

# **International Herald Tribune Limited**

Company Registration No: 01106659

## **Director's report and financial statements**

**For the year ended 31 December 2008**

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# INTERNATIONAL HERALD TRIBUNE LIMITED

## COMPANY INFORMATION

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<b>Director</b>	S Dunbar Johnson
<b>Company secretary</b>	P Falconer
<b>Company number</b>	1106659
<b>Registered office</b>	2nd Floor 1 New Oxford Street London WC1A 1NU
<b>Auditors</b>	Mazars LLP Chartered Accountants & Registered Auditors Times House Throwley Way Sutton Surrey SM1 4JQ

# **INTERNATIONAL HERALD TRIBUNE LIMITED**

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# **INTERNATIONAL HERALD TRIBUNE LIMITED**

## **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

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The director presents his report and the financial statements for the year ended 31 December 2008.

### **Statement of director's responsibilities**

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). 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 proper accounting records that 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Annual reports may differ from legislation in other jurisdictions.

### **Principal activities and review of 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 newspaper The International Herald Tribune, and to organise international conferences.

The director is satisfied with the financial performance reported under difficult trading conditions.

### **Results and dividends**

The profit for the year, after taxation, amounted to £72,232 (2007 - £574,432).

No dividends have been paid or proposed during the year (2007 - none).

### **Director**

The directors who served during the year were:

M Golden (resigned 31 March 2008)  
S Dunbar Johnson (appointed 1 April 2008)

# **INTERNATIONAL HERALD TRIBUNE LIMITED**

## **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

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### **Future developments**

The director anticipates future performance to be in line with that seen previously.

### **Provision of information to auditors**

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 auditors are 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 auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### **Auditors**

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**S Dunbar Johnson**  
Director

Date: 5/1/10

# **INTERNATIONAL HERALD TRIBUNE LIMITED**

## **INDEPENDENT AUDITORS' 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 year ended 31 December 2008, 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.

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 director and auditors**

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

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. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we 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 director's remuneration and other transactions is not disclosed.

We read the director's 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 judgments 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.

# INTERNATIONAL HERALD TRIBUNE LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL HERALD TRIBUNE LIMITED

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### 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 2008 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 director's report is consistent with the financial statements.

*Mazars LLP*

**Mazars LLP**

Chartered Accountants  
& Registered Auditors

Times House  
Throwley Way  
Sutton  
Surrey  
SM1 4JQ

Date: *5 January 2010*

# INTERNATIONAL HERALD TRIBUNE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

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	Note	2008 £	2007 £
Turnover	1,2	4,196,202	2,757,202
Administrative expenses		(4,146,692)	(2,002,814)
Other operating income	3	59,676	51,768
		<hr/>	<hr/>
Operating profit	4	109,186	806,156
Interest receivable		3,701	4,197
Interest payable		(1,814)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		111,073	810,353
Tax on profit on ordinary activities	6	(38,841)	(235,921)
		<hr/>	<hr/>
Profit for the financial year	11	72,232	574,432
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.



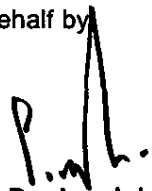
**INTERNATIONAL HERALD TRIBUNE LIMITED**

Registered number: 1106659

**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	Note	£	2008 £	£	2007 £
<b>Fixed assets</b>					
Tangible fixed assets	7		162,444		36,283
<b>Current assets</b>					
Debtors	8	3,704,027		3,522,139	
Cash at bank		192,953		125,507	
		<u>3,896,980</u>		<u>3,647,646</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,268,536)</u>		<u>(965,273)</u>	
<b>Net current assets</b>			<u>2,628,444</u>		<u>2,682,373</u>
<b>Total assets less current liabilities</b>			<u>2,790,888</u>		<u>2,718,656</u>
<b>Capital and reserves</b>					
Called up share capital	10		5,000		5,000
Profit and loss account	11		<u>2,785,888</u>		<u>2,713,656</u>
<b>Shareholders' funds</b>	12		<u>2,790,888</u>		<u>2,718,656</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: 5/1/10

The notes on pages 7 to 13 form part of these financial statements.

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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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).

#### 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, exclusive of Value Added Tax 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term leasehold property	-	10%	straight line
Motor vehicles	-	20%	straight line
Fixtures & fittings	-	20%	straight line
Computer equipment	-	20%	straight line

#### 1.5 Operating leases

Rentals under operating leases are charged 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.

#### 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.

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 1. Accounting policies (continued)

#### 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 to the fund in respect of the year.

### 2. Turnover

An analysis of turnover by class of business is as follows:

	2008 £	2007 £
Advertising commissions	3,741,831	1,758,257
Conferences	454,371	998,945
	<u>4,196,202</u>	<u>2,757,202</u>

#### Geographical market

	2008 £	2007 £
United Kingdom	78,010	1,247,867
Europe	3,907,857	1,217,436
Middle East	91,917	149,343
Africa	4,269	31,345
Asia	7,221	111,211
America	106,928	-
	<u>4,196,202</u>	<u>2,757,202</u>

### 3. Other operating income

	2008 £	2007 £
Rent receivable	<u>59,676</u>	<u>51,768</u>

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 4. Operating profit

The operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	27,344	19,867
Auditors' remuneration - annual audit	18,926	12,000
Auditors' remuneration - other services relating to taxation	2,000	1,700
Difference on foreign exchange	66,384	(110,484)
	<u>114,654</u>	<u>(76,917)</u>

During the year, no director received any emoluments (2007 - £NIL).

### 5. Staff costs

Staff costs were as follows:

	2008 £	2007 £
Wages and salaries	1,691,133	644,135
Social security costs	209,474	91,275
Other pension costs	114,423	31,811
	<u>2,015,030</u>	<u>767,221</u>

The average monthly number of employees, including the director, during the year was as follows:

	2008 No.	2007 No.
Employees	<u>30</u>	<u>31</u>

### 6. Taxation

	2008 £	2007 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	39,617	253,231
Adjustments in respect of prior periods	(776)	(17,310)
	<u>38,841</u>	<u>235,921</u>
<b>Tax on profit on ordinary activities</b>		
	<u>38,841</u>	<u>235,921</u>

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 6. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2007 - higher than) the standard rate of corporation tax in the UK (28.5%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	111,073	810,353
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	31,656	243,106
<b>Effects of:</b>		
Expenses not deductible for tax purposes	20,588	10,114
Other adjustments	(6)	511
Capital allowances in excess of depreciation	(12,621)	(500)
Adjustments to tax charge in respect of prior periods	(776)	(17,310)
<b>Current tax charge for the year (see note above)</b>	<b>38,841</b>	<b>235,921</b>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

### 7. Tangible fixed assets

	Leasehold improvements £	Fixtures & fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2008	92,694	134,374	47,536	141,807	416,411
Additions	119,969	41,288	-	-	161,257
Disposals	(92,694)	(88,166)	(27,536)	(112,296)	(320,692)
At 31 December 2008	119,969	87,496	20,000	29,511	256,976
<b>Depreciation</b>					
At 1 January 2008	91,780	128,432	25,734	134,182	380,128
Charge for the year	11,017	5,584	7,672	3,071	27,344
On disposals	(92,500)	(86,384)	(23,405)	(110,651)	(312,940)
At 31 December 2008	10,297	47,632	10,001	26,602	94,532
<b>Net book value</b>					
At 31 December 2008	109,672	39,864	9,999	2,909	162,444
At 31 December 2007	914	5,942	21,802	7,625	36,283

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 8. Debtors

	2008 £	2007 £
Trade debtors	414,843	505,348
Amounts owed by group undertakings	3,111,394	2,869,470
Other debtors	77,630	36,978
Prepayments and accrued income	100,160	110,343
	<u>3,704,027</u>	<u>3,522,139</u>

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

	2008 £	2007 £
Bank loans and overdrafts	30,728	-
Trade creditors	188,246	284,491
Amounts owed to group undertakings	28,000	-
Corporation tax	6,269	220,792
Social security and other taxes	65,423	62,526
Accruals and deferred income	949,870	397,464
	<u>1,268,536</u>	<u>965,273</u>

### 10. Share capital

	2008 £	2007 £
<b>Authorised, allotted, called up and fully paid</b>		
5,000 Ordinary Shares shares of £1 each	<u>5,000</u>	<u>5,000</u>

### 11. Reserves

	Profit and loss account £
At 1 January 2008	2,713,656
Profit for the year	72,232
	<u>2,785,888</u>
At 31 December 2008	

# INTERNATIONAL HERALD TRIBUNE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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

	2008 £	2007 £
Opening shareholders' funds	2,718,656	2,144,224
Profit for the year	72,232	574,432
Closing shareholders' funds	<u>2,790,888</u>	<u>2,718,656</u>

### 13. Contingent liabilities

A corporation tax enquiry by HMRC into preceeding years is currently open. No provision has been made for any amounts due as it is not possible to quantify the extent, if any, of these. It will only be possible to quantify any financial impact once the enquiry is concluded and no provision has therefore been recognised.

### 14. Pension commitments

#### Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	<u>114,423</u>	<u>31,811</u>

### 15. Operating lease commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
<b>Expiry date:</b>				
Within 1 year	-	150,000	1,300	-
Between 2 and 5 years	-	-	3,011	1,300
After more than 5 years	109,135	-	-	-
	<u>109,135</u>	<u>150,000</u>	<u>4,311</u>	<u>1,300</u>

### 16. 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.

# **INTERNATIONAL HERALD TRIBUNE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

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### **17. 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.