RYDER STREET PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

Registered number· 626084

RYDER STREET PROPERTIES LIMITED

Contents

RYDER STREET PROPERTIES LIMITED

Report of the directors for the year ended 31 March 2010

The directors present their annual report and audited financial statements of the company for the year ended 31 March 2010 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 £2,344,000 (2009 £1,672,000) During the year no interim dividend was paid (2009 £nil) The directors recommend the payment of a final dividend of £2,357,000 (2009 £1,672,000)

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 2010 was £61,000,000 (2009 £55,000,000), the book value is £16,867,000 (2009 £17,144,000)

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

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
9 December 2010

Registered office

25 St James's Street, London, SW1A 1HG

RYDER STREET PROPERTIES LIMITED

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 those financial statements, the directors are 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

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

By order of the board

O K M Grut
Company secretary
9 December 2010

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 2010 which comprise the profit and loss account, the balance sheet and the related notes These financial statements have been prepared under the accounting policies set out therein 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' Responsibility Statement set out on page 3, 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 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

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 2010 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 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 prepare the directors' report in accordance with the small company regime

Philip Stokes (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 December 2010

RYDER STREET PROPERTIES LIMITED

Profit and loss account for the year ended 31 March 2010

Company registered number 626084

	Note	2010 £'000	2009 £'000
Rental income	1	4,677	4,763
Rents payable and direct expenses		(244)	(245)
NET RENTAL INCOME		4,433	4,518
Administrative expenses		(606)	(909)
OPERATING PROFIT		3,827	3,609
Net interest payable	2	(471)	(1,019)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	3,356	2,590
Tax on profit on ordinary activities	6	(1,012)	(918)
PROFIT FOR THE FINANCIAL YEAR	15	2,344	1,672

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 2010

Company registered number 626084

	Notes	2010 £'000	2009 £'000
FIXED ASSETS			
Tangible assets	8	16,909	17,337
CURRENT ASSETS			
Debtors	9	1,042	817
Cash at bank and in hand	10	18,698	15,781
		19,740	16,598
CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(13,214)	(11,191)
NET CURRENT ASSETS		6,526	5,407
TOTAL ASSETS LESS CURRENT LIABILITIES		23,435	22,744
CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	(20,046)	(20,047)
PROVISIONS FOR LIABILITIES	13	(32)	(12)
NET ASSETS		3,357	2,685
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Profit and loss account	15	2,357	1,685
TOTAL SHAREHOLDERS' FUNDS	16	3,357	2,685

The financial statements on pages 5 to 13 were approved by the board of directors on 9 December 2010

C J Stibbs **Director**

RYDER STREET PROPERTIES LIMITED

Notes to the financial statements for the year ended 31 March 2010

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 of 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 period 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 largely occupied by group companies and accordingly are not regarded as investment properties as defined by Statement of Standard Accounting Practice 19

(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 is depreciated over the remaining life of the lease Cost includes purchase price and costs attributable in bringing the asset to 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 by 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

Notes to the financial statements for the year ended 31 March 2010 (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, by 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 Financial Reporting Standard 1 (revised 1996) 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 Financial Reporting Standard 8 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

(j) **Pension costs**

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

Notes to the financial statements for the year ended 31 March 2010 (continued)

2 Interest payable and similar charges

	2010 £'000	2009 £'000
Interest payable		
on amounts owed to ultimate parent company	263	811
on finance leases	208	208
	471	1,019

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging

	2010 £'000	2009 £'000
Depreciation		
on owned assets	376	712
on assets held by finance leases	54	54
Operating lease rentals land and buildings	245	245

The auditors' remuneration for the year was borne by the ultimate parent company in the current and prior years

4 Directors' emoluments

None of the directors received any emoluments in respect of their services to the company during the year (2009 £nil)

5 Staff costs

Particulars of employee costs are shown below

	2010 £'000	2009 £'000
Wages and salaries	41	37
Social security costs	4	3
Other pension costs	4	4
	49	44

The average monthly number of persons employed by the company during the year was one (2009 one)

RYDER STREET PROPERTIES LIMITED

Notes to the financial statements for the year ended 31 March 2010 (continued)

6 Tax on profit on ordinary activities

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

	2010 £'000	2009 £'000
Current tax		
UK corporation tax at 28% (2009 28%)	1,015	978
Adjustment in respect of prior years	(23)	(7)
	992	971
Deferred tax		
Deferred taxation (note 13)	9	(60)
Adjustment in respect of prior years	11	7
	20	(53)
	1,012	918

Current tax rate reconciliation

	2010 %	2009 %
UK tax rate	28 0	28 0
Effect of expenses not deductible for tax purposes	3 6	7 5
Effect of depreciation in excess of capital allowances	(1 4)	1 5
Adjustment in respect of prior years	(0 7)	(0 3)
Other timing differences	-	0 8
	29 5	37 5

The company is not aware of any event that may affect the future tax charge

7 Dividends

	2010 £'000	2009 £'000
Dividend paid of 167 2p (2009 126 3p) per ordinary £1 share	1,672	1,263

A final dividend for the year of £2,357,000 has been proposed (2009 £1,672,000)

Notes to the financial statements for the year ended 31 March 2010 (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 2009	14,011	18,333	1,278	33,622
Additions	-	-	2	2
At 31 March 2010	14,011	18,333	1,280	33,624
Accumulated depreciation				
At 1 April 2009	2,129	13,071	1,085	16,285
Charge for the year	114	163	153	430
At 31 March 2010	2,243	13,234	1,238	16,715
Net book value at 31 March 2010	11,768	5,099	42	16,909
Net book value at 31 March 2009	11,882	5,262	193	17,337

Included within the cost of the leasehold improvements is capitalised interest of £2,312,500 (2009 £2,312,500)

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

	2010 £'000	2009 £'000
Cost	6,798	6,798
Aggregate depreciation	(1,297)	(1,243)
Net book value	5,501	5,555

No finance costs were capitalised during the year (2009 £nil)

9 Debtors

	2010 £'000	2009 £'000
Trade debtors	528	347
Amounts owed by group undertakings	224	224
Other debtors	13	17
Prepayments and accrued income	277	229
	1,042	817

10 Cash at bank and in hand

At 31 March 2010 the cash balance included £1,847,000 (2009 £1,828,000) 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 2010 (continued)

11 Creditors amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	63	8
Amounts owed to ultimate parent company	9,331	7,541
Finance leases	1	1
Corporation tax	422	376
Other creditors	2,002	1,963
Accruals and deferred income	1,395	1,302
	13,214	11,191

12 Creditors amounts falling due after more than one year

	2010 £'000	2009 £'000
Loan from ultimate parent company due in more than five years	17,526	17,526
Finance leases	2,520	2,521
	20,046	20,047
Future minimum payments under finance leases are as follows		
Within one year	1	1
In more than one year, but less than five years	6	6
After five years	2,514	2,515
	2,521	2,522

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

13 Provisions for liabilities

	Deferred taxation £'000
Balance at 1 April 2009	12
Charged to the profit and loss account during the year (note 6)	20
Balance at 31 March 2010	32

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

	2010 £'000	2009 £'000
Effect of differences between depreciation and capital allowances	(142)	(162)
Effect of capitalised interest	174	174
	32	12

Notes to the financial statements for the year ended 31 March 2010 (continued)

14 Called up share capital

	2010 £'000	2009 £'000
Authorised, allotted and fully paid		
1,000,000 ordinary shares of £1 each	1,000	1,000

15 Profit and loss account

	2010 £'000	2009 £'000
As at 1 April	1,685	1,276
Profit for the financial year	2,344	1,672
Dividends	(1,672)	(1,263)
As at 31 March	2,357	1,685

16 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Opening shareholders' funds	2,685	2,276
Profit for the financial year	2,344	1,672
Dividends paid	(1,672)	(1,263)
Closing shareholders' funds	3,357	2,685

17 Financial commitments

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

	2010 £'000	2009 £'000
Land and buildings		
On leases expiring after five years	245	245

18 Parent company

The immediate parent undertaking is The Economist Intelligence Unit Limited, registered in England and Wales The ultimate parent undertaking and controlling party is The Economist Newspaper Limited, which is also registered in England and Wales The Economist Newspaper Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2010 The consolidated financial statements of The Economist Newspaper Limited are available from 25 St James Street, London, SW1A 1HG or viewed at www economistgroup com