

THE ECONOMIST GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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Registered number: 02642807

THE ECONOMIST GROUP LIMITED

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THE ECONOMIST GROUP LIMITED

Directors' Report for the year ended 31 March 2015

The directors present their annual report and audited financial statements of the company for the year ended 31 March 2015.

Principal activities and business review

The company did not actively trade in the year though it receives interest on part of its intercompany loans.

Results and dividends

The profit for the financial year amounted to £3,560 (2014: £3,366), which has been taken to reserves. No interim dividend (2014: £nil) was paid during the year. The directors do not propose that a final dividend be paid (2014: £nil).

Directors

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

C J Stibbs
M J Worthington

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 prepared 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;
- 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 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.

THE ECONOMIST GROUP LIMITED

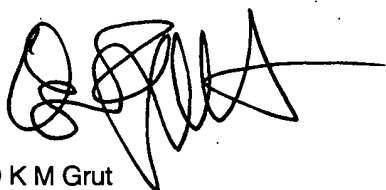
Directors' Report for the year ended 31 March 2015 (continued)

Disclosure of information to auditors

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

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

By order of the Board

A handwritten signature in black ink, appearing to be 'O K M Grut', with a long horizontal line extending to the right.

O K M Grut
Company secretary

16 December 2015

Registered office

25 St. James's Street
London
SW1A 1HG

THE ECONOMIST GROUP LIMITED

Independent auditors' report to the members of The Economist Group Limited

Report on the financial statements

Our opinion

In our opinion, The Economist Group Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit 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 requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

THE ECONOMIST GROUP LIMITED

Independent auditors' report to the members of The Economist Group Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

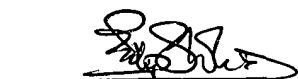
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

16 December 2015

THE ECONOMIST GROUP LIMITED

Profit and loss account for the year ended 31 March 2015

Company registered number: 02642807

	Note	2015 £	2014 £
Interest receivable and similar income	4	3,560	3,366
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>3,560</u>	<u>3,366</u>
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR	10	<u><u>3,560</u></u>	<u><u>3,366</u></u>

The profit reported above relates solely to continuing operations.

There are no recognised gains and losses except for the results reported above and therefore no separate statement of total recognised gains or losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

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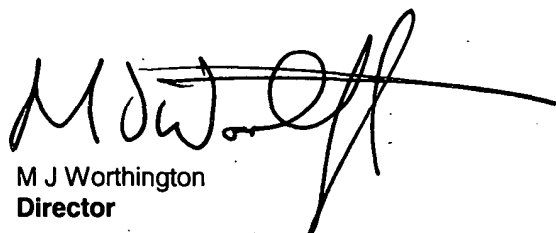
Balance sheet as at 31 March 2015

Company registered number: 02642807

	Note	2015 £	2014 £
FIXED ASSETS			
Investments	6	1,036	-
CURRENT ASSETS			
Debtors	7	68,055,308	68,052,784
TOTAL ASSETS		<u>68,056,344</u>	<u>68,052,784</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>68,056,344</u>	<u>68,052,784</u>
CAPITAL AND RESERVES			
Called up share capital	8	67,479	67,479
Share premium account	9	67,746,908	67,746,908
Profit and loss account	10	<u>241,957</u>	<u>238,397</u>
TOTAL SHAREHOLDERS' FUNDS	11	<u>68,056,344</u>	<u>68,052,784</u>

The financial statements on pages 6 to 10 were approved by the Board of directors on 2015, and were signed on its behalf by:

16 December


M J Worthington
Director

THE ECONOMIST GROUP LIMITED

Notes to the financial statements for the year ended 31 March 2015

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The principal accounting policies, all of which have been applied consistently, are set out below.

(a) Basis of accounting

The financial statements are prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006.

(b) 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.

(c) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(d) Cash flow statement

The company is a wholly owned subsidiary of The Economist Newspaper Limited and the cash flows of the company are included in the consolidated cash flow statement of The Economist Newspaper Limited. Consequently, the company is exempt under the terms of FRS 1 (revised 1996) 'Cash flow statements' from publishing a cash flow statement.

(e) Related party transactions

As the company is a wholly owned subsidiary of The Economist Newspaper Limited, the company has taken advantage of the exemptions contained in FRS 8 'Related party transactions' and has therefore not disclosed transactions or balances with entities which are wholly owned within the Group. There were no other related party transactions in the year (2014: £nil).

2. Profit on ordinary activities before taxation

The audit fee is borne by the ultimate parent company, The Economist Newspaper Limited. The audit fee for the company was £1,000 (2014: £1,000).

3. Staff costs

None of the directors received any emoluments in respect of their services to the company during the year (2014: £nil). The company had no employees during the year (2014: none).

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Notes to the financial statements for the year ended 31 March 2015 (continued)

4. Interest receivable and similar income

	2015 £	2014 £
Interest from amount owed by parent company	<u>3,560</u>	<u>3,366</u>

5. Tax on profit on ordinary activities

Taxation is based on the results for the year and is made up as follows:

<u>Current tax</u>	2015 £	2014 £
UK corporation tax	-	-
Adjustments in respect of prior year	-	-
Total current tax	<u>-</u>	<u>-</u>

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%). Changes to the UK main corporation tax rate from 23% (effective on 1 April 2013), to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. There is no deferred tax charge/credit in the year and no deferred tax balance.

<u>Current tax rate reconciliation</u>	2015 %	2014 %
UK tax rate	21	23
Effect of group relief claimed for no payment	(18,020)	(20,881)
UK transfer pricing adjustment – imputed interest	<u>17,999</u>	<u>20,858</u>
Current tax rate reflected in earnings	<u>-</u>	<u>-</u>

6. Investments

Investment in group company	£
Cost:	
At 1 April 2014	-
Investment	1,036
At March 2015	<u>1,036</u>

On September 4th 2014 the company invested in 1.0% of the ordinary share capital on the incorporation of The Economist Group do Brasil de informacao sobre negocios Ltda, a trading company incorporated in Brazil.

The directors are of the opinion that the value of the investment is not impaired.

7. Debtors

	2015 £	2014 £
Amounts owed by group undertakings	<u>68,055,308</u>	<u>68,052,784</u>

This includes two inter-company loans due from the immediate parent company The Economist Newspaper Limited. An amount of £240,923 bears interest at 1% above the UK base rate and an amount of £67,814,385 is non-interest bearing. Both loans are repayable on demand and are unsecured.

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Notes to the financial statements for the year ended 31 March 2015 (continued)

8. Called up share capital

	2015 £	2014 £
Allotted and fully paid: 67,479 (2014: 67,479) ordinary shares of £1 each	<u>67,479</u>	<u>67,479</u>

9. Share premium account

	£
At 1 April 2014 and 31 March 2015	<u>67,746,908</u>

10. Profit and loss account

	2015 £	2014 £
Balance at 1 April	238,397	235,031
Profit for the financial year	<u>3,560</u>	<u>3,366</u>
Balance at 31 March	<u>241,957</u>	<u>238,397</u>

11. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	68,052,784	68,049,418
Profit for the financial year	<u>3,560</u>	<u>3,366</u>
Closing shareholders' funds	<u>68,056,344</u>	<u>68,052,784</u>

12. Ultimate parent company and controlling party

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 2015 annual report of The Economist Group can be obtained from 25 St. James's Street, London, SW1A 1HG or viewed at www.economistgroup.com. The Economist Group consists of The Economist Newspaper Limited and its subsidiary undertakings.

13. Post balance sheet events

In December 2015, as part of The Economist Group's corporate restructuring activities, the ownership of the company was transferred from The Economist Newspaper Limited to Ryder Street Properties Limited.