

# International Herald Tribune Limited

Company Registration No 1106659 (England and Wales)

## Director's report and financial statements

For the year ended 31 December 2006

TUESDAY



\*L02TVT9D\*

LD3

25/09/2007

327

COMPANIES HOUSE

# INTERNATIONAL HERALD TRIBUNE LIMITED

## COMPANY INFORMATION

---

Director	M Golden	(Appointed 23 October 2006)
Secretary	P Falconer	
Company number	1106659	
Registered office	40 Marsh Wall Isle of Dogs London E14 9TP	
Auditors	Mazars LLP Times House Throwley Way Sutton Surrey SM1 4JQ	

# INTERNATIONAL HERALD TRIBUNE LIMITED

## CONTENTS

---

	Page
Director's report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 12

---

# INTERNATIONAL HERALD TRIBUNE LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

---

The director presents his report and financial statements for the year ended 31 December 2006

### Principal activities and review of the business

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 paper The International Herald Tribune, and to organise international conferences

2006 has seen the continuation of the improvement seen in 2005

Advertising commissions rose to £1,419,590 (2005 £1,204,311), whilst conference turnover increased to £1,867,825 (2005 £1,075,990) Net profit for conferences also increased to £378,917 (2005 £282,979)

Net profit before tax for the year was £443,695, following last year's profit of £234,575

### Results and dividends

The results for the year are set out on page 4

The directors do not recommend the payment of a dividend

### Future developments

Trading conditions to date for 2007 seem to be marginally better than last year and the directors anticipate that the future performance of the business will be in line with previous years

### Financial instruments

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

### Directors

The following directors have held office since 1 January 2006

M Golden	(Appointed 23 October 2006)
C Perot	(Resigned 20 January 2006)
R Wooldridge	(Resigned 19 October 2006)

### Directors' interests

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

### Auditors

A resolution to reappoint Mazars LLP as auditors of the Company and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting

# INTERNATIONAL HERALD TRIBUNE LIMITED

## DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

---

### Director's responsibilities

Company law requires the director 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 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 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 proper accounting records which 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 1985. 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.

### Statement of disclosure to auditor

(a) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



M Golden  
Director

11 09 07

Date

# 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 year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

### Respective responsibilities of the director and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 director 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,

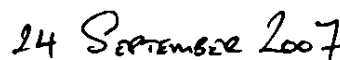
-the financial statements have been properly prepared in accordance with the Companies Act 1985, and

-the information given in the Directors' Report is consistent with the financial statements.



Mazars LLP

Chartered Accountants  
and Registered Auditors



Times House  
Throwley Way  
Surrey  
SM1 4JQ

# INTERNATIONAL HERALD TRIBUNE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	3,287,415	2,280,301
Administrative expenses		(2,899,968)	(2,103,491)
Other operating income		52,092	56,318
<b>Operating profit</b>	<b>3</b>	<b>439,539</b>	<b>233,128</b>
Other interest receivable and similar income	4	4,156	1,447
<b>Profit on ordinary activities before taxation</b>		<b>443,695</b>	<b>234,575</b>
Tax on profit on ordinary activities	5	(122,300)	(17,330)
<b>Profit on ordinary activities after taxation</b>	<b>11</b>	<b>321,395</b>	<b>217,245</b>

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

## BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	6		56,987		54,514
<b>Current assets</b>					
Debtors	7	2,297,614		2,200,122	
Cash at bank and in hand		687,715		327,871	
		<u>2,985,329</u>		<u>2,527,993</u>	
<b>Creditors' amounts falling due within one year</b>	8	<u>(898,092)</u>		<u>(759,678)</u>	
<b>Net current assets</b>			<u>2,087,237</u>		<u>1,768,315</u>
<b>Total assets less current liabilities</b>			<u><u>2,144,224</u></u>		<u><u>1,822,829</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		5,000		5,000
Profit and loss account	11		<u>2,139,224</u>		<u>1,817,829</u>
<b>Shareholders' funds - equity interests</b>	12		<u><u>2,144,224</u></u>		<u><u>1,822,829</u></u>

The financial statements were approved by the Board on 11 09 07



M Golden  
Director



# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

---

### 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 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

#### 1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT 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 less estimated residual value of each asset over its expected useful life, as follows

Leasehold improvements	Between 3 and 15 years on a straight line basis
Computer equipment	Over 5 years on a straight line basis
Fixtures and fittings	Over 5 years on a straight line basis
Motor vehicles	Over 5 years on a straight line basis

#### 1.5 Leasing

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

#### 1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17

#### 1.7 Deferred taxation

Deferred taxation 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 had not been discounted

#### 1.8 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 2006

### 2 Turnover and profit on ordinary activities before taxation

	Turnover	
	2006	2005
	£	£
<b>Class of business</b>		
Advertising commissions	1,419,590	1,204,311
Conferences	1,867,825	1,075,990
	<u>3,287,415</u>	<u>2,280,301</u>

### Geographical market

	Turnover	
	2006	2005
	£	£
United Kingdom	1,592,955	1,431,483
Europe	459,662	119,735
Middle East	306,962	581,990
Africa	52,951	56,362
Asia	874,885	90,731
	<u>3,287,415</u>	<u>2,280,301</u>

### 3 Operating profit

	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	20,388	30,386
(Profit)/loss on foreign exchange transactions	(12,279)	9,634
Auditors' remuneration	11,000	12,500
Remuneration of auditors for non-audit work	1,600	1,600
	<u></u>	<u></u>

### 4 Investment income

	2006	2005
	£	£
Bank interest	4,156	1,447
	<u></u>	<u></u>

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

5	Taxation	2006 £	2005 £
	<b>Domestic current year tax</b>		
	U K corporation tax	122,300	17,330
	<b>Current tax charge</b>	<u>122,300</u>	<u>17,330</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>443,695</u>	<u>234,575</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 30.00%)	<u>133,109</u>	<u>70,373</u>
	Effects of		
	Non deductible expenses	9,484	10,874
	Depreciation	3,419	6,418
	Capital allowances	(7,676)	(8,194)
	Tax losses utilised	(14,676)	(60,881)
	Other timing differences	(1,360)	(1,260)
		<u>(10,809)</u>	<u>(53,043)</u>
	<b>Current tax charge</b>	<u>122,300</u>	<u>17,330</u>

The company has estimated losses of £ nil (2005 £ 92,270) available for carry forward against future trading profits

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 6 Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2006	90,344	139,323	135,851	42,331	407,849
Additions	2,350	2,484	-	20,000	24,834
Disposals	-	-	-	(14,795)	(14,795)
At 31 December 2006	92,694	141,807	135,851	47,536	417,888
<b>Depreciation</b>					
At 1 January 2006	90,344	126,151	117,024	19,816	353,335
On disposals	-	-	-	(12,822)	(12,822)
Charge for the year	653	4,055	6,447	9,233	20,388
At 31 December 2006	90,997	130,206	123,471	16,227	360,901
<b>Net book value</b>					
At 31 December 2006	1,697	11,601	12,380	31,309	56,987
At 31 December 2005	-	13,172	18,827	22,515	54,514

### 7 Debtors

	2006 £	2005 £
Trade debtors	16,329	358,069
Amounts owed by parent and fellow subsidiary undertakings	1,961,164	1,679,840
Other debtors	122,358	33,942
Prepayments and accrued income	197,763	128,271
	2,297,614	2,200,122

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

<b>8</b>	<b>Creditors amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	27,291	1,798
	Trade creditors	248,053	366,028
	Corporation tax	126,628	17,330
	Other taxes and social security costs	55,778	60,535
	Other creditors	163,906	4,541
	Accruals and deferred income	276,436	309,446
		<u>898,092</u>	<u>759,678</u>
<b>9</b>	<b>Pension costs</b>		
	<b>Defined contribution</b>		
		<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Contributions payable by the company for the year	<u>20,809</u>	<u>32,423</u>
<b>10</b>	<b>Share capital</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
	<b>Allotted, called up and fully paid</b>		
	5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
<b>11</b>	<b>Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
			<b>£</b>
	Balance at 1 January 2006		1,817,829
	Retained profit for the year		<u>321,395</u>
	Balance at 31 December 2006		<u>2,139,224</u>

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

12 Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the financial year	321,395	217,245
Opening shareholders' funds	1,822,829	1,605,584
Closing shareholders' funds	2,144,224	1,822,829

### 13 Financial commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			
	2006 £	2005 £	2006 £	Other 2005 £
Expiry date				
Between two and five years	150,000	150,000	1,300	1,300

14 Directors' emoluments	2006 £	2005 £
Emoluments for qualifying services	-	22,266
Company pension contributions to money purchase schemes	-	2,405
	-	24,671

No director received emoluments during the year for services provided to the company

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

2006 Number	2005 Number
27	31

#### Employment costs

	2006 £	2005 £
Wages and salaries	648,446	498,589
Social security costs	122,799	54,390
Other pension costs	20,809	32,423
	792,054	585,402

### 16 Control

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

### 17 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