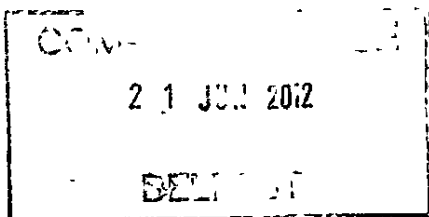


INDEPENDENT EDUCATIONAL PUBLISHING LIMITED

(Registered Number: 3854929)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011



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INDEPENDENT EDUCATIONAL PUBLISHING LIMITED
(Registered Number: 3854929)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company is an investment holding company and holds shares in Independent News and Media Limited. As a result of the economic downturn the company's investment in Independent News and Media Limited is deemed to be impaired and therefore an impairment charge in respect of this investment has been booked this year.

The directors do not foresee any significant changes to the business in the forthcoming year.

RESULTS AND DIVIDENDS

The company made a loss of £82,859 (2010 loss £107,448)

The directors do not recommend payment of a dividend (2010 £nil)

DIRECTORS

The following directors served during the year

A J Round (resigned 30 September 2011)
V Crowley
E O'Kennedy (appointed 30 September 2011)
R J McClean (appointed 30 September 2011)

DIRECTORS' INSURANCE

During the year to 31 December 2011 the Company maintained insurance covering officers of the Company against liabilities arising in relation to the Company. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**INDEPENDENT EDUCATIONAL PUBLISHING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the directors in office at the date of approval of the financial statements is aware:

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

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

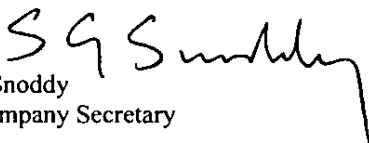
SMALL COMPANIES EXEMPTION

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

AUDITORS

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board


S Snoddy
Company Secretary

31 May 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

INDEPENDENT EDUCATIONAL PUBLISHING LIMITED

We have audited the financial statements of Independent Educational Publishing Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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' Responsibilities Statement set out on page 1 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2011 and of its loss 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

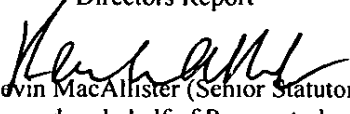
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 take advantage of the small companies exemption in preparing the

Directors' Report


Kevin MacAllister (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
31 May 2012

INDEPENDENT EDUCATIONAL PUBLISHING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
TURNOVER		-	-
COST OF SALES		-	-
GROSS LOSS		<u>-</u>	<u>-</u>
EXCEPTIONAL COSTS	2	<u>(82,859)</u>	<u>(107,448)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>(82,859)</u>	<u>(107,448)</u>
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(82,859)</u>	<u>(107,488)</u>

All amounts relate to continuing operations

There is no material difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

INDEPENDENT EDUCATIONAL PUBLISHING LIMITED

(Registered Number: 3854929)

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Note	£	£
FIXED ASSETS			
Investments	6	<u>31,946</u>	<u>114,805</u>
		31,946	114,805
 NET ASSETS		 <u>31,946</u>	 <u>114,805</u>
 CAPITAL AND RESERVES			
Represented by			
Called up share capital	7	1	1
Profit and loss account	8	31,945	114,804
		<u>31,946</u>	<u>114,805</u>
 TOTAL SHAREHOLDERS' FUNDS		 <u>31,946</u>	 <u>114,805</u>

The financial statements on pages 4 to 9 were approved by the Board on 31 May 2012 and were signed on its behalf by



R J McClean
Director

The notes on pages 6 to 9 form part of these accounts.

INDEPENDENT EDUCATIONAL PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

The financial statements have been prepared on the going concern basis under the historical cost convention, in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards

The principal accounting policies, which have been applied consistently throughout the year, are set out below

Basis of preparation and Liquidity

The financial statements are prepared on the going concern basis under the assumption that the company's ultimate parent company (Independent News and Media PLC "the Group") will continue to provide financial support to the company to enable it to meet its liabilities as they fall due, for the foreseeable future. The ultimate parent company has committed to this

Investments

Investments in subsidiary and associated undertakings are stated at cost. The directors have considered the amount at which investments are carried at 31 December 2011 and are satisfied that their value was not less than the amount at which those assets are stated in the company's balance sheet. Those fixed asset investments, which have suffered a diminution in value, are recorded in the balance sheet after providing for that diminution in value.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011	2010
Loss on ordinary activities before taxation is stated after charging	£	£
Exceptional cost - Impairment of investments	82,859	107,448

Auditors' remuneration of £515 (2010: £500) was borne by Independent News & Media UK Ltd, a fellow subsidiary

The tax charge arising on the impairment of investments is £nil (2010: £nil)

3 DIRECTORS' EMOLUMENTS

No director received any emoluments from the company in respect of their services to the company during the year (2010: £nil)

4 EMPLOYEES

The company had no employees during the year to 31 December 2011 (2010: £nil)

INDEPENDENT EDUCATIONAL PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

5 TAX ON LOSS ON ORDINARY ACTIVITIES

	2011	2010
	£	£
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the period

The tax assessed for the period is lower than (2010 lower than) the standard rate of corporation tax in the UK 26% (2010 28%) The differences are explained below

	2011	2010
	£	£
Loss on ordinary activities before tax	<u>(82,859)</u>	<u>(107,448)</u>
Loss on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 26% (2010 28%)	<u>(21,543)</u>	<u>(30,085)</u>
Effects of Expenses not deductible for tax purposes	<u>21,543</u>	<u>30,085</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

During the year, as a result of the changes in the UK main corporation tax rate to 26% that was substantively enacted on 29 March 2011 effective from 1 April 2011, and to 25% that was substantively enacted on 5 July 2011 and that will be effective from 1 April 2012, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were announced in the March 2012 Budget The reduction in the corporation tax rate from 26% to 24% from 1 April 2012 was substantively enacted on 26 March 2012 Further changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 22% by 1 April 2014 These changes in the corporation tax rate from 25% to 22% had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

6 INVESTMENTS

	£
Cost at 1 January 2011 and 31 December 2011	<u>882,797</u>
Provision for impairment	
At 1 January 2011	767,992
Charge for the year	82,859
At 31 December 2011	<u>850,851</u>
Net book value	
At 31 December 2011	<u>31,946</u>
At 31 December 2010	<u>114,805</u>

The company owns 0.25% of the ordinary shares of Independent News and Media Limited, a company incorporated in the United Kingdom Its principal activity is the publishing of newspapers and magazines

INDEPENDENT EDUCATIONAL PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

6 INVESTMENTS (CONTINUED)

Following continuing poor trading in 2011, a carrying value review of investments was undertaken on a value in use basis, assessing whether the carrying value of investments was supported by the net present value of future cash flows derived from those assets. A discount rate of 10.1% and a long term growth rate of 1.91% was used. The review indicated an impairment of £82,859 which has been booked in the current year.

The directors are of the opinion that the values of the investments in subsidiaries are not less than their book values.

Under Section 400 of the Companies Act 2006 the company is exempt from the obligation to prepare group accounts, as the company is a wholly owned subsidiary of Independent News and Media PLC, and is included in the consolidated financial statements of that company, a company incorporated in the Republic of Ireland (see Note 11).

7 CALLED UP SHARE CAPITAL

	Issued and fully paid 2011 & 2010 £
Equity shares	
Ordinary shares of £1 each	1

All shares enjoy equal voting rights. Dividend rights are determined at the discretion of the company. All shares have equal rights on the winding up of the company.

8 RESERVES

	Profit & Loss £
At 1 January 2011	114,804
Loss for the financial year	(82,859)
At 31 December 2011	31,945

9 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company is a wholly-owned subsidiary of a parent undertaking established under the law of a member state of the European Community. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing any related party transactions with entities that are part of the Independent News and Media PLC group. There were no other related party transactions.

INDEPENDENT EDUCATIONAL PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Opening Shareholders' Funds at 1 January 2011	114,805
Loss for the financial year	<u>(82,859)</u>
Closing Shareholders' Funds at 31 December 2011	<u>31,946</u>

11 ULTIMATE PARENT UNDERTAKING

The immediate parent company is Independent News & Media (UK) Ltd

The ultimate parent company and controlling party is Independent News & Media PLC, a company incorporated in the Republic of Ireland

Independent News & Media PLC is the parent undertaking of the smallest and largest group to consolidate these financial statements. A copy of those accounts can be obtained from Independent House, 2023 Bianconi Avenue, Citywest Business Campus, Naas Road, Dublin 24, Ireland

12 FINANCIAL SUPPORT

The ultimate parent company, Independent News & Media PLC, has undertaken to provide such additional funds as may be required to enable the company to meet its obligations as they fall due for a period of at least 12 months from the approval of these accounts