mainly occupied by group companies and accordingly are not regarded as investment properties as defined by Statement of Standard Accounting Practice 19 'Accounting for investment properties'.

(d) Tangible fixed assets

Tangible fixed assets are included at historic cost less accumulated depreciation. The long leasehold property and leasehold improvements, which includes the Economist Complex, and fixtures, fittings and equipment, are included at cost and depreciated over the remaining life of the lease. Cost includes purchase price and costs attributable in bringing the asset to its working condition. The cost of leasehold improvements includes directly attributable finance costs. Refurbishment expenditure on the complex is depreciated from the date of first use on a straight-line basis over the following estimated useful lives:

Leasehold and property improvements	20 to 125 years
Fixtures, fittings and equipment	3 to 10 years

(e) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

(f) Deferred taxation

Deferred taxation is fully provided, using the liability method, at the expected applicable rates, on all timing differences between accounting and taxation treatments, which are expected to reverse in the foreseeable future.

No provision is made for any additional taxation which would arise on the remittance of profits retained, where there is no intention to remit such profits. A deferred tax asset is only recognised to the extent that it is more likely than not that there will be taxable profits from which the future reversal of the timing differences can be deducted.

RYDER STREET PROPERTIES LIMITED

Notes to the financial statements for the year ended 31 March 2012 (continued)

(g) Leased assets

Where the company has entered into finance leases, the obligations to the lessor are shown as part of creditors and the corresponding assets are treated as tangible fixed assets. Depreciation is calculated in order to write off the amounts capitalised over the lower of the estimated useful lives of the assets and the term of the lease, in equal annual instalments. Rentals payable under finance leases are apportioned between capital and interest, the interest portion being charged to the profit and loss account and the capital portion reducing the obligations to the lessor.

Rentals under operating leases are charged on a straight-line basis over the lease term.

(h) Cash flow statement

The company is owned through a wholly owned subsidiary of The Economist Newspaper Limited and the cash flows of the company are included in the consolidated group cash flow statement of The Economist Newspaper Limited. Consequently, the company is exempt under the terms of FRS 1 (revised 1996) 'Cash flow statements' from publishing a cash flow statement.

(i) Related party transactions

As the company is owned through a wholly owned subsidiary of The Economist Newspaper Limited, the company has taken advantage of the exemptions contained in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the Group. There were no other related party transactions in the year (2011: £nil).

(j) Pension costs

The cost of providing pensions under the defined contribution scheme is charged against profits as contributions become payable.

2 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest payable on		
amounts owed to ultimate parent company	263	263
finance leases	208	208
	<u>471</u>	<u>471</u>

RYDER STREET PROPERTIES LIMITED

Notes to the financial statements for the year ended 31 March 2012 (continued)

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging

	2012 £'000	2011 £'000
Depreciation on owned assets	227	263
assets held under finance leases	54	54
Operating lease rentals land and buildings	<u>252</u>	<u>245</u>

The audit fee is borne by the ultimate parent company, The Economist Newspaper Limited. It is not practical to split out the fee for the subsidiaries, as such the aggregated fee for the subsidiaries of The Economist Newspaper Limited is £260,000 as can be found in Note 3 "Profit on ordinary activities before taxation" of the 2012 annual report of The Economist Group.

4 Directors' emoluments

None of the directors received any emoluments in respect of their services to the company during the year (2011: £nil).

5 Staff costs

Particulars of employee costs are shown below

	2012 £'000	2011 £'000
Wages and salaries	42	41
Social security costs	4	4
Other pension costs	<u>5</u>	<u>4</u>
	<u>51</u>	<u>49</u>

The average monthly number of persons employed by the company during the year was one (2011: one).

RYDER STREET PROPERTIES LIMITED

Notes to the financial statements for the year ended 31 March 2012 (continued)

6 Tax on profit on ordinary activities

The taxation charge is based on the profit for the financial year and is made up as follows

	2012 £'000	2011 £'000
Current tax		
UK corporation tax	945	1,047
Adjustment in respect of previous years	(1)	(573)
	<u>944</u>	<u>474</u>
Deferred tax		
Origination and reversal of timing differences (note 13)	4	(6)
Adjustments in respect of previous years	16	(26)
	<u>20</u>	<u>(32)</u>
Tax on profit on ordinary activities	<u>964</u>	<u>442</u>

Current tax rate reconciliation

	2012 %	2011 %
UK tax rate	26.0	28.0
Effect of expenses not deductible for tax purposes	1.4	0.7
Effect of depreciation in excess of capital allowances	(0.7)	1.0
Effect of utilisation of general provisions	0.6	0.6
Effect of adjustments in respect of prior years	-	(16.6)
	<u>27.3</u>	<u>13.7</u>

The company is aware that proposed reductions to the UK corporation tax charge will affect the future tax charge, however, the impact is not expected to be material

7 Dividends

	2012 £'000	2011 £'000
Dividend paid of 300.7p (2011: 235.7p) per ordinary £1 share	<u>3,007</u>	<u>2,357</u>

A final dividend for the year of £2,500,000 has been proposed (2011: £3,007,000)

RYDER STREET PROPERTIES LIMITED

Notes to the financial statements for the year ended 31 March 2012 (continued)

8 Tangible fixed assets

	Long leasehold land and buildings £'000	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 April 2011	14,011	18,333	1,280	33,624
Additions	-	-	310	310
At 31 March 2012	14,011	18,333	1,590	33,934
Accumulated depreciation				
At 1 April 2011	2,357	13,397	1,278	17,032
Charge for the year	114	163	4	281
At 31 March 2012	2,471	13,560	1,282	17,313
Net book value at 31 March 2012	11,540	4,773	308	16,621
Net book value at 31 March 2011	11,654	4,936	2	16,592

Included within the cost of the leasehold improvements are capitalised finance costs of £2,312,500 (2011 £2,312,500)

Assets held under finance leases and capitalised in long leasehold buildings were

	2012 £'000	2011 £'000
Cost	2,544	2,544
Accumulated depreciation	(527)	(506)
Net book value	2,017	2,038

No finance costs were capitalised during the year (2011 £nil)

9 Debtors

	2012 £'000	2011 £'000
Trade debtors	268	353
Amounts owed by the ultimate parent company	7,633	7,468
Amounts owed by group undertakings	224	224
Corporation tax	-	236
Other debtors	31	15
Prepayments and accrued income	834	684
	8,990	8,980

Amounts owed by the ultimate parent company and group undertakings are non interest bearing

10 Cash at bank and in hand

At 31 March 2012 the cash balance included £2,751,000 (2011 £2,416,000) of deposits collected from the company's tenants. This cash is only accessible in the event of the tenant defaulting

RYDER STREET PROPERTIES LIMITED

Notes to the financial statements for the year ended 31 March 2012 (continued)

11 Creditors amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	1	-
Finance leases	1	1
Corporation tax	473	-
Other creditors	2,948	2,593
Accruals and deferred income	1,378	1,362
	<u>4,801</u>	<u>3,956</u>

12 Creditors amounts falling due after more than one year

	2012 £'000	2011 £'000
Loan from ultimate parent company due in more than five years	17,526	17,526
Finance leases	2,516	2,519
Deferred taxation (see below)	20	-
	<u>20,062</u>	<u>20,045</u>

Future minimum payments under finance leases are as follows

	2012 £'000	2011 £'000
Within one year	1	1
In more than one year, but less than five years	6	6
After five years	<u>2,510</u>	<u>2,513</u>
	<u>2,517</u>	<u>2,520</u>

The loan from the ultimate parent company is repayable on demand and is unsecured. Interest on this loan is charged at 1% above the UK base rate.

	Deferred taxation £'000
Balance at 1 April 2011	-
Charged to the profit and loss account during the year (note 6)	<u>20</u>
Balance at 31 March 2012	<u>20</u>

The amounts provided for deferred taxation calculated under the liability method are

	2012 £'000	2011 £'000
Effect of differences between depreciation and capital allowances	(66)	(102)
Effect of capitalised interest	95	122
Other timing differences	<u>(9)</u>	<u>(20)</u>
	<u>20</u>	<u>-</u>

RYDER STREET PROPERTIES LIMITED

Notes to the financial statements for the year ended 31 March 2012 (continued)

13 Called up share capital

	2012 £'000	2011 £'000
Allotted and fully paid 1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

14 Profit and loss account

	2012 £'000	2011 £'000
As at 1 April	3,007	2,357
Profit for the financial year	2,500	3,007
Dividends	<u>(3,007)</u>	<u>(2,357)</u>
As at 31 March	<u>2,500</u>	<u>3,007</u>

15 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Opening shareholders' funds	4,007	3,357
Profit for the financial year	2,500	3,007
Dividends paid	<u>(3,007)</u>	<u>(2,357)</u>
Closing shareholders' funds	<u>3,500</u>	<u>4,007</u>

16 Financial commitments

Non-cancellable operating lease - annual commitments at 31 March were as follows

	2012 £'000	2011 £'000
Land and buildings On leases expiring after five years	<u>252</u>	<u>245</u>

17 Ultimate parent company and controlling party

The immediate parent company is The Economist Intelligence Unit Limited, registered in England and Wales. The ultimate controlling party is The Economist Newspaper Limited, which is also registered in England and Wales. The Economist Newspaper Limited is the parent undertaking of both the largest and the only group of undertakings to consolidate these financial statements at 31 March 2012. The 2012 consolidated financial statements of The Economist Group are available from 25 St James Street, London, SW1A 1HG or can be viewed at www.economistgroup.com. The Economist Group consists of The Economist Newspaper Limited and its subsidiary undertakings.