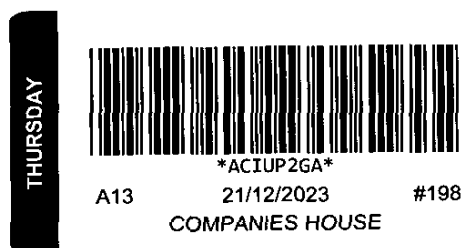


**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2023**

**Registered number: 02147173**



**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED**

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## **THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED**

### **Strategic report for the year ended March 31<sup>st</sup> 2023**

The directors present their Strategic report on the company for the year ended March 31<sup>st</sup> 2023.

#### Principal activities and business review

The principal activity of the company is to act as an investment holding company. At the end of the year, the company had net assets of £127,216,198 (2022: £127,216,198).

#### Going concern

The directors have prepared these financial statements on the going concern basis, and in doing so have considered the matters set out in the paragraphs below.

The Company is a subsidiary of The Economist Newspaper Limited which operates a centralised treasury function to manage the liquidity needs of The Economist Newspaper Limited and all its subsidiaries (together "the Group"). All subsidiaries participate in the Group's treasury operations either by contributing funding to or drawing funding from fellow subsidiaries. The continued availability of the Group's borrowing facilities depends on the Group's overall performance, and therefore the context of the whole Group is relevant when considering the going concern basis of accounting.

The directors continue to monitor the impact that the global economic environment, in particular the high levels of inflation, may have on demand for the Group's products and services as well as the financial viability of the Group's clients and key suppliers. Financial projections including profit, cash, debt and balance-sheet commitments are prepared regularly covering short, medium and longer-term periods and are stress-tested to ensure the Group has sufficient liquidity and available financing facilities in place for the foreseeable future.

These measures taken together with future actions that could be taken mean that, based on the Group's financial projections presented to the Audit Committee of The Economist Newspaper Limited in November 2023, the Group will continue to have sufficient liquidity headroom in its existing facilities and measurement headroom against the revolving credit facility financial covenants and will be able to operate within the level of its bank facilities for the foreseeable future. For these reasons, the going-concern basis has been adopted in preparing these financial statements.

#### Future developments

The directors expect the company to continue acting as an investment holding company for the foreseeable future.

#### Results and dividends

The company made £nil profit for the year (2022: £20,128,007). The profit for the last year is dividend income from subsidiaries of £20,128,007.

An interim dividend of £nil was paid in the year (2022: £20,128,007). The directors do not propose a final dividend (2022: £nil).

#### Principal risks and uncertainties

The principal risks and uncertainties affecting the company are integrated with the principal risks of The Economist Group (Group) and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, are discussed in The Economist Group Annual report 2023 within the Monitoring and managing our risk on pages 55-56 and in the notes to the accounts under the heading 'Financial risk management' on pages 121-125. The principal risks relating to the company relate to the continuing financial support from its ultimate parent company and the underlying financial performance of its investments which could impact on future carrying values.

## THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED

### Strategic report for the year ended March 31<sup>st</sup> 2023 (continued)

#### Key performance indicators

As the company does not trade, there are no key performance indicators. The Group's operations are managed and analysed on a business-entity as opposed to a legal-entity basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of The Economist Overseas (Holdings) Limited. The development, performance and position of The Economist Group, which includes the company, are discussed in The Economist Group Annual report 2023 (see note 12).

The Strategic report has been approved by the Board and signed on its behalf by:



O K M Grut  
**Company secretary**

December 14<sup>th</sup> 2023

#### Registered office

The Adelphi,  
1-11 John Adam Street,  
London,  
WC2N 6HT

## THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED

### Directors' report for the year ended March 31<sup>st</sup> 2023

The directors present their annual report and financial statements of the company for the year ended March 31<sup>st</sup> 2023.

#### Future developments, results and dividends

The future developments, results and dividends of the company have been discussed within the Strategic report on page 2-3.

#### Financial risk management

As an investment holding company, the company is exposed to the underlying risks affecting its investee company's which could impact both returns from and the carrying values of investments.

The Company is a member of The Economist Newspaper Limited group of companies. The group operates a centralised treasury function and advances funds through intercompany loans to group companies to meet their financing needs as required.

#### Directors

The directors who served during the year and up to the date of signing the financial statements are set out below:

O K M Grut  
M Roy  
L Salame Boro

#### Director's indemnities

The Economist Group provides, to the extent permitted by law, an indemnity to all directors and officers of the company and its subsidiaries in respect of claims against them arising in respect of the conduct of the business of the Group. The Economist Group has also purchased directors' and officers' insurance cover against certain legal liabilities and costs for claims in connection with any act or omission by such directors and officers in the execution of their duties.

#### Directors' responsibilities statement

The directors are responsible for preparing the Annual 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), including FRS 101 "Reduced Disclosure Framework. 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments 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.

**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED**

**Directors' report for the year ended March 31<sup>st</sup> 2023 (continued)**

Directors' responsibilities statement (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.

The directors 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.

The Director's report has been approved by the Board and signed on its behalf by:



O K M Grut  
**Company secretary**

December 14<sup>th</sup> 2023

Registered office

The Adelphi  
1-11 John Adam Street  
London  
WC2N 6HT

**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED**

**Statement of comprehensive income for the year ended March 31<sup>st</sup> 2023**

	Note	2023 £	2022 £
Income from other fixed asset investments	3	-	20,128,007
<b>Profit before taxation</b>	4	-	20,128,007
Tax on profit	5		
<b>Profit and total comprehensive income for the year</b>		-	20,128,007

The results reported above relate solely to continuing operations.

The notes on pages 9 to 14 are an integral part of these financial statements.

**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED****Balance sheet as at March 31<sup>st</sup> 2023**

	Note	2023 £	2022 £
Investments in subsidiaries	7	163,165,440	163,165,440
Amounts due from group undertakings	8	29,267,866	29,267,866
<b>Non-current assets</b>		<b>192,433,306</b>	<b>192,433,306</b>
<b>Total assets</b>		<b>192,433,306</b>	<b>192,433,306</b>
Amounts owed to group undertakings	9	(65,217,108)	(65,217,108)
<b>Current liabilities</b>		<b>(65,217,108)</b>	<b>(65,217,108)</b>
<b>Total liabilities</b>		<b>(65,217,108)</b>	<b>(65,217,108)</b>
<b>Net assets</b>		<b>127,216,198</b>	<b>127,216,198</b>
<b>Equity</b>			
Called up share capital	10	508	508
Share premium account	11	109,259,652	109,259,652
Retained earnings		17,956,038	17,956,038
<b>Total equity</b>		<b>127,216,198</b>	<b>127,216,198</b>

The notes on pages 9 to 14 are an integral part of these financial statements.

For the year ending March 31<sup>st</sup> 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The directors have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 and acknowledge their responsibilities for complying with the requirement of the Act with respect to accounting records and the preparation of accounts.

The financial statements of The Economist Overseas (Holdings) Limited (registered number 02147173) were approved by the board of directors and authorised for issue on December 14<sup>th</sup> 2023. They were signed on its behalf by:



**M Roy**  
**Director**

Company registered number: 02147173



**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED****Statement of changes in equity for the year ended March 31<sup>st</sup> 2023**

<b>Year ended March 31<sup>st</sup> 2022</b>		Called up share capital £	Share premium account £	Retained earnings £	Total equity £
	Note				
<b>At April 1<sup>st</sup> 2022</b>		508	109,259,652	17,956,038	127,216,198
<b>Comprehensive income for the year</b>					
Profit for the financial year		-	-	-	-
<b>Total comprehensive income</b>		-	-	-	-
Dividends	6	-	-	-	-
<b>At March 31<sup>st</sup> 2023</b>		<u>508</u>	<u>109,259,652</u>	<u>17,956,038</u>	<u>127,216,198</u>

<b>Year ended March 31<sup>st</sup> 2022</b>		Called up share capital £	Share premium account £	Retained earnings £	Total equity £
<b>At April 1<sup>st</sup> 2021</b>		508	109,259,652	17,956,038	127,216,198
<b>Comprehensive income for the year</b>					
Profit for the financial year		-	-	20,128,007	20,128,007
<b>Total comprehensive income</b>		-	-	20,128,007	20,128,007
Dividends	6	-	-	(20,128,007)	(20,128,007)
<b>At March 31<sup>st</sup> 2022</b>		<u>508</u>	<u>109,259,652</u>	<u>17,956,038</u>	<u>127,216,198</u>

The notes on pages 9 to 14 are an integral part of these financial statements.

## THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED

### Notes to the financial statements for the year ended March 31<sup>st</sup> 2023

#### 1. Accounting policies

The company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of its registered office is The Adelphi, 1-11 John Adam Street, London, WC2N 6HT.

The principal activity of the company is disclosed in the Strategic report.

The accounting policies applied in the preparation of these financial statements have been consistently applied to the periods presented unless otherwise stated.

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### a) **Basis of preparation**

These financial statements have been prepared on the going concern basis under the historical cost convention, in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) as issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101. All accounting policies have been applied consistently. Refer to the going-concern disclosure within the strategic report for further information.

There were no critical accounting assumptions or areas where management exercised its judgment in the process of applying the company's accounting policies.

#### **New standards adopted in the year**

The following standards interpretations and amendments adopted in the year were adopted in 2023

- Amendment to IAS 16 Property, Plant and Equipment;
- Annual Improvements to IFRS Standards 2018-2020;
- Amendments to IFRS 3 Business Combinations; and
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

There has been no impact of the adoption of these standards.

#### b) **FRS 101 reduced disclosure**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments;
- the requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*;
- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures*;
- the requirements of IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of revenue being the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.

This information is included in the consolidated financial statements of The Economist Newspaper Limited as at March 31<sup>st</sup> 2023 (see note 12).

## **THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED**

### **Notes to the financial statements for the year ended March 31<sup>st</sup> 2023 (continued)**

#### **1. Accounting policies (continued)**

##### **c) Consolidation**

As the company is a wholly-owned subsidiary of The Economist Newspaper Limited, the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the company as an individual undertaking and not about its Group.

##### **d) Foreign currency translation**

The financial statements are presented in sterling, which is the company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign-exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

##### **e) Investments**

*Investments in subsidiaries are stated at cost less provision for impairment.*

##### **f) Called up share capital**

Ordinary shares are classified as equity.

##### **g) Related party transactions**

As the company is a wholly-owned subsidiary of The Economist Newspaper Limited, the company has taken advantage of the exemption contained in FRS 101 and therefore has not disclosed transactions or balances with the companies that form part of the Group. *There were no other related party transactions in the period.*

##### **h) Trade and other receivables**

Intercompany receivables are stated net of provision for expected bad and doubtful debts. The Group reviews its expected credit loss provisions at least twice a year following a detailed review of receivable balances and historical payment profiles. Management believes all the remaining receivable balances are fully recoverable.

##### **i) Trade, other payables and provisions**

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of trade payables is considered to approximate fair value.

A provision is recognised in the balance sheet when the Company has a present or legal or constructive obligation arising from past events, it is probable that cash will be paid to settle it and the amount can be estimated reliably. Provisions are determined by discounting the expected future cash flows. The unwinding of the discount is recognised as a financing cost in the income statement. The valuation of the provision is determined based on assumptions and estimates in relation to the amount and timing of ~~actual cash flows~~ *which are dependent on future events.*

**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED****Notes to the financial statements for the year ended March 31<sup>st</sup> 2023 (continued)****1. Accounting policies (continued)****j) Taxation**

Current tax is recognised on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance-sheet date.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance-sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

Current and deferred tax are recognised in the income statement, except when the tax relates to items charged or credited directly to equity or other comprehensive income, in which case the tax is also recognised in equity or other comprehensive income.

Current and deferred tax are recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred tax assets and liabilities require management judgment in determining the amounts to be recognised. In particular, significant judgment is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income together with any future tax-planning strategies.

**2. Staff costs**

None of the directors received any emoluments in respect of their services to the company during the year (2022: £nil). There were no employees during the year (2022: none).

**3. Income from other fixed asset investments**

	2023 £	2022 £
Dividend income from shares in subsidiary companies	-	20,128,007

The company received dividends during the year of £nil from The Economist Newspaper Group Incorporated (2022: £20,128,007).

**4. Profit before taxation**

In 2023 and 2022 the company is exempt from audit under section 479A of the Companies Act 2006.

**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED****Notes to the financial statements for the year ended March 31<sup>st</sup> 2023 (continued)****5. Tax on profit**

The tax charge is based on the profit on ordinary activities before taxation and comprises:

	2023 £	2022 £
Current tax		
UK corporation tax expense	-	-
Adjustment in respect of prior years	-	-
Total tax expense for the year	<u>-</u>	<u>-</u>

The UK corporation tax rate for the year is 19% (2022: 19%). The tax on the profit before taxation differs from the theoretical amount that would arise using the UK tax rate for the reasons set out in the following reconciliation:

	2023 £	2022 £
Profit before taxation	-	20,128,007
Tax calculated at UK rate of 19% (2022: 19%)	-	3,824,321
Factors affecting the tax charge:		
Non-taxable intra-group dividend	-	(3,824,321)
Transfer pricing deemed interest on UK intercompany loans	(468,068)	(304,450)
Group relief surrendered for no payment	468,068	304,450
Total tax expense for the year	<u>-</u>	<u>-</u>

**6. Dividends**

	2023 £	2022 £
Interim dividend paid of £nil per share (2022: £41,591 per share)	<u>-</u>	<u>20,128,007</u>

**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED****Notes to the financial statements for the year ended March 31<sup>st</sup> 2023 (continued)****7. Investments in subsidiaries**

	£
<b>Cost</b>	
At April 1 <sup>st</sup> 2022 and March 31 <sup>st</sup> 2023	163,165,440
<b>Impairment provisions:</b>	
At April 1 <sup>st</sup> 2022 and March 31 <sup>st</sup> 2023	-
<b>Net book value:</b>	
At March 31 <sup>st</sup> 2022	163,165,440
At March 31 <sup>st</sup> 2023	163,165,440

The company holds an investment in 100% of the ordinary share capital of The Economist Newspaper Group Incorporated (ENGI), held at a cost of £163,165,440 (2022: £163,165,440). The company is incorporated in the United States and acts as an investment holding company.

The registered office of The Economist Newspaper Group Incorporated is 900 Third Avenue, New York, NY 10022, USA.

On December 12<sup>th</sup> 2018, the ultimate parent company, The Economist Newspaper Limited (ENL), assigned an inter-company loan of £65,217,108 owed by ENGI to the company for consideration of £65,217,108 left outstanding on inter-company. On the same date, ENGI issued 100 fully-paid ordinary shares of \$1 nominal value each to the company for consideration of £65,217,108 and the company capitalised the value of the loan from ENGI.

On January 14<sup>th</sup> 2020, The Economist Group (Holdings) BV business was liquidated and the investment of 100% of the ordinary share capital held at a cost of £11,311,728 was disposed of.

The company performs an annual review of the recoverable amounts of subsidiary investments. Following this review, the directors are of the opinion that the value of the remaining investments are not impaired.

**8. Amounts due from group undertakings**

	2023 £	2022 £
Amounts due from the ultimate parent company	27,544,121	27,544,121
Amounts due from other group undertakings	1,723,745	1,723,745
	<u>29,267,866</u>	<u>29,267,866</u>

On August 30<sup>th</sup> 2019, The Economist Group BV assigned a loan receivable of £26,134,953 due from The Economist Newspaper Limited to the company.

On liquidation of the The Economist Group (Holdings) BV on January 14<sup>th</sup> 2020, the intercompany balances due to The Economist Group (Holdings) BV were transferred to the company. These balances included £1,408,327 with the ultimate parent company, The Economist Newspaper Limited, £1,703,256 with Ryder Street Properties Limited and £20,489 with The Economist Newspaper (Holdings) Limited.

Amounts due from the ultimate parent company, The Economist Newspaper Limited, and other group undertakings are unsecured, non-interest bearing and are repayable on demand.

**THE ECONOMIST OVERSEAS (HOLDINGS) LIMITED****Notes to the financial statements for the year ended March 31<sup>st</sup> 2023 (continued)****9. Amounts owed to group undertakings**

	2023 £	2022 £
Amounts owed to the ultimate parent company	<u>65,217,108</u>	<u>65,217,108</u>

On December 12<sup>th</sup> 2018, the ultimate parent company, The Economist Newspaper Limited (ENL), assigned an inter-company loan of £65,217,108 owed by ENGI to the company for consideration of £65,217,108, left outstanding on inter-company.

Amounts owed to the ultimate parent company are unsecured, non-interest bearing and are repayable on demand.

**10. Called up share capital**

	2023 £	2022 £
Allotted and fully paid: 508 (2022: 508) ordinary shares of £1 each	<u>508</u>	<u>508</u>

**11. Share premium account**

	2023 £	2022 £
Share premium account	<u>109,259,652</u>	<u>109,259,652</u>

**12. Ultimate parent company and controlling party**

The Economist Newspaper (Holdings) Limited, a company registered in England and Wales, holds 59.84% of the share capital of the company. The Economist Intelligence Unit Limited holds the remaining 40.16% of the share capital of the company. The ultimate parent company and ultimate controlling party is The Economist Newspaper Limited, registered in England and Wales. This is the only company that consolidates these financial statements. The Economist Group Annual report 2023 can be obtained from The Adelphi, 1-11 John Adam Street, London, WC2N 6HT or viewed at [www.economistgroup.com](http://www.economistgroup.com). This is the registered office of the immediate and ultimate parent companies. The Economist Group consists of The Economist Newspaper Limited and its subsidiary undertakings.