

Company Registration No. 1106659

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**Financial statements for
the year ended 31 December 2002**

**International Herald
Tribune Limited**

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International Herald Tribune Limited

Company information

Directors	R Bondy D Taylor R Wooldridge
Secretary	R Bondy
Company number	1106659
Registered office	40 Marsh Wall Isle of Dogs London E14 9TP
Auditors	Mazars Times House Throwley Way Sutton Surrey SM1 4JQ

International Herald Tribune Limited

Directors' report For the year ended 31 December 2002

The directors present their report and financial statements for the year ended 31 December 2002.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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;
- prepare the 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Directors

The following directors have held office since 1 January 2002:

R Bondy
D Taylor
R Wooldridge

Directors' interests

There are no directors' interests requiring disclosure under the Companies Act 1985.

Principal activities

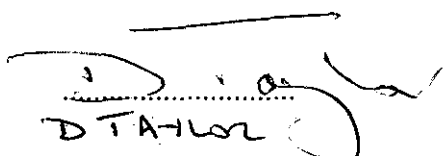
The principal activity of the company continued to be to act as an advertising sales agency for its parent undertaking, International Herald Tribune SA, which publishes the daily international paper, The Herald Tribune. It also organised international conferences.

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Mazars, will be deemed to be reappointed for each succeeding financial year.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 14.4.03
and signed on its behalf by


D TAYLOR
Director

International Herald Tribune Limited

Independent Auditors' report To the shareholders of International Herald Tribune Limited

We have audited the financial statements on pages 3 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the company's members, as a body, in accordance with Section 235 of Companies Act 1985. 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.

Respective responsibilities of directors and auditors

As described in the statement of directors responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

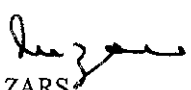
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MAZARS
CHARTERED ACCOUNTANTS
and Registered Auditors
Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

12 June 2003

International Herald Tribune Limited

Profit and loss account

For the year ended 31 December 2002

	Notes	2002 £	2001 £
Turnover		1,845,765	1,644,103
Administrative expenses		(1,915,308)	(1,840,860)
Other operating income		135,537	55,317
Operating profit/(loss)	2	65,994	(141,440)
Investment income	3	-	18,062
Other interest receivable and similar income	3	1,921	51,127
Profit/(loss) on ordinary activities before taxation		67,915	(72,251)
Tax on profit/(loss) on ordinary activities	5	(30,243)	(26,000)
Profit/(loss) on ordinary activities after taxation	10	37,672	(98,251)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

International Herald Tribune Limited

Profit and loss account (continued) For the year ended 31 December 2002

Note of historical cost profits and losses

	31 December 2002 £	31 December 2001 £
Reported profit/(loss) on ordinary activities before taxation	67,915	(72,251)
Realisation of property revaluation gains of previous years	-	94,500
Historical cost profit on ordinary activities before taxation	<u>67,915</u>	<u>22,249</u>
Historical cost profit/(loss) for the year retained after taxation, extraordinary items and dividends	<u>37,672</u>	<u>(3,751)</u>

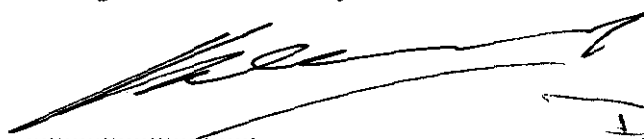
International Herald Tribune Limited

Balance sheet As at 31 December 2002

	Notes	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	6		133,107		133,979
Current assets					
Debtors	7	2,196,520		2,161,981	
Cash at bank and in hand		158,989		343,907	
		<u>2,355,509</u>		<u>2,505,888</u>	
Creditors: amounts falling due within one year	8	<u>(500,833)</u>		<u>(689,756)</u>	
Net current assets			<u>1,854,676</u>		<u>1,816,132</u>
Total assets less current liabilities			<u><u>1,987,783</u></u>		<u><u>1,950,111</u></u>
Capital and reserves					
Called up share capital	9		5,000		5,000
Profit and loss account	10		<u>1,982,783</u>		<u>1,945,111</u>
Shareholders' funds - equity interests	11		<u><u>1,987,783</u></u>		<u><u>1,950,111</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 14.4.03
and signed on its behalf by


R. Woodbridge
Director


D Taylor
Director

International Herald Tribune Limited

Notes to the financial statements For the year ended 31 December 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	Between 15 and 3 years on a straight line basis
Computer equipment	Over 5 years on a straight line basis
Fixtures, fittings and equipment	Over 5 years on a straight line basis
Motor vehicles	Over 5 years on a straight line basis

1.4 Leasing

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

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.6 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

International Herald Tribune Limited

Notes to the financial statements (continued) For the year ended 31 December 2002

2	Operating profit/(loss)	2002	2001
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	59,561	71,592
	Operating lease rentals	-	1,432
	Auditors' remuneration	12,000	12,150
		<u>59,561</u>	<u>73,024</u>
3	Income from investments, other interest receivable and similar income	2002	2001
		£	£
	Profit on disposal of unlisted investments	-	18,062
	Bank interest	1,921	51,127
		<u>1,921</u>	<u>69,189</u>
4	Directors' emoluments	2002	2001
		£	£
	Directors' emoluments	57,601	59,455
		<u>57,601</u>	<u>59,455</u>

International Herald Tribune Limited

Notes to the financial statements (continued) For the year ended 31 December 2002

5 Taxation	2002 £	2001 £
Domestic current year tax		
U.K. corporation tax	27,089	26,000
Adjustment for prior years	3,154	-
	<u>30,243</u>	<u>26,000</u>
Current tax charge		
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	67,915	(72,251)
	<u>20,375</u>	<u>(21,675)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2001 : 30.00%)		
Effects of:		
Non deductible expenses	12,138	35,315
Depreciation	18,246	21,478
Capital allowances	(12,870)	(15,043)
Adjustments to previous periods	3,154	-
Lease provision released	(10,800)	-
Other tax adjustments	-	5,925
	<u>9,868</u>	<u>47,675</u>
Current tax charge	<u>30,243</u>	<u>26,000</u>

International Herald Tribune Limited

Notes to the financial statements (continued) For the year ended 31 December 2002

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2002	123,101	271,655	394,756
Additions	35,507	26,440	61,947
Disposals	(68,264)	(11,500)	(79,764)
At 31 December 2002	90,344	286,595	376,939
Depreciation			
At 1 January 2002	113,745	147,032	260,777
On disposals	(68,264)	(8,242)	(76,506)
Charge for the year	9,101	50,460	59,561
At 31 December 2002	54,582	189,250	243,832
Net book value			
At 31 December 2002	35,762	97,345	133,107
At 31 December 2001	9,356	124,623	133,979

7 Debtors

	2002	2001
	£	£
Trade debtors	108,227	98,866
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,046,745	2,014,722
Other debtors	41,548	48,393
	<u>2,196,520</u>	<u>2,161,981</u>

8 Creditors: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	228,065	352,890
Taxation and social security	91,053	122,157
Other creditors	181,715	214,709
	<u>500,833</u>	<u>689,756</u>

International Herald Tribune Limited

Notes to the financial statements (continued) For the year ended 31 December 2002

9 Share capital	2002	2001
	£	£
Authorised		
5,000 Ordinary Share of £ 1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
5,000 Ordinary Share of £ 1 each	<u>5,000</u>	<u>5,000</u>

10 Statement of movements on profit and loss account

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2002	-	1,945,111
Retained profit for the year	-	<u>37,672</u>
Balance at 31 December 2002	<u>-</u>	<u>1,982,783</u>

11 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit/(Loss) for the financial year	37,672	(98,251)
Other recognised gains and losses	-	<u>(94,500)</u>
Net addition to/(depletion in) shareholders' funds	37,672	(192,751)
Opening shareholders' funds	<u>1,950,111</u>	<u>2,142,862</u>
Closing shareholders' funds	<u>1,987,783</u>	<u>1,950,111</u>

12 Pension costs

The company participates in a money purchase pension scheme covering some of its employees. The company total pension expense for the year in respect of the above scheme was £59,787 (2000: £47,327).

International Herald Tribune Limited

Notes to the financial statements (continued) For the year ended 31 December 2002

13 Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2002	2001
	£	£
Expiry date:		
In over five years	<u>122,938</u>	<u>122,938</u>

14 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.

15 Control

The immediate parent company is International Herald Tribune SA incorporated in France, and the ultimate parent company is The New York Times which is 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 SA, a company incorporated in France.