

Contents

**Financial statements for
the year ended 31 December 2000**

**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 Neville Russell 24 Bevis Marks London EC3A 7NR

International Herald Tribune Limited

Directors' report For the year ended 31 December 2000

The directors present their report and financial statements for the year ended 31 December 2000.

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 2000:

R Bondy
D Taylor
R Wooldridge

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

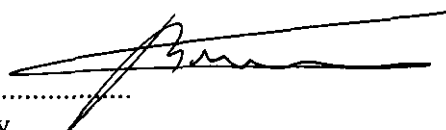
	Ordinary Share of £ 1 each	
	31 December 2000	1 January 2000
R Bondy	-	-
D Taylor	-	-
R Wooldridge	-	-

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. The company's UK subsidiary, International Herald Tribune Distributors Limited, did not trade during the year under review and went into voluntary liquidation.

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 on5.10.01.....
and signed on its behalf by



.....
R Bondy
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 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

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. Our responsibilities do not extend to any other information.

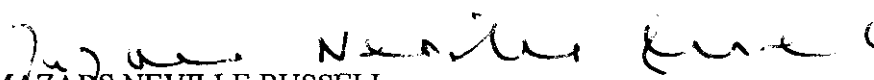
Basis of audit opinion

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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors
24 Bevis Marks
London
EC3A 7NR

International Herald Tribune Limited

Profit and loss account For the year ended 31 December 2000

	Notes	2000 £	1999 £
Turnover		1,744,773	2,176,058
Administrative expenses		(1,906,035)	(2,484,659)
Other operating income		<u>1,557</u>	<u>92,077</u>
Operating loss	2	(159,705)	(216,524)
Investment income	3	2,185,000	-
Other interest receivable and similar income	3	<u>72,737</u>	<u>2,965</u>
Profit/(loss) on ordinary activities before taxation		2,098,032	(213,559)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>33,647</u>
Profit/(loss) on ordinary activities after taxation	11	<u><u>2,098,032</u></u>	<u><u>(179,912)</u></u>

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

International Herald Tribune Limited

Statement of total recognised gains and losses For the year ended 31 December 2000

	2000	1999
	£	£
Profit/(loss) for the financial year	2,098,032	(179,912)
Unrealised deficit on investment	(2,150,091)	-
	<hr/>	<hr/>
Total gains and losses recognised since last financial statements	<u>(52,059)</u>	<u>(179,912)</u>

International Herald Tribune Limited

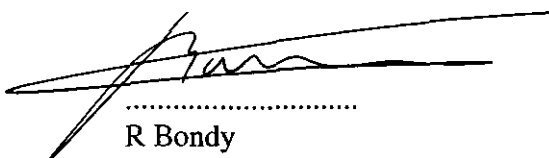
Balance sheet

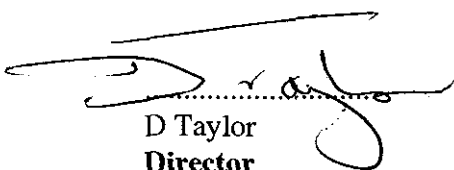
As at 31 December 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	6		215,611		290,839
Investments			-		2,249,591
			<u>215,611</u>		<u>2,540,430</u>
Current assets					
Debtors	7	1,211,773		361,671	
Investments	8	99,500		-	
Cash at bank and in hand		<u>1,230,347</u>		<u>111,726</u>	
		2,541,620		473,397	
Creditors: amounts falling due within one year	9	<u>(708,869)</u>		<u>(913,406)</u>	
Net current assets/(liabilities)			<u>1,832,751</u>		<u>(440,009)</u>
Total assets less current liabilities			<u>2,048,362</u>		<u>2,100,421</u>
Capital and reserves					
Called up share capital	10		5,000		5,000
Revaluation reserve	11		94,500		2,244,591
Profit and loss account	11		<u>1,948,862</u>		<u>(149,170)</u>
Shareholders' funds - equity interests	12		<u>2,048,362</u>		<u>2,100,421</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 on5.10.01.....
and signed on its behalf by


R Bondy
Director


D Taylor
Director

International Herald Tribune Limited

Notes to the financial statements For the year ended 31 December 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

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 or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation 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 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.6 Pensions

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

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating loss

	2000	1999
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	89,683	76,885
Operating lease rentals	1,239	-
Auditors' remuneration	16,250	12,000
	<u> </u>	<u> </u>

International Herald Tribune Limited

Notes to the financial statements (continued) For the year ended 31 December 2000

3 Income from investments, other interest receivable and similar income

	2000 £	1999 £
Income from subsidiary undertakings	2,185,000	-
Bank interest	72,737	2,965
	<u>2,257,737</u>	<u>2,965</u>

4 Directors' emoluments

	2000 £	1999 £
Directors' emoluments	<u>54,075</u>	<u>53,939</u>

5 Taxation

	2000 £	1999 £
U.K. current year taxation		
U.K. corporation tax at 0% (1999 - 31%)	-	(33,647)
	<u>-</u>	<u>(33,647)</u>

6 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
At 1 January 2000	118,347	382,276	500,623
Additions	1,284	51,734	53,018
Disposals	-	(137,711)	(137,711)
	<u>119,631</u>	<u>296,299</u>	<u>415,930</u>
At 31 December 2000			
Depreciation			
At 1 January 2000	72,767	137,017	209,784
On disposals	-	(99,419)	(99,419)
Charge for the year	21,388	68,566	89,954
	<u>94,155</u>	<u>106,164</u>	<u>200,319</u>
At 31 December 2000			
Net book value			
At 31 December 2000	<u>25,476</u>	<u>190,135</u>	<u>215,611</u>
At 31 December 1999	<u>45,580</u>	<u>245,259</u>	<u>290,839</u>

International Herald Tribune Limited

Notes to the financial statements (continued) For the year ended 31 December 2000

7 Debtors	2000	1999
	£	£
Trade debtors	63,618	5,588
Amounts owed by group undertakings	1,090,958	246,629
Other debtors	57,197	109,454
	<u>1,211,773</u>	<u>361,671</u>

8 Current asset investments	2000	1999
	£	£
Other investments	<u>99,500</u>	<u>-</u>

The investment in International Herald Tribune Distributors Limited was previously classified as a fixed asset investment. On 26 June 2000 International Herald Tribune Distributors Limited was put into voluntary liquidation, the liquidation is expected to be completed during 2001. As a result the investment has been reclassified as current.

9 Creditors: amounts falling due within one year	2000	1999
	£	£
Trade creditors	372,307	594,148
Taxation and social security	156,260	75,274
Other creditors	180,302	243,984
	<u>708,869</u>	<u>913,406</u>

10 Share capital	2000	1999
	£	£
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>

International Herald Tribune Limited

Notes to the financial statements (continued) For the year ended 31 December 2000

11 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2000	2,244,591	(149,170)
Retained profit for the year	-	2,098,032
Revaluation during the year	(2,150,091)	-
Balance at 31 December 2000	<u>94,500</u>	<u>1,948,862</u>

12 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit/(Loss) for the financial year	2,098,032	(179,912)
Other recognised gains and losses	(2,150,091)	84,556
Net depletion in shareholders' funds	(52,059)	(95,356)
Opening shareholders' funds	<u>2,100,421</u>	<u>2,195,777</u>
Closing shareholders' funds	<u>2,048,362</u>	<u>2,100,421</u>

13 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 £57,782 (1999: £35,824).

14 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2000 £	1999 £
Expiry date:		
In over five years	<u>122,938</u>	<u>122,938</u>

International Herald Tribune Limited also have financial commitments for a second property which they sublease at the cost at which they pay rent. This lease is set to expire in 2001 and is not going to be renewed.

International Herald Tribune Limited

Notes to the financial statements (continued) For the year ended 31 December 2000

15 Control

The immediate parent company is International Herald Tribune SA incorporated in France, and the ultimate parent companies are jointly The New York Times and The Washington Post, both 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, incorporated in France.